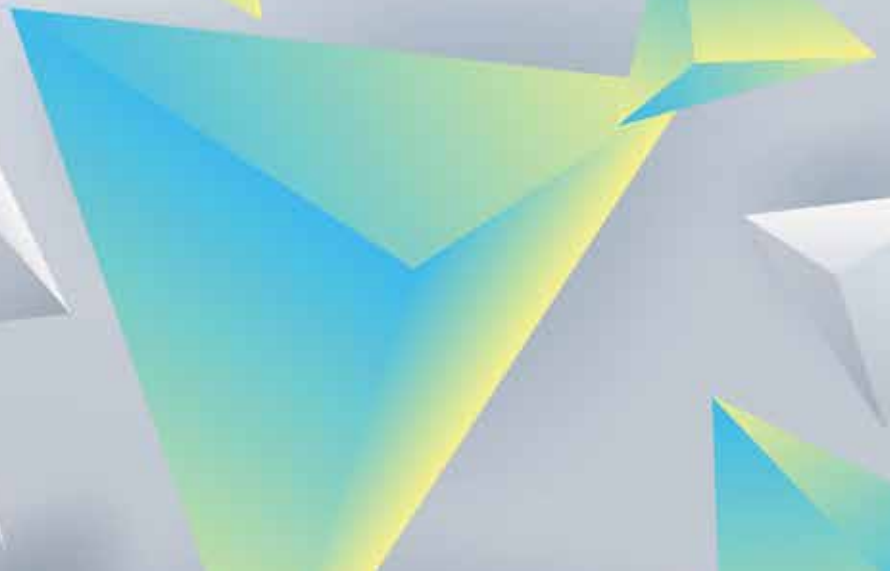




**ENGTEX GROUP BERHAD**  
Company No. : 200101000937(536693-X)

# Nurturing **Growth**, Powering **Progress**

Sustainability Report  
**2024**





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# INTRODUCTION

## *About This Report*

Sustainability is a fundamental aspect of driving long-term success while safeguarding the environment, empowering communities, and fostering ethical business practices. As a prominent provider of piping system components, construction materials and general hardware, Engtex Group Berhad (“Engtex”) embraces its responsibility to integrate environmental, social, and governance (“ESG”) considerations into its operations and strategies. In Engtex, we actively strive to balance economic growth with environmental stewardship and social responsibility, ensuring our business drives positive change for the future.

This Sustainability Report (“Report”) highlights our key initiatives, progress, and challenges as we align with global standards and Malaysia’s sustainable development goals. Our efforts focus on critical areas such as climate resilience, waste management, energy efficiency, employees’ welfare, and sound corporate governance. Through these pillars, we aim to create shared value for stakeholders while minimising environmental impact and strengthening our contributions to society.

Together, we can drive meaningful change and shape a sustainable future. We welcome you to join us on this transformative journey as we strive to create a lasting, positive impact on the world around us. Transparency, accountability, and innovation remain central to our vision as we work towards a more resilient and inclusive tomorrow.



## Reporting Boundaries & Scope

The sustainability information contained in this Report covers the performance of the following Engtex's subsidiaries unless otherwise indicated in the text of this Report.

Business Segment	Product Type	Company Covered in this Report
<b>Manufacturing – Pipes Division</b>	Mild Steel Concrete-lined (“MSCL”) Pipes, Electric Resistance Welded (“ERW”) Pipes, Ductile Iron (“DI”) Pipes, and related pipe fittings	<ul style="list-style-type: none"> <li>- Allpipes Technology Sdn Bhd</li> <li>- Canova Manufacturing Sdn Bhd</li> <li>- Engtex Ductile Iron Pipe Industry Sdn Bhd</li> <li>- Engtex Pipe Industry Sdn Bhd</li> <li>- Engtex Steel Pipe Sdn Bhd</li> </ul>
<b>Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division</b>	Wire mesh, hard drawn wire and steel bars	<ul style="list-style-type: none"> <li>- East Coast Manufacturing Sdn Bhd</li> <li>- EngLen Manufacturing Sdn Bhd</li> <li>- Engtex Metals Sdn Bhd</li> <li>- Engtex Metals (Utara) Sdn Bhd</li> <li>- Engtex Steel Industries Sdn Bhd</li> </ul>
<b>Manufacturing – Others Division</b>	Steel service centre and industrial casting products	<ul style="list-style-type: none"> <li>- Hachita Enterprise Sdn Bhd</li> <li>- LYE Manufacturing Sdn Bhd</li> </ul>
<b>Wholesale and Distribution Division</b>	Pipes, valves and fittings (“PVF”), plumbing materials, construction materials, metal related products, general hardware, hardware products and engineering tools & kitchen equipment	<ul style="list-style-type: none"> <li>- Benton Corporation Sdn Bhd</li> <li>- East Coast Metals Sdn Bhd</li> <li>- Eng Lian Hup Marketing Sdn Bhd</li> <li>- Eng Lian Hup Trading Sdn Bhd</li> <li>- Engtex Ductile Iron Marketing Sdn Bhd</li> <li>- Engtex Industries Sdn Bhd</li> <li>- Engtex Marketing Sdn Bhd</li> <li>- Engtex Metal Products Sdn Bhd</li> <li>- Engtex Sdn Bhd</li> <li>- LYE Marketing Sdn Bhd</li> <li>- Mega Alliance Builder Supplies Sdn Bhd</li> <li>- Wiki Pratama Sdn Bhd</li> </ul>



## Engtex Products



### Ductile Iron ("DI") Pipes

Ductile iron pipe with internal cement mortar lining, external metallic zinc coating and bitumen finishing with spigot and socket Tyton push-in joint and EPDM ring, it is certified by Construction Industry Development Board ("CIDB")'s Certificate of the Standard Compliance ("PPS"). Used for water and sewerage applications.

### Mild Steel Concrete-lined ("MSCL") Pipes and Pipe Fittings

MSCL pipes and pipe fittings with internal cement mortar lining and external bitumen and fibre glass wrap finishing. Used for water and sewerage applications.



### Wire Mesh

Welded wire mesh of low carbon wire (cut-to-size, engineered, and standard mesh) used as reinforcement of concrete structure for construction purposes.

### Electric Resistance Welded ("ERW") Steel Pipes

ERW steel pipes are manufactured to various international standards for various application. It is available for both black and hot-dipped galvanised. For architectural structure, fire sprinkler pipe, handrail pipe, scaffolding pipe, sign post & water transmission pipe.





## Hot Rolled Ribbed Weldable Reinforcement Steel or High Tensile Deformed Bar (“HTDB”)

A type of steel bar that is normally used as a tension device in reinforced concrete and reinforced masonry structures to strengthen and hold the concrete in compression.

The surface of HTDB is often patterned or ribbed to form a better bond with concrete.

It is also accredited in compliance with stringent quality standard MS 146:2014 and are certified by CIDB's Certificate of Standard Compliance (“PPS”).



## Hydrants, Valves, Manhole Covers and Strainers

LYE products comprising valves, joints, strainers, hydrants, manhole covers etc. are accredited by Moody International Certification Ltd for ISO 9001 Quality Management System and are manufactured under stringent quality controls.



## Reporting Period & Cycle

The reporting period of this Report is from 1 January 2024 to 31 December 2024. Our last Sustainability Report 2023 was published in April 2024.

## Reporting Frameworks



Engtex adheres to various sustainability reporting framework and guidelines to ensure accuracy, transparency, accountability, and to mitigate any instances of reporting bias/misinformation. These include:

- Bursa Securities Malaysia Berhad ("Bursa Securities")'s Main Market Listing Requirements on Sustainability Reporting.
- Malaysian Code on Corporate Governance set by the Securities Commission Malaysia ("MCCG").
- Sustainable and Responsible Investment principles as stipulated by the Securities Commission Malaysia.
- Global Reporting Initiative ("GRI") Standards.
- Sustainability Accounting Standards Board ("SASB")
- Value Reporting Foundation.
- Task Force on Climate-related Financial Disclosures ("TCFD").

In relation to sustainability goals, we are aligned with the recommendations published by the Intergovernmental Panel on Climate Change ("IPCC") and United Nations Sustainable Development Goals ("UNSDGs").

## Progressive Statements

Our Report contains progressive statements regarding Engtex's objectives, strategies, plans, and future initiatives that are intertwined with Engtex's business, financial, and non-financial performance. These statements encompass terms such as 'expects', 'targets', 'intends', 'anticipates', 'believes', 'estimates', 'may', 'plans', 'projects', 'should', 'would', and 'will'. It is crucial to note that these statements should not be construed as a guarantee of future operating or financial performance as they may entail potential risks or unforeseen consequences for Engtex. Factors that could lead to actual results differing materially from those in the progressive statements include global, national, and regional economic and social conditions.



## Assurance

The information and performance data presented in this Report have been verified by our Group Internal Audit Department to enhance accuracy. We are dedicated to enhancing processes for standardising data collected across our operations and implementing robust data collection mechanisms to address challenges associated with Engtex's operations in various locations within Malaysia.

The assurance provided by the Group Internal Audit covered part of this Report and focused on the accuracy, completeness and computation of sustainability data collection during the period from 1 January 2024 to 31 December 2024 for the following sustainability indicators:

- Number of employees and contract employee
- Percentage of employees by gender and age by employee category
- Percentage of directors by gender and age
- Percentage of new hire and turnover rate
- Total electricity consumption
- Number of work-related fatalities
- Lost time Incident Frequency Rate ("LTIFR")
- Number of training hours by employees category

The audit provided limited assurance that the sustainability data presented in this Report was consistent with internal records as an information source and was not materially misstated. In addition, the audit provided recommendation to Management to improve the sustainability data collection.

Engtex did not seek external assurance for this reporting period but is considering third-party verification for future reports. This Report was prepared by the Engtex's Group Management Sustainability Committee ("GMSC") and has been reviewed and approved by the Board of Directors.

## Feedback

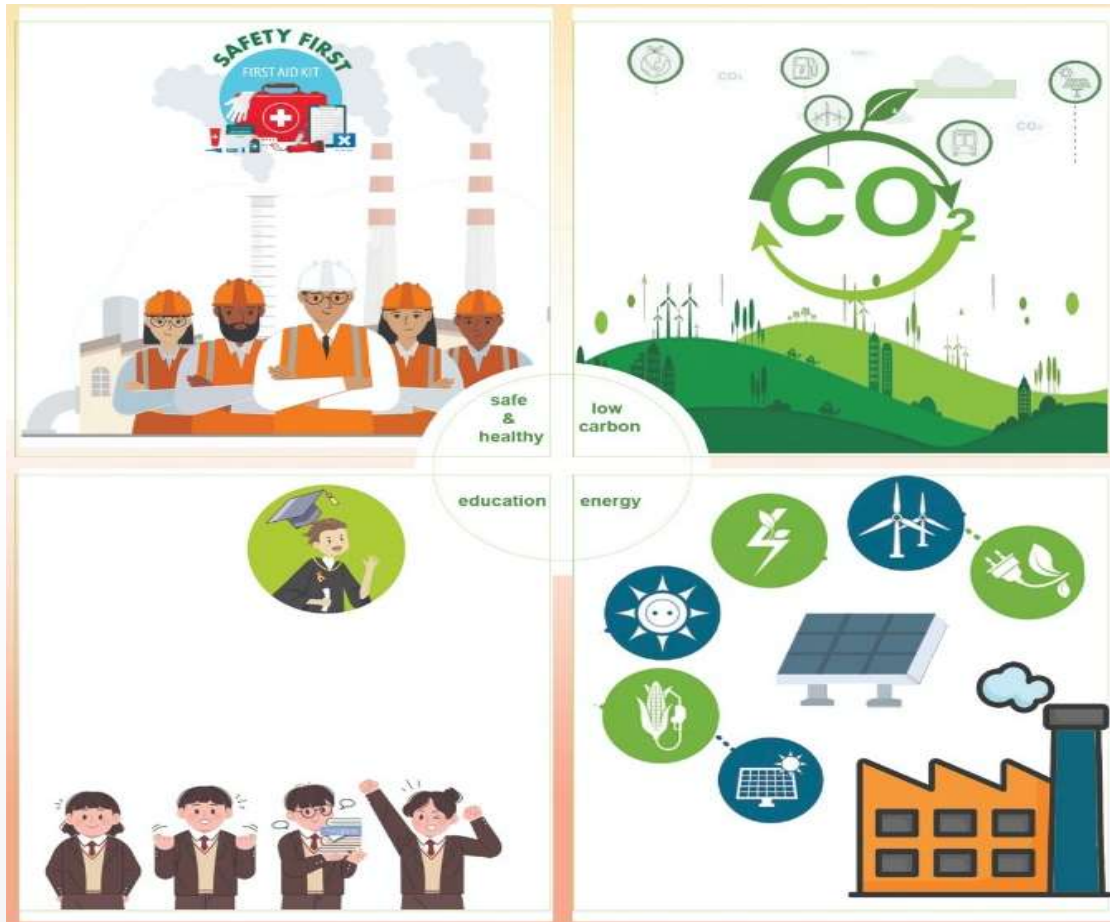
Engtex always value the feedback and views of all or stakeholders to better understand their needs and concerns. As such, as part of our transparency efforts, we encourage all types of inquiries and questions to be forwarded, and we will try our utmost best to review and provide our replies to the best of our abilities. Kindly submit all feedback to:

Ms Ng Koi Lin  
Chief Sustainability Officer, Engtex  
E-mail: [koilin@engtex.com.my](mailto:koilin@engtex.com.my)

# OUR APPROACHES TO SUSTAINABILITY

## *Our Commitment to Sustainability Through Three Key Goals*

Engtex integrates sustainability into its corporate philosophy, driving long-term value and positive ESG impact. Engtex's approach focuses on three key goals: fostering education and gender equality, transitioning to low-carbon sustainable manufacturing, and ensuring a safe, healthy, and dignified workforce. These commitments reflect Engtex's dedication to ethical business practices, environmental stewardship, and social responsibility, reinforcing its role in building a sustainable future.



### **Goal 1: Education and Gender Equality**

Engtex is dedicated to fostering education and gender equality as part of its social responsibility initiatives. Engtex empowers employees through training and development programs, ensuring they thrive in a rapidly evolving industry. Additionally, Engtex supports schools by funding education quality improvements, infrastructure enhancements, and aid for underprivileged students.

Commitment to gender equality is reflected in inclusive hiring practices, leadership development for all genders, and equal career progression opportunities. These efforts are strengthened through continuous stakeholder engagement, promoting fairness and inclusivity across operations.

## **Goal 2: Transitioning to Low-Carbon Sustainable Manufacturing**

Engtex aims to transition to low-carbon sustainable manufacturing by adopting energy-efficient processes and renewable energy to reduce its carbon footprint. Key initiatives include solar energy investments, process optimisation, and sustainable sourcing to minimise environmental impact. Engtex also promotes waste reduction and circular economy principles, aligning production with environmental best practices. Through collaboration with suppliers and industry partners, Engtex drives innovation in sustainable manufacturing while meeting regulatory, investor, and customer expectations.

## **Goal 3: Developing a Safe, Healthy and Dignified Workforce**

The safety, health, and dignity of our workforce remain a top priority at Engtex. Our comprehensive occupational health and safety programs include regular risk assessments, safety drills, and proactive hazard reporting to ensure a secure working environment. Furthermore, we uphold human rights principles by implementing policies against child labour and forced labour, discrimination, and workplace harassment. These measures reinforce our commitment to ethical employment practices, ensuring that every employee experiences a respectful and supportive work environment.

### ***Shaping a Sustainable Future***

By integrating these three goals into our sustainability strategy, Engtex is making significant strides toward a more responsible and resilient business model. Our actions today will define the legacy we leave for future generations, and we remain committed to continuous improvement, stakeholder collaboration, and transparent reporting. Together, we can create a sustainable future where businesses thrive while upholding their social and environmental responsibilities.

## ***Leadership Insight on Our Sustainability Journey***

### ***Employee Well-Being***

#### **Q1: How does Engtex ensure the well-being of its employees in the workplace?**

**A:** Engtex prioritises employee well-being by implementing comprehensive occupational health and safety programs, conducting regular risk assessments, and providing ongoing safety training. Additionally, we facilitate wellness initiatives such as health screenings, and fair employment practices to create a safe and supportive work environment.

#### **Q2: What steps are taken to promote work-life balance for employees?**

**A :** We understand the importance of work-life balance and as a general practice, we discourage persistent overtime and long working hours and promote efficient time management, ensuring all employees have adequate time to rest and recharge. Our commitment to a dignified workplace ensures that employees feel valued and motivated.

#### **Q3: How does Engtex support employee career development?**

**A:** Engtex provides regular learning opportunities through technical training, leadership development programs, and industry certifications. By fostering a culture of growth, we ensure that our employees have the skills and knowledge necessary for career advancement.



## ***Decarbonisation***

### **Q4: What are Engtex's key strategies to achieve decarbonisation?**

**A:** Our decarbonisation strategy includes transitioning to renewable energy, optimising energy efficiency in manufacturing processes, and adopting sustainable sourcing practices. We are also investing in green energy generation that help reduce emissions across our operations and supply chain.

### **Q5: Has Engtex set any specific carbon reduction targets?**

**A:** Yes, we have set realistic carbon reduction targets aligned with industry best practices. Our goal is to gradually lower greenhouse gas emissions through renewable energy adoption, process optimisation, and increased reliance on green technology.

### **Q6: How is Engtex engaging stakeholders in its decarbonisation journey?**

**A:** We actively collaborate with suppliers, customers, and industry partners to promote sustainability initiatives. We also participate in sustainability forums and adhere to global reporting standards such as the TCFD to ensure transparency in our progress.

### **Q7: What is the purpose of installing solar panels at Engtex's facilities?**

**A:** As Malaysia continues its transition toward a more sustainable energy mix, we are taking proactive steps by installing solar panels as part of our renewable energy adoption initiatives. By generating clean energy on-site, we aim to reduce our reliance on grid electricity and contribute to lowering our overall carbon footprint.

### **Q8: How will solar energy benefit Engtex's sustainability goals?**

**A:** Solar energy will significantly contribute to our sustainability objectives by reducing our carbon footprint, lowering electricity consumption from non-renewable sources, and demonstrating leadership in corporate environmental responsibility and climate change.











### **Q9: Are there plans to expand solar energy initiatives to other locations?**

**A:** Yes, we are exploring opportunities to expand our solar panel installations across other facilities based on feasibility studies and energy efficiency assessments. Our long-term plan includes increasing our renewable energy capacity to further support our decarbonisation efforts.



## Alignment With United Nations Sustainable Development Goals (“UNSDGs”)

Engtex aligns its business practices with certain selected relevant UNSDGs through its 3 goals.

Goal	UNSDGs	Achievements	Plans
<b>Goal 1: Fostering Education and Gender Equality</b>	 	<ul style="list-style-type: none"> <li>&gt; 35% female directors</li> <li>&gt; 8,400 training hours in 2024.</li> <li>Practise equal employment opportunities.</li> <li>Prohibit sexual harassment at workplace.</li> </ul>	<ul style="list-style-type: none"> <li>Take in interns to provide training opportunities and work experience for young people.</li> </ul>
<b>Goal 2: Transitioning to Low-Carbon Sustainable Manufacturing</b>	    	<ul style="list-style-type: none"> <li>Installed solar panels at 7 locations as transition to green energy.</li> <li>Increase in waste recycling thereby diverting waste from landfills.</li> <li>Usage of scrap metals as production raw materials and recycled fuel oil for heating purposes, thereby conserving natural resources, contributing to circular economy, and reducing greenhouse gas emissions.</li> <li>Adoption of Electric Arc Furnace as a more energy efficient and lower carbon emission method of steel production.</li> <li>Installed rainwater harvesting facilities to reduce usage of municipal water.</li> </ul>	<ul style="list-style-type: none"> <li>Install solar panels in more locations.</li> <li>Monitor progress in reduction in waste generation and waste diversion from landfill.</li> <li>Conduct energy audits.</li> <li>Monitor reduction in water usage.</li> </ul>
<b>Goal 3: Developing a Safe, Healthy, and Dignified Workforce</b>	  	<ul style="list-style-type: none"> <li>Conducted Fire Safety Trainings for employees.</li> <li>Established Health &amp; Safety Committee to monitor and implement safety protocols encompassing safety procedures and equipment.</li> <li>Achieved zero work related fatality case in past 3 years.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve zero work related fatality case.</li> <li>Reduce LTIFR.</li> </ul>

# GOVERNANCE

## *Sustainability Governance*

Engtex has established a sustainability governance framework, structure, policies and practices to integrate sustainability principles into our operations, decision making and business strategies. Our Board of Directors maintains oversight on all significant sustainability related matters while the GMSC is entrusted to execute sustainability related strategies and initiatives as well as monitoring performance and progresses. The GMSC is headed by our Chief Sustainability Officer and its members consist of senior management personnel. Respective Business Unit Sustainability Committees (“BUSCs”) are formed at the business unit level to undertake their sustainability actions and programmes and report to GMSC regularly.

Our governance framework also encompasses various policies and guidelines aimed at ensuring ethical conduct, transparency and accountability. These includes:

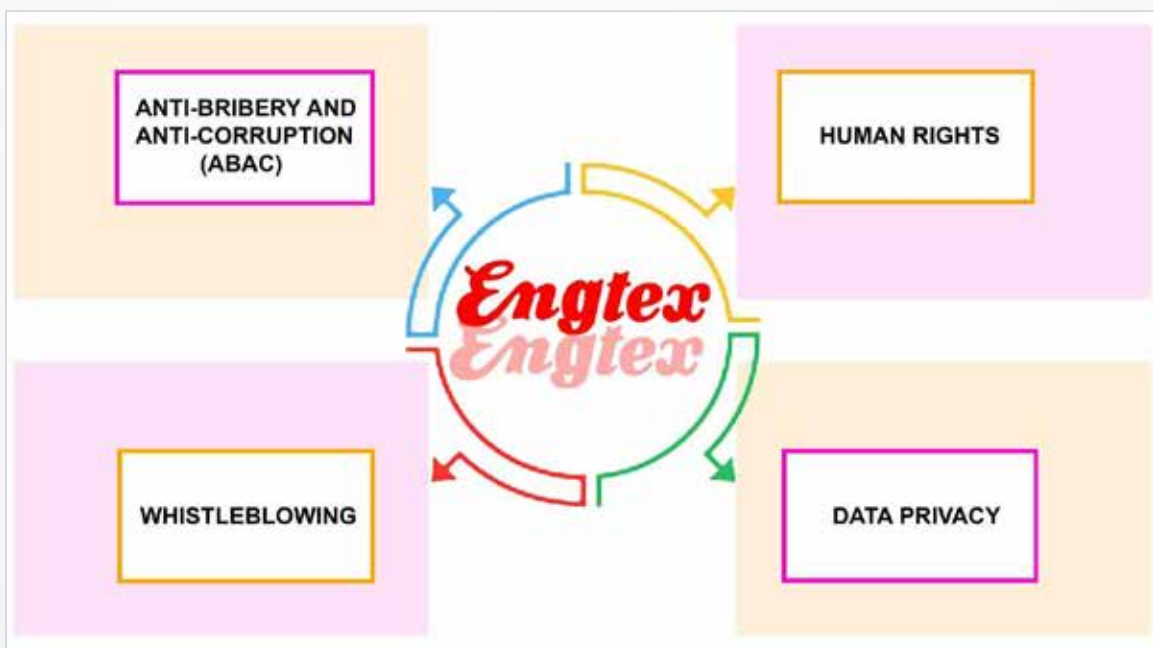
- Board Charter
- Code of Ethics & Conduct
- Sustainability Policy
- Climate Change Policy
- Whistleblowing Policy
- Investor Relations & Communication Policy
- Anti-bribery & Anti-corruption Policy
- Anti-fraud Policy
- Child Labour & Forced Labour Policy
- Diversity & Inclusion Policy
- Succession Planning Policy



## Ethical Business Conduct

Maintaining the highest standards of integrity and ethical business practices is fundamental to long-term success and fostering trusts and confidence from stakeholders in Engtex. This section of the Report outlines key areas of ethical governance, including Anti-Bribery and Anti-Corruption (“ABAC”), whistleblowing, human rights, and data privacy.

Engtex has various policies in place such as the Code of Ethics & Conduct, ABAC Policy, Whistleblowing Policy, relevant provisions in the Group Human Resources Policy and Group IT Policy, all of which constituting the governance framework of the organisation to promote ethical business practices and behaviours.



### Anti-Bribery and Anti-Corruption

Engtex is committed to preventing bribery and corruption, recognising the legal, reputational, and financial risks involved. While a comprehensive ABAC training was conducted for our employees in year 2023, subsequent new employees were briefed on ABAC Policy upon joining Engtex. To further communicate our commitment to ethical business practices, reinforcing our zero-tolerance policy, we have also conducted an ABAC workshop for our business associates in 2024. Our vendors and stakeholders also received ABAC policy briefings to reinforce ethical business practices. Engtex is pleased to report zero case of bribery and corruption case in the past 3 financial years.





## ***Whistleblowing***

Engtex upholds transparency and accountability through a Whistleblowing channel that enables employees and stakeholders to report unethical conduct confidentially without fear of retaliation. Clear reporting channels ensure concerns are addressed promptly, reinforcing a culture of integrity. To strengthen governance, Engtex takes all reports seriously, conducts fair investigations, and promotes awareness, fostering trust and safeguarding its ethical standards and corporate reputation.

We encourage all stakeholders to report such matters in good faith through the designated reporting channels:

Letter	Email
<b>Chairman of the Audit Committee</b> <b>Lot 36, Jalan BRP 9/2B, Putra Industrial Park, Bukit</b> <b>Rahman Putra, 47000 Sungai Buloh</b>	<a href="mailto:whistleblower@engtex.com.my">whistleblower@engtex.com.my</a>

## ***Forced Labour and Child Labour***

Engtex is committed to upholding human rights by ensuring fair and ethical treatment of employees, business partners, and stakeholders. In compliance with Malaysian labour laws, including the Employment Act 1955, Engtex prohibits forced labour, child labour, and workplace discrimination while promoting safe and fair working conditions, fostering an inclusive and respectful work environment.



Engtex integrates human rights into its business and supply chain practices by promoting fair wages, safe workplaces, and reasonable working hours. Regular assessments and training ensure compliance and awareness, reinforcing ethical conduct and a sustainable corporate culture.

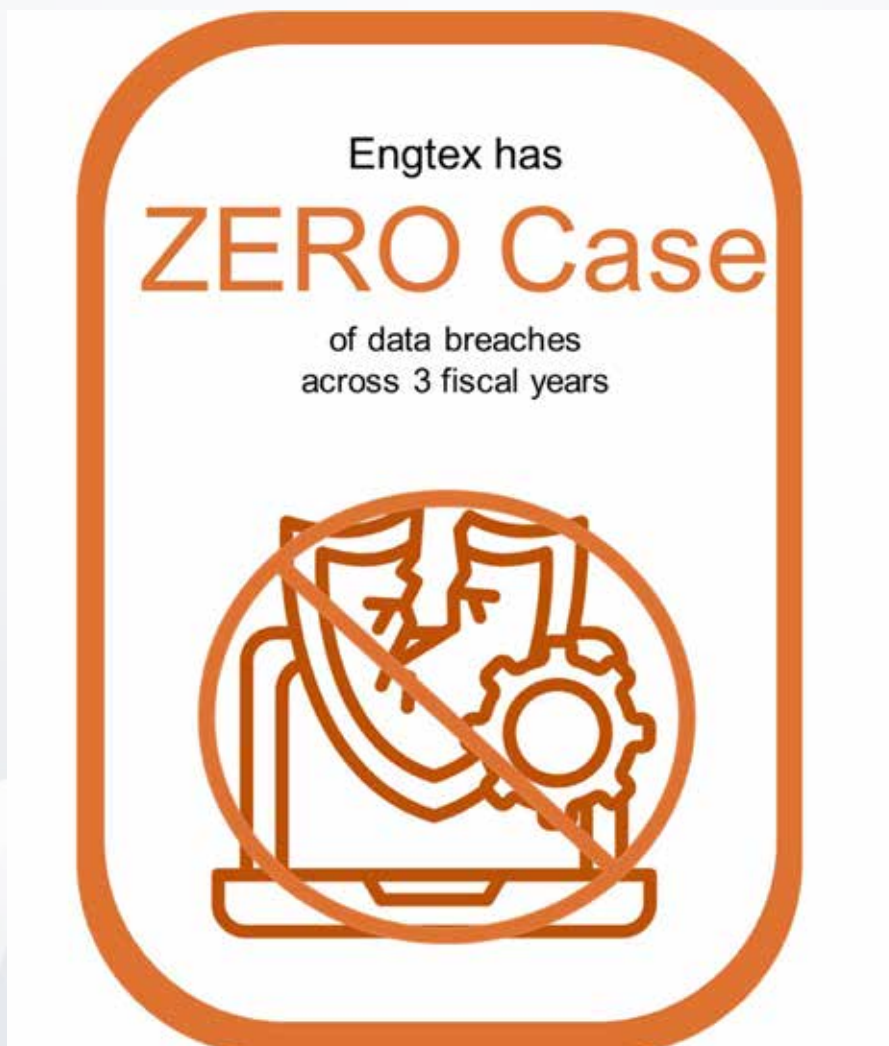


## Data Privacy

Engtex recognises the ever-evolving threats to our data security and privacy and is committed to complying with the Personal Data Protection Act 2010. As part of our Enterprise Risk Management Framework, we have an established in-house Group MIS Department to assess, manage and monitor risks related to data security periodically.


We actively identify and assess security threats and vulnerabilities and implement appropriate mitigation actions accordingly. These include evaluating the cyber resilience of our Cloud Service Providers that are operating within a Tier III – certified data centre in relation to the data security vulnerability, backup and redundancy measures, user access management, Endpoint Security Protection and user risk awareness. We conduct regular awareness trainings and briefings to help internal users recognise common phishing attempts and other threats, creating a culture of security within Engtex and for all our employees personally.




Engtex has recorded zero data breaches over the past three financial years, demonstrating its proactive cybersecurity approach through continuous monitoring, risk assessments, and robust data protection measures to uphold privacy and security standards.





## Certifications

Below are the certifications that Engtex obtained during financial year of 2024, showcasing our achievements on sustainable manufacturing and eco-friendly solutions:

Company	Certification	No.	Product/Models
Engtex Metals Sdn Bhd	<p>SIRIM ECO- LABEL License</p>  <p><b>SIRIM</b> ECO-LABEL</p> <p>License Certified Since <b>13 November 2024</b></p>	1	<b>COLD WORKED STEEL WIRE FOR REINFORCEMENT OF CONCRETE PRODUCTS - RIBBED; PRODUCED AS COIL AND DELIVERED DECOILED</b> GRADE 500 NOMINAL SIZE (mm) = 5, 6, 7, 8, 9, 10, 11, 12
		2	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE - STANDARD FABRIC: SQUARE MESH</b> GRADE B500A SIZE: A63, A98, A142, A193, A252, A318, A393, A475, A565, A664
		3	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE - STANDARD FABRIC: STRUCTURAL MESH</b> GRADE B500A SIZE: B196, B283, B385, B503, B636, B785, B950, B1131, B1328
		4	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE - STANDARD FABRIC: WRAPPING MESH</b> GRADE B500A SIZE: D126, D196, D283, D385, D503, D636, D785, D950, D1131, D1328
		5	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE - STANDARD FABRIC: SQUARE MESH</b> GRADE B500B SIZE: A252, A393, A565
		6	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE - STANDARD FABRIC: STRUCTURAL MESH</b> GRADE B500B SIZE: B503, B785, B1131, B1328
		7	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE - STANDARD FABRIC: WRAPPING MESH</b> GRADE B500B SIZE: D503, D785, D1131
		8	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE - PURPOSE-MADE FABRIC: SM5.3</b> GRADE B500A SIZE: LONGITUDINAL PITCH (mm) = 228.6; TRANSVERSE PITCH (mm) = 253.0
		9	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE- PURPOSE-MADE FABRIC</b> GRADE B500A SIZE: LONGITUDINAL PITCH (mm) = 100 - 200; TRANSVERSE PITCH (mm) = 100 - 200
		10	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE - PURPOSE-MADE FABRIC</b> GRADE B500B SIZE: LONGITUDINAL PITCH (mm) = 100 - 200; TRANSVERSE PITCH (mm) = 100 - 300
		11	<b>COLD WORKED RIBBED WELDABLE REINFORCING STEEL - PRODUCED AND DELIVERED AS COIL</b> GRADE B500A SIZE: NOMINAL SIZE (mm) = 4, 5, 5.3, 6, 6.5, 7, 7.5, 8, 9, 10, 11, 12, 13

Company	Certification	No.	Product/Models
Engtex Metals Sdn Bhd	<p>Green Label Certification (ISO 14024 Type I ECO-Labels)</p>   <p>Issue Date on <b>22 November 2024</b></p>	1	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE</b> STANDARD FABRIC: SQUARE MESH (GRADE B500A / B)
		2	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE</b> STANDARD FABRIC: STRUCTURAL MESH (GRADE B500A / B)
		3	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE</b> STANDARD FABRIC: WRAPPING MESH (GRADE B500A / B)
		4	<b>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE</b> PURPOSE-MADE FABRIC SM5.3 (GRADE B500A)
		5	<b>COLD WORKED STEEL WIRE FOR REINFORCEMENT OF CONCRETE PRODUCTS</b> HARD DRAWN WIRE (GRADE 500)
		6	<b>COLD WORKED STEEL WIRE FOR REINFORCEMENT OF CONCRETE PRODUCTS</b> STEEL BAR (GRADE 500)
		7	<b>COLD WORKED STEEL WIRE RIBBED WELDABLE REINFORCING STEEL</b> HARD DRAWN WIRE (GRADE B500A)
		8	<b>COLD WORKED STEEL WIRE RIBBED WELDABLE REINFORCING STEEL</b> STEEL BAR (GRADE B500A)
Engtex Ductile Iron Pipe Industry Sdn Bhd	<p>SIRIM ECO- LABEL</p>  <p>SIRIM ECO-LABEL</p> <p>License Certified Since <b>8 January 2025</b></p>	1	<b>DUCTILE IRON PIPES</b> CLASS 20 NOMINAL SIZE (DN):1100,1200
		2	<b>DUCTILE IRON PIPES</b> CLASS 25 NOMINAL SIZE (DN): 700, 800, 900, 1000, 1100, 1200
		3	<b>DUCTILE IRON PIPES</b> CLASS 30 NOMINAL SIZE (DN): 350, 400, 450, 500, 600, 700, 800, 900, 1000, 1100, 1200
		4	<b>DUCTILE IRON PIPES</b> CLASS 40 NOMINAL SIZE (DN): 80, 100, 150, 200, 250, 300, 350, 400, 450, 500, 600, 700, 800, 900, 1000, 1100, 1200
		5	<b>DUCTILE IRON PIPES</b> CLASS 50 NOMINAL SIZE (DN): 80, 100, 150, 200, 250, 300, 350, 400, 450, 500, 600, 700, 800, 900, 1000, 1100, 1200
		6	<b>DUCTILE IRON PIPES</b> CLASS 64 NOMINAL SIZE (DN): 80, 100, 150, 200, 250, 300, 350, 400, 450, 500, 600, 700, 800
		7	<b>DUCTILE IRON PIPES</b> CLASS 100 NOMINAL SIZE (DN): 80, 100, 150, 200, 250, 300, 350, 400, 450, 500, 600



Company	Certification	No.	Product/Models
Engtex Ductile Iron Pipe Industry Sdn Bhd	<p>SIRIM ECO- LABEL</p>  <p>SIRIM ECO-LABEL</p> <p>Certified Since <b>8 January 2025</b></p>	8	<b>DUCTILE IRON PIPES</b> CLASS K9 NOMINAL SIZE (DN):80,100,150,200,250, 300,350,400,450,500,600,700,800,900,1000, 1100,1200
		9	<b>DUCTILE IRON PIPES</b> CLASS 40 NOMINAL SIZE (DN): 80,100,150,200, 250,300,350,400
		10	<b>DUCTILE IRON PIPES</b> CLASS Pressure Pipes NOMINAL SIZE (DN):80,100, 150,200,250,300,350,400,450,500,600,700,800,900,1000, 1100,1200
		11	<b>DUCTILE IRON PIPES</b> CLASS C20 NOMINAL SIZE (DN): 700,800,900,1000, 1100,1200
		12	<b>DUCTILE IRON PIPES</b> CLASS C25 NOMINAL SIZE (DN): 350,400,450,500,600,700, 800,900,1000, 1100,1200
		13	<b>DUCTILE IRON PIPES</b> CLASS C30 NOMINAL SIZE (DN): 300,350,400,450,500,600, 700,800,900,1000, 1100,1200
		14	<b>DUCTILE IRON PIPES</b> CLASS C40 NOMINAL SIZE (DN): 80,100,150,200,250,300,350, 400,450,500,600,700,800,900,1000, 1100,1200
		15	<b>DUCTILE IRON PIPES</b> CLASS C50 NOMINAL SIZE (DN): 80,100,150,200,250,300, 350,400,450,500,600,700,800,900,1000, 1100
		16	<b>DUCTILE IRON PIPES</b> CLASS C64 NOMINAL SIZE (DN): 80,100,150,200,250,300,350, 400,450,500,600,700,800,900
		17	<b>DUCTILE IRON PIPES</b> CLASS C100 NOMINAL SIZE (DN): 80,100,150,200,250,300, 350,400,450,500,600,700
Allpipes Technology Sdn Bhd	<p>Green Label Certification (ISO 14024 Type I ECO- Labels)</p>  <p>Issue Date on <b>22 November 2024</b></p>	1	<b>ELECTRIC WELDED (EW) STEEL PIPES FOR WATER AND SEWAGE STEEL PIPE</b> ; STEEL NAME: L275, EXTERNAL COATING: BITUMEN, INTERNAL LINING: CONCRETE
		2	<b>SUBMERGED ARC WELDED (SAW) STEEL PIPES FOR WATER AND SEWAGE STEEL PIPE</b> ; STEEL NAME: L275, EXTERNAL COATING: BITUMEN, INTERNAL LINING: CONCRETE
		3	<b>SUBMERGED ARC WELDED (SAW) STEEL FITTINGS FOR WATER AND SEWAGE GUSSETED BEND, TEE</b> ; STEEL NAME: L275, EXTERNAL COATING: BITUMEN, INTERNAL LINING: CONCRETE
		4	<b>ELECTRIC WELDED (EW) STEEL PIPES FOR WATER AND SEWAGE GUSSETED BEND, TEE</b> ; STEEL NAME: L275, EXTERNAL COATING: BITUMEN, INTERNAL LINING: CONCRETE







## Stakeholder Engagement

Engaging with stakeholders is essential for driving sustainable growth and addressing key ESG matters. In 2024, efforts were strengthened to maintain open communication with various stakeholder groups, ensuring their expectations and concerns are considered in decision-making.

Regular dialogues, feedback sessions, and industry collaborations were conducted with employees, customers, investors, regulators, and the wider community. These engagements help align sustainability initiatives with stakeholder needs while fostering transparency and trust. Moving forward, the approach to stakeholder engagement will continue to evolve, promoting greater collaboration and long-term positive impact.

Stakeholder Group	Interaction Mode	Frequency	Key Concerns	Resolution Strategies
<b>Customers</b> 	Awareness campaigns, direct communication, promotions, product exhibitions	Continuous	Product reliability, delivery delays, pricing, customer satisfaction	Quality control, competitive pricing, assurance initiatives, after sales service
<b>Media</b> 	Print & digital platforms, press briefings	Continuous	Corporate performance, public misconceptions	Media engagement, public statements, communication campaigns
<b>Employees</b> 	Workshops, trainings, performance reviews	Continuous	Job security, benefits, workplace safety	Employee engagement, safety initiatives, training programmes
<b>Vendors &amp; Suppliers</b> 	Performance assessments, compliance training	Continuous	Regulatory compliance, pricing, cost-effectiveness, worker safety	Safety audits, ongoing communication, environmental & safety policies
<b>Investors &amp; Financiers</b> 	Reports, meetings, financial briefings	Continuous	Regulatory compliance, financial sustainability, risk management	Regular reporting, strategic engagements, diversified offerings, corporate websites
<b>Industry Associations</b> 	Advocacy, collaboration, surveys	Continuous	Material costs, regulatory impacts, policy changes	Procurement innovations, industry collaboration for favourable policies



Stakeholder Group	Interaction Mode	Frequency	Key Concerns	Resolution Strategies
<b>Business Partners</b> 	Meetings, contract discussions, evaluations	Ad hoc	Financial transactions, contracts, ethical practices	Audits, digital procurement, performance benchmarking
<b>General Public</b> 	Public forums, outreach programmes	Ad hoc	Environmental impact	Conservation efforts, transparent reporting
<b>Governments &amp; Regulators</b> 	Compliance monitoring, consultations	Continuous	Customer protection, regulatory adherence	Regular compliance checks, legal assessments
<b>NGOs</b> 	Meetings, collaborations	Ad hoc	Sustainability, human rights, community impact	CSR programmes, waste separation awareness, environmental initiatives

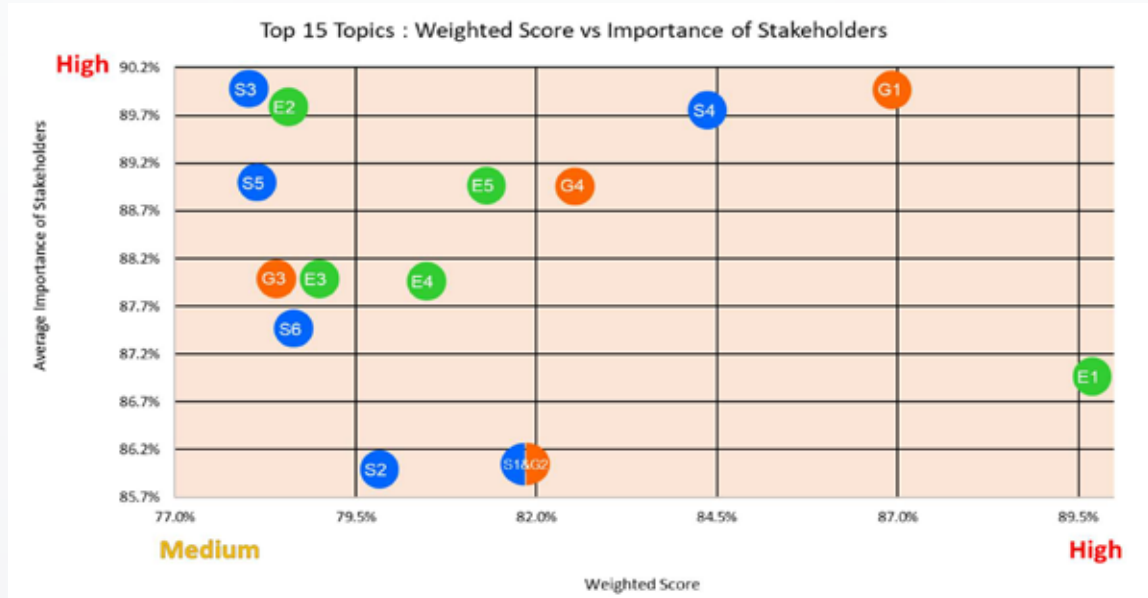
## Customer Satisfaction Survey

The customer satisfaction survey conducted by Engtex revealed generally positive feedback, with an overall average satisfaction score of 84.7% across 387 respondents. Most scores clustered within a moderate to high range. Overall, the survey suggests customers are largely satisfied.

## Materiality Matrix

At Engtex, we conduct materiality assessments to identify and address key sustainability factors that impact our business operations and stakeholders. This structured approach enables us to proactively manage risks, leverage opportunities, and align with Bursa Securities Sustainability Reporting Guidelines, IFRS S1 & S2, TCFD, GRI Standards, and SASB. By refining our materiality assessment, we ensure greater transparency, regulatory compliance, and long-term sustainability.

The chart below highlights the core material issues that Engtex will prioritise.



Environmental (E) Factors			
	Topic	Weighted Score	Priority Level
E1	Energy Management & Efficiency	8.98	High
E2	Water & Effluents Management	7.86	Medium
E3	Emission & Pollution Control	7.89	Medium
E4	Effluents & Waste Management	8.05	High
E5	Environmental Compliance	8.13	High
Social (S) Factors			
	Topic	Weighted Score	Priority Level
S1	Employment & Local Hiring	8.19	High
S2	Training & Education	7.98	Medium
S3	Occupational Health & Safety	7.8	High
S4	Child Labour Prohibition	8.44	High
S5	Forced or Compulsory Labour Prohibition	7.81	High
S6	Human Rights & Worker Welfare (Expanded)	7.86	High
Governance (G) Factors			
	Topic	Weighted Score	Priority Level
G1	Anti-Corruption & Business Ethics	8.69	High
G2	Ethical Raw Material Sourcing & Supply Chain Transparency	8.19	High
G3	Security Practices & Workplace Safety	8.25	Medium
G4	Procurement Practices & Support for Local Economy	8.06	Medium

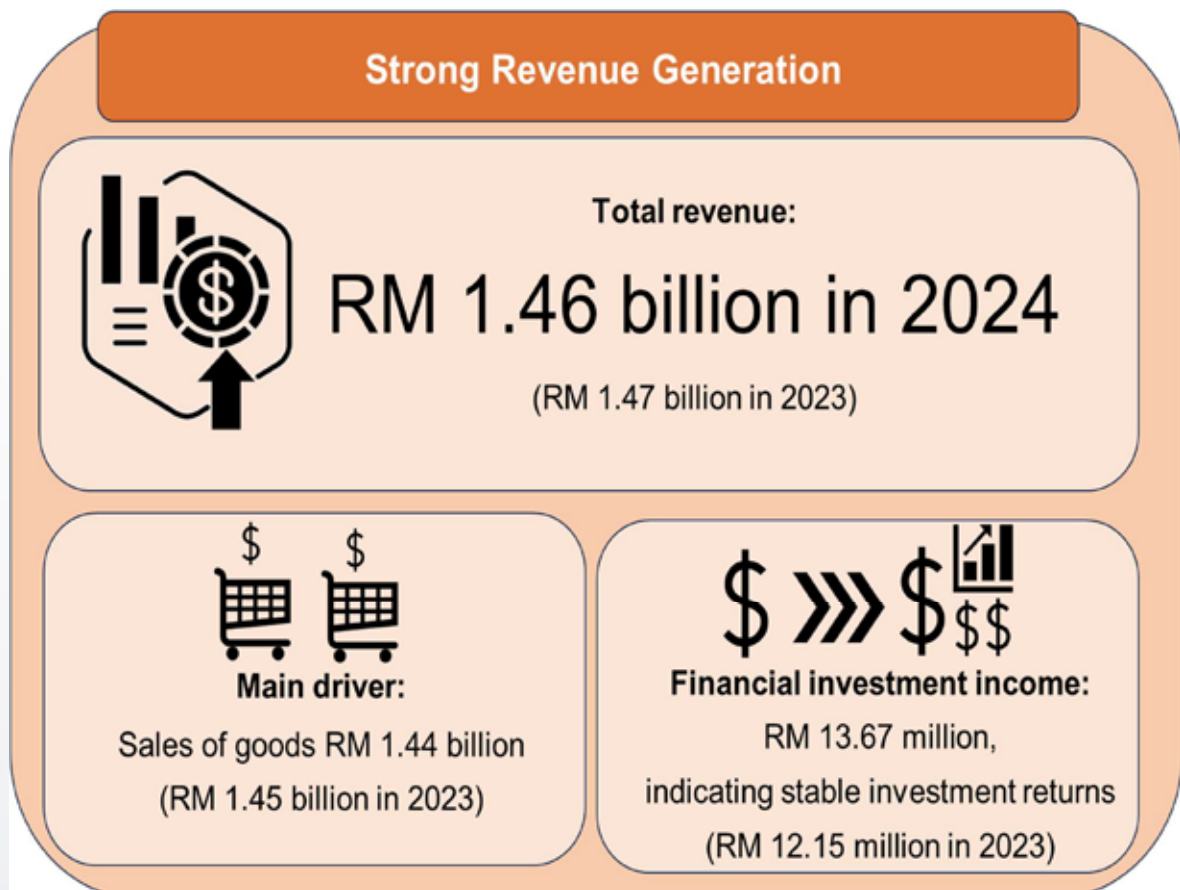


## OUR IMPACT ON LOCAL ECONOMY

Engtex plays a vital role in supporting the local economy through its business operations, job creation, and partnerships with local suppliers and service providers. As a key player in the distribution and manufacturing industry, Engtex contributes to economic growth by generating employment opportunities across various skill levels and providing stable livelihoods for its workforce. Engtex has delivered 903 km in length of water and sewage pipes in 2024.

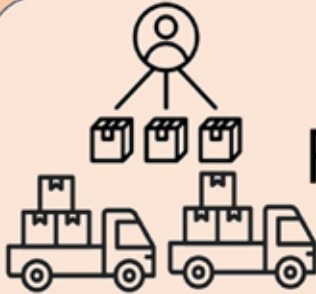
By prioritising local hiring, Engtex strengthens the economic resilience of communities and ensures that its success is shared with the people it serves.

### ***Key Highlights of Economic Value Generated & Distributed (2024 vs Previous Years)***





## Significant Contributions to the Local Economy



### Suppliers & contractors:

**RM 1.34 billion spent**

supporting local businesses and industries.

(RM 1.35 billion in 2023)



### Employee salaries & benefits:

RM 85.66 million, ensuring job creation and economic stability

(RM 84.48 million in 2023)



### Government taxes:

RM 10.52 million contributing to public infrastructure and services.

(RM 7.07 million in 2023)

## Reduced Economic Value Retained

### Retained value dropped to :

**RM 13.19 million in 2024**

(down from RM 19.43 million in 2023)





Economic value generated and distributed				
	Stakeholder	2024	2023	2022
		RM'000	RM'000	RM'000
<b>Direct Revenue Generated</b>				
<b>Revenues from:</b>				
<b>Sales of goods</b>		1,440,337	1,450,614	1,428,940
<b>Financial investment</b>		13,667	12,151	7,431
<b>Other operating income</b>		3,452	4,677	2,732
<b>(Net sales plus revenues from financial investments and sale of goods)</b>		1,457,456	1,467,442	1,439,103
<b>Economic value distributed</b>				
<b>Operating cost</b>	Suppliers and contractors	(1,341,363)	(1,349,465)	(1,298,877)
<b>Salaries and benefits</b>	Employees	(85,657)	(84,483)	(78,545)
<b>Payments to providers of capital</b>	Shareholders and investors	(6,726)	(6,989)	(10,225)
<b>Taxes</b>	Government authorities	(10,523)	(7,071)	(12,231)
<b>Community investment</b>	Local Communities			
<b>Economic value distributed</b>		(1,444,269)	(1,448,008)	(1,399,878)
<b>Economic value retained</b>		13,187	19,434	39,225

#### Excerpts from Analysis

- *“Engtex plays a critical role in the local economy by injecting over RM 1.34 billion into the supply chain, sustaining business operations and employment.”*
- *“The year-on-year decline in economic value retained was in tandem with the decline in revenue generated and increased reinvestment into operations and payment of taxes”*
- *“Tax contributions of RM 10.52 million demonstrate corporate responsibility in supporting national development.”*

## Prioritising Local Procurement

Engtex supports local economic growth by prioritising domestic suppliers for raw materials, products, and services, providing small and medium-sized enterprises with stable demand and growth opportunities. This approach strengthens industry networks, enhances financial resilience, and encourages innovation, quality improvements, and sustainable business practices.

Year	Local Purchases (RM'000)	Foreign Purchases (RM'000)	Total Procurement (RM'000)	Percentage of Local Purchase by value
2022	1,332,879	382,372	1,715,251	77.7%
2023	1,330,808	401,971	1,732,779	76.8%
2024	1,319,300	255,895	1,575,195	83.8%

## Our Contribution to the Local Communities

In 2024, Engtex contributed RM93,500 to around 20 beneficiary organisations, reinforcing its commitment to corporate social responsibility. These contributions supported education, welfare programs, and environmental sustainability, promoting both economic growth and social well-being.

Beyond financial support, Engtex engages in community initiatives, volunteer activities, and partnerships to empower underprivileged groups. Through these efforts, Engtex continues to drive long-term positive change and uphold its role as a responsible corporate citizen.







### Contribution in Conjunction with Hari Raya Aidilfitri Celebration



### Gotong Royong Balairaya Ijok



### Ijok Landmark Contribution









## GOAL 1: EDUCATION AND GENDER EQUALITY

Engtex is committed to workplace inclusivity and equality, aligning with **UNSDG 5: Gender Equality**. Engtex values diversity, ensuring equal opportunities for all employees regardless of gender, age, ethnicity, or background, fostering a supportive and empowering work environment.

Through fair policies and inclusive practices, Engtex promotes respect, career growth, and innovation, strengthening workplace equality and long-term success.

Engtex also prioritises employee well-being, safety, training, and community engagement. In 2024, Engtex invested in training and well-being initiatives, while actively supporting local communities through donations, volunteer work, and partnerships. By championing diversity and fair labour practices, Engtex upholds its role as a responsible corporate citizen, driving social impact and sustainable growth.



## GOAL 1: EDUCATION AND GENDER EQUALITY





*Engtex*



ecycle  
solar  
w  
carbon  
educ  
reuse



## GOAL 2: TRANSITIONING TO LOW CARBON SUSTAINABLE MANUFACTURING

Engtex is committed to low-carbon, sustainable manufacturing, integrating climate risk management and sustainability-related financial disclosures in line with IFRS S1 and S2. By embedding low-carbon principles into its business strategy, Engtex fosters environmental responsibility, drives product innovation, and invests in research and development (“R&D”) to develop eco-friendly solutions that meet customer needs while minimising environmental impact.

With Greenhouse Gas (“GHG”) emissions at record levels, Engtex is dedicated to achieving carbon neutrality by 2050 through emission reductions, climate adaptation, and regulatory compliance. To strengthen climate governance, the company has established the GMSC, led by the Chief Sustainability Officer, with oversight from the Board of Directors.



By leveraging advanced technologies and sustainable materials, Engtex enhances resource efficiency, reduces emissions, and ensures transparent sustainability reporting. Through strategic innovation and responsible business practices, Engtex not only mitigates climate risks but also drives growth, competitiveness, and long-term sustainability.








## **Task Force on Climate-related Financial Disclosures (“TCFD”)**

Engtex aligns with the TCFD, IFRS S1 and S2 involving the implementation of its framework across 4 main pillars (Governance, Strategy, Risk Management and Metrics & Targets):

Key Area	Engtex's Approach
<p>Governing Climate-related Risks and Strategy</p> 	<p>Engtex complies with the requirements of Bursa's Main Market Listing Requirements and MCCG. Our governance structure incorporated the following practices as required by the MCCG:</p> <ul style="list-style-type: none"> <li>• Practice 4.1: The Board of Directors maintain overall oversight of the sustainability strategies and initiatives and via the GMSC headed by the Chief Sustainability Officer implement these strategies throughout the organisation. The GMSC ensures sustainability considerations are embedded into every level of the organisation in order to achieve goals and targets.</li> <li>• Practice 4.2: The GMSC regularly communicate its sustainability strategies, objectives and targets to stakeholders via direct engagements, surveys, sharing updates, and publishing annual sustainability reports.</li> <li>• Practice 4.3: The members of the GMSC regularly attend sustainability related seminars and trainings a keep abreast of new development on regulatory requirements, ESG related methodologies, risks and opportunities and advise the Board of Directors accordingly.</li> <li>• Practice 4.4: Engtex has incorporated the ability to address ESG related matters as criteria for performance evaluation of its business units and the management teams.</li> <li>• Practice 4.5: The Board of Directors has designated Ms Ng Koi Lin who is an Executive Directors and Chief Sustainability Officer to head the GMSC to manage the sustainability function of Engtex.</li> </ul>
<p>Strategy</p> 	<ul style="list-style-type: none"> <li>• Decarbonisation plan to reduce its impact on climate and strives to achieve carbon neutral by year 2050.</li> <li>• Regularly review the impacts of climate change on its operations and its employees.</li> <li>• Explore, plan and implement mitigating and adaptive measures against these impacts.</li> <li>• Working with industry associations and governmental agencies to improve resilience against climate change.</li> </ul>

Key Area	Engtex's Approach																									
<div>Risk Management</div> <div></div>	<div><ul style="list-style-type: none"><li>Our GMSC has conducted a climate-related risk assessment on our significant business locations with reference to several scenarios prescribed by the IPCC (AR6) and Shared Scenario Pathway (SSP), particularly SSP5 – 8.5:</li></ul></div> <div><table><tr><th>Effects of Climate change</th><th>2021-2040 Short-term</th><th>2041-2060 Medium-term</th><th>2061-2100 Long-term</th></tr><tr><td>Rising Sea Level</td><td>0.16m</td><td>0.31m</td><td>0.82m</td></tr><tr><td>Rising Mean Temperature</td><td>2°C</td><td>2.7°C</td><td>4.7°C</td></tr><tr><td>One-Day Precipitation</td><td>4.2%</td><td>9%</td><td>22.3%</td></tr></table></div> <div><p>We reviewed our 13 significant business locations:</p><ul style="list-style-type: none"><li>Distance from coast – all locations are at least 1.5KM from the coast, 7 are less than 10KM and 6 are more than 10KM.</li><li>Land elevation above current sea level – all are at least 2m, 4 are below 10m and 9 are more than 10m.</li><li>2 locations which experienced flood in the recent 10 years had their drainage system improved.</li><li>We assessed and concluded that the risks from:<ul style="list-style-type: none"><li>Rising sea level (flood, erosion and inundation) – <b>Moderate</b> due to the relatively comfortable distances from coast and are sitting on higher land elevation with option of relocations when necessary.</li><li>Rising mean temperature (extreme heat) – <b>Moderate</b> as there are potentials for better cooling and ventilation systems through technology and innovation.</li><li>One-day precipitation (extreme rainfall and flood) – <b>Low</b> as the locations have not been prone to river flood due to extreme rainfall. However, other factors may increase the risk of flood caused by surrounding development and deteriorating drainage which are not directly link to climate change.</li></ul></li></ul></div>	Effects of Climate change	2021-2040 Short-term	2041-2060 Medium-term	2061-2100 Long-term	Rising Sea Level	0.16m	0.31m	0.82m	Rising Mean Temperature	2°C	2.7°C	4.7°C	One-Day Precipitation	4.2%	9%	22.3%									
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<div>Metrics and Targets</div> <div><p>For the purposes of reducing our impact on climate change, our present focus is mainly on Scope 1 and Scope 2 emissions due to the comprehensive data collected as shown in the table below: -</p><div></div></div> <div><table><tr><th>Division</th><th>FY2022 (t/CO2e)</th><th>FY2023* (t/CO2e)</th><th>FY2024 (t/CO2e)</th><th>FY2030# (Target) (t/CO2e)</th></tr><tr><td>Manufacturing - Pipes Division</td><td>20,211</td><td>26,194</td><td>22,733</td><td>19,646</td></tr><tr><td>Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division</td><td>13,766</td><td>21,710</td><td>16,978</td><td>16,283</td></tr><tr><td>Manufacturing - Others Division</td><td>1,543</td><td>1,726</td><td>1,566</td><td>1,295</td></tr><tr><td>Wholesale and Distribution Division</td><td>1,067</td><td>1,409</td><td>1,833</td><td>1,057</td></tr></table></div>		Division	FY2022 (t/CO2e)	FY2023* (t/CO2e)	FY2024 (t/CO2e)	FY2030# (Target) (t/CO2e)	Manufacturing - Pipes Division	20,211	26,194	22,733	19,646	Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division	13,766	21,710	16,978	16,283	Manufacturing - Others Division	1,543	1,726	1,566	1,295	Wholesale and Distribution Division	1,067	1,409	1,833	1,057
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Wholesale and Distribution Division	1,067	1,409	1,833	1,057																						



Key Area	Engtex's Approach			
Metrics and Targets				
Emission Intensity Target:				
Division	FY2022 (t/CO2e/MT)	FY2023* (t/CO2e/MT)	FY2024 (t/CO2e/MT)	FY2030# (Target) (t/CO2e/MT)
Manufacturing - Pipes Division	N/A	0.33	0.27	0.25
Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division	N/A	0.14	0.12	0.11
Manufacturing - Others Division	N/A	0.06	0.09	0.05
* Selected as base year.				
# Target 25% reduction by FY 2030				

## Physical And Transition Risk for Engtex



Engtex recognises that climate change poses significant challenges that can affect its operations, financial stability, and long-term sustainability. These challenges can be categorised into **physical risks** and **transition risks**:


	Risk Type	Potential Financial Risks	Potential Financial Opportunities
TRANSITION RISKS	<b>Policy &amp; Legal</b> (increasing requirements on climate-related reporting, carbon footprint/lifecycle of products, resources efficiency; carbon pricing mechanism)	<ul style="list-style-type: none"> <li>Compliance and reporting expenses</li> <li>Carbon tax on certain operations with high energy consumption.</li> <li>Decrease in demand for products with high carbon footprint.</li> </ul>	Increase demand for products with lower carbon footprint or with green labels.
	<b>Technology</b> (transition to lower emission)	<ul style="list-style-type: none"> <li>Capital expenditure on low emission technology.</li> <li>Training expenses on employee training on new technology.</li> <li>Asset impairment on retiring assets.</li> </ul>	<ul style="list-style-type: none"> <li>Increase demand for products with lower carbon footprint or with green labels.</li> <li>Improve reputation.</li> <li>Use of more efficient transportation.</li> </ul>
	<b>Market</b> (demand for low emission products, increase of raw material and energy prices)	<ul style="list-style-type: none"> <li>Decrease in demand for products with high carbon footprint.</li> <li>Increase in production costs.</li> </ul>	<ul style="list-style-type: none"> <li>Increase demand for products with lower carbon footprint or with green labels.</li> <li>Improve reputation.</li> </ul>
	<b>Reputation</b> (increase scrutiny on emissions by stakeholders)	<ul style="list-style-type: none"> <li>Decrease in demand for products with high carbon footprint.</li> <li>Higher borrowing costs.</li> </ul>	<ul style="list-style-type: none"> <li>Increase demand for products with lower carbon footprint or with green labels.</li> <li>Lower borrowing costs.</li> </ul>

	Risk Type	Potential Financial Risks	Potential Financial Opportunities
PHYSICAL RISKS	<b>Acute</b> (extreme weather such as flood, strong wind, landslides, drought etc.)	<ul style="list-style-type: none"> <li>Cost to repair/replace damaged assets.</li> <li>Loss production time and idle employees.</li> <li>Employees absenteeism and supply-chain disruption.</li> <li>Higher insurance costs.</li> </ul>	Increased demand for products to replace items damaged by extreme weather events
	<b>Chronic</b> (rising sea level, mean temperature, precipitation etc.)	<ul style="list-style-type: none"> <li>Reduced productivity.</li> <li>Relocation costs.</li> <li>Higher insurance costs</li> <li>Higher energy expenses due to higher consumption and prices.</li> </ul>	Increased demand for products to replace items damaged by extreme weather events or to mitigate against or adapt to climate change.

### Engtex Carbon Reduction Initiatives and Climate Change

The table below outlines the current and future carbon reduction initiatives across different divisions and departments within Engtex:

Division	Department	Present Initiatives	Mid-Term and Long-Term Initiatives
<b>Pipes</b> 	Production	<ul style="list-style-type: none"> <li>Implementing energy-efficient technologies in manufacturing processes.</li> <li>Conducting regular energy audits to identify potential improvements.</li> <li>Increasing the use of recycled materials in production.</li> <li>Promoting waste segregation and recycling to divert wastes from landfill.</li> <li>Installed rainwater harvesting system to reduce usage of treated water.</li> <li>Installing solar panels to reduce usage of electricity generated using non-renewable fuel.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing circular economy principles to minimise waste and maximise resource efficiency.</li> <li>Promoting a reduction in carbon emissions for Scope 2.</li> </ul>
<b>Wire Mesh, Hard Drawn Wire and Steel Bars</b> 	Production	<ul style="list-style-type: none"> <li>Investigating sustainable energy options to power production facilities.</li> <li>Enhancing transportation networks to minimise logistics-related emissions.</li> <li>Allocating resources to innovation and research for eco-friendly manufacturing techniques.</li> <li>Promoting waste segregation and recycling to divert wastes from landfill.</li> <li>Installed rainwater harvesting system to reduce usage of treated water.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing goals to lower carbon intensity per production unit over the next ten years.</li> <li>Identifying potential carbon offset initiatives to balance unavoidable emissions.</li> </ul>

Division	Department	Present Initiatives	Mid-Term and Long-Term Initiatives
		<ul style="list-style-type: none"> <li>Installing solar panels to reduce usage of electricity generated using non-renewable fuel.</li> </ul>	
<b>Wholesale and Distribution</b> 	Supply Chain	<ul style="list-style-type: none"> <li>Collaborating with logistics partners to enhance transportation efficiency and minimise the carbon footprint.</li> <li>Promoting waste segregation and recycling to divert wastes from landfill.</li> <li>Converting to energy-saving lighting system in office.</li> <li>Installing solar panels to reduce usage of electricity generated using non-renewable fuel.</li> </ul>	<ul style="list-style-type: none"> <li>Allocating resources to community-driven carbon reduction initiatives to support wider emission-cutting efforts.</li> </ul>

Overall, Engtex is actively pursuing carbon reduction strategies across its divisions, recognising the importance of sustainability and environmental stewardship. By implementing these initiatives, Engtex aims to mitigate its carbon footprint, contribute to broader emission reduction efforts, and ultimately work towards achieving carbon neutrality by 2050.

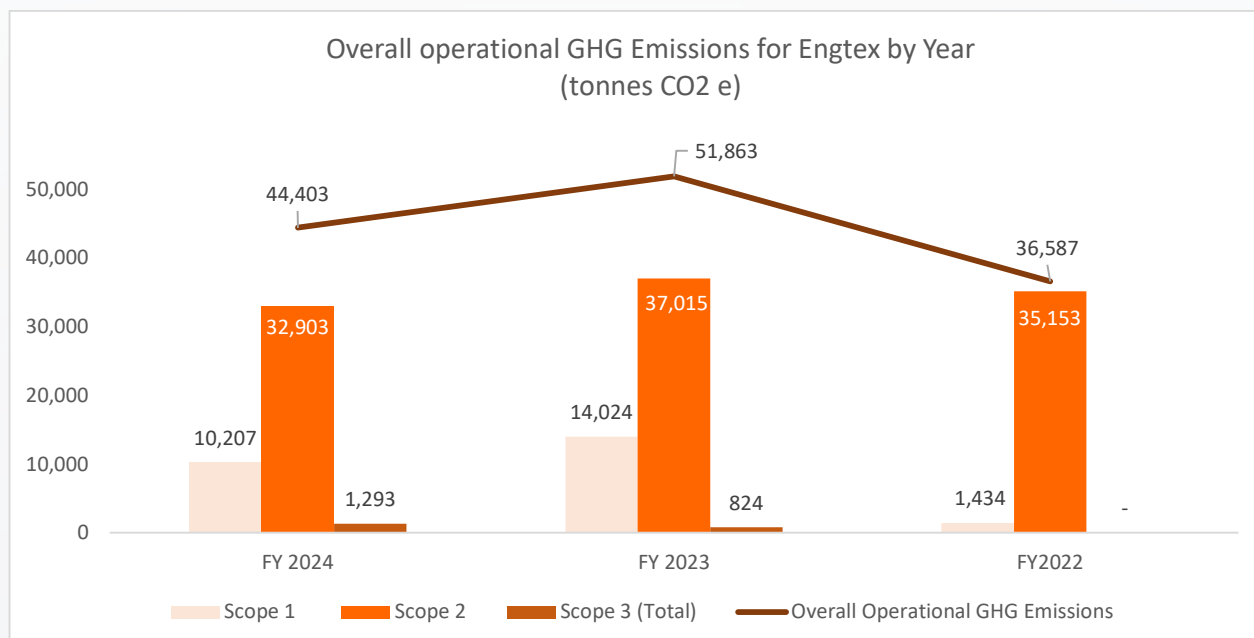
### Greenhouse Gases (“GHG”)



Engtex actively manages GHG emissions across its operations by reducing **Scope 1** emissions through energy efficiency and renewable energy adoption, minimising **Scope 2** emissions by transitioning to low-carbon energy sources, and addressing **Scope 3** emissions through supply chain collaboration, logistics improvements, and sustainable practices to lower its overall carbon footprint. Engtex aims to lower its overall carbon footprint and support global climate change mitigation efforts.



Below is a summary of the overall operational GHG Emissions for Engtex accordingly to GHG Protocol:



Financial Year	Scope 1 Unit in (tonnes CO <sub>2</sub> e)			Scope 2 Unit in (tonnes CO <sub>2</sub> e)		
	2024	2023	2022	2024	2023	2022
Overall Operational GHG Emissions (By Scope)	10,207	14,024	1,434	32,903	37,015	35,153
Manufacturing - Pipes Division	4,292	5,747	512	18,441	20,447	19,699
Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division	4,815	7,426	444	12,163	14,284	13,322
Manufacturing - Others Division	88	72	27	1,478	1,654	1,516
Wholesale and Distribution Division	1,012	779	451	821	630	616

Financial Year	Scope 1 & 2 Carbon Intensity Unit in (tonnes CO <sub>2</sub> e / MT)	Scope 1 & 2 Carbon Intensity Unit in (tonnes CO <sub>2</sub> e / MT)
	2024	2023
Overall Scope 1 & Scope 2 Carbon Intensity	0.17	0.18
Manufacturing - Pipes Division	0.27	0.33
Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division	0.12	0.14
Manufacturing - Others Division	0.09	0.06

- No Carbon Intensity calculation for Wholesale & Distribution Division due to lack of suitable common output or activity level for a wide range of products or activities to derive a meaningful ratio.
- Prior to FY 2023, Scope 1 emissions only included limited number of companies, no intensity ratio is calculated for FY 2022.

	Scope 3 Business Travelling by Air Unit in (tonnes CO <sub>2</sub> e)			Scope 3 Business Travelling by Land Unit in (tonnes CO <sub>2</sub> e)			Scope 3 Employee Commuting Unit in (tonnes CO <sub>2</sub> e)		
Financial Year	2024	2023	2022	2024	2023	2022	2024	2023	2022
<b>Overall Operational GHG Emissions (Scope 3)</b>	83	64	N/A	227	N/A	N/A	983	760	N/A

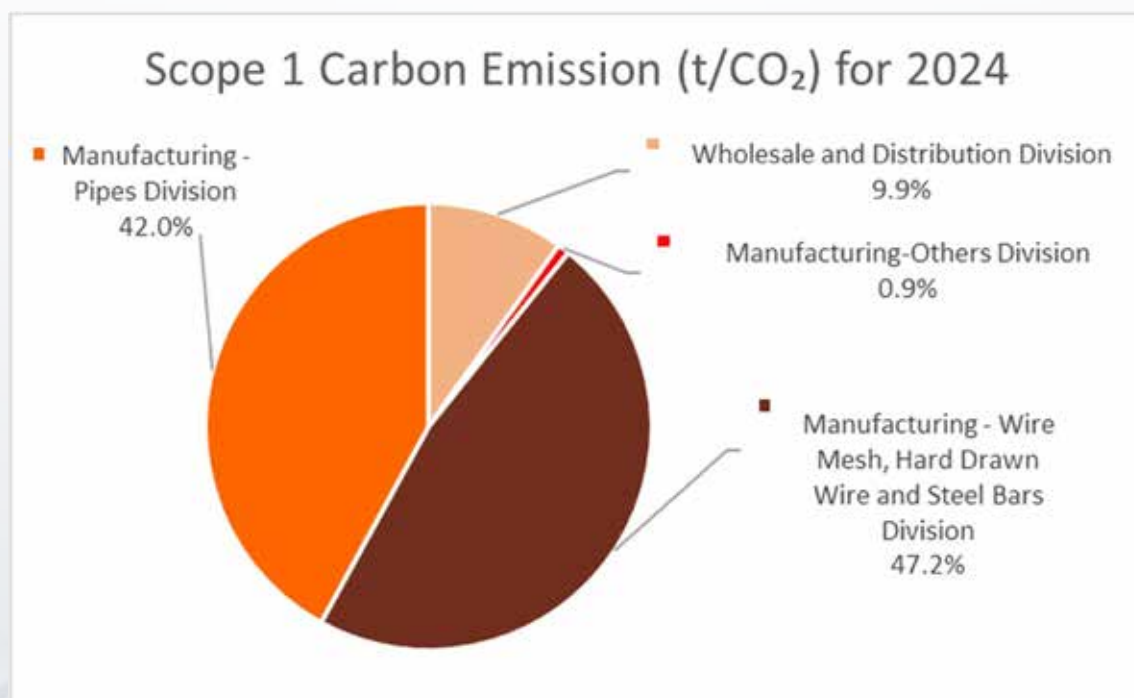
- Data collection for Business Travel by Land started in year 2024.
- Data collection for Business Travel by Air and Employee Commuting started in year 2023.

## Scope 1

Scope 1 covers direct carbon emissions from sources owned or controlled by our operations. The emissions come mainly from the usage of natural gas and fuel oil for heating purposes in our manufacturing processes, and petrol/diesels used by our fleet of motor vehicles and handling equipment.

Engtex manages **Scope 1 emissions** by careful production scheduling to ensure maximum energy efficiency, minimise production output rejection to reduce energy wastages, usage of recycled fuel oil which extend the usage of fuel, and scheduled maintenance of our machines and equipment to enhance efficiency. Production output and fuel consumption data have been collected for efficiency analysis and monitoring.

About 90% of total Scope 1 emissions were contributed by our Manufacturing Divisions. Year 2024 recorded a notable 27% decrease in total Scope 1 emissions in tandem with the lower production output compared to year 2023.



Overall, the data underscores the importance of targeting our Manufacturing Divisions due to their high carbon emissions for further emission reduction initiatives, while maintaining the progress achieved in lower-emitting division.

## Scope 2

Scope 2 emissions refer to indirect emissions and in Engtex it consists entirely of purchased electricity from Tenaga Nasional Berhad (TNB) for operations in Peninsula Malaysia and Sabah Electricity Sdn Bhd for operation in the state of Sabah. Similarly to Scope 1 emissions, our Manufacturing Divisions consumed more than 90% of the total electricity consumption resulting in the substantial indirect emissions.

Scope 2 Carbon Emissions from Electricity Consumption	Electricity Consumption (kWh)			Carbon Emissions <sup>1</sup> (t/co2)			Carbon Intensity Ratio <sup>3</sup> (t/co2/MT)	
	2024 <sup>2</sup>	2023	2022	2024 <sup>2</sup>	2023	2022	2024	2023
Manufacturing - Pipes Division	23,825,250	26,974,513	25,987,866	18,441	20,447	19,699	0.22	0.26
Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division	15,888,069	18,844,178	17,575,501	12,163	14,284	13,322	0.08	0.09
Manufacturing - Others Division	1,910,400	2,181,981	1,999,646	1,478	1,654	1,516	0.08	0.05
Wholesale and Distribution Division	1,060,476	831,152	812,417	821	630	616	N/A	N/A
Total Electricity Consumption (kWh)	42,684,195	48,831,824	46,375,430	32,903	37,015	35,153	N/A	N/A
Total Megajoules for all Division <sup>2</sup> (MJ)	153,663,100	175,794,566	166,951,548					

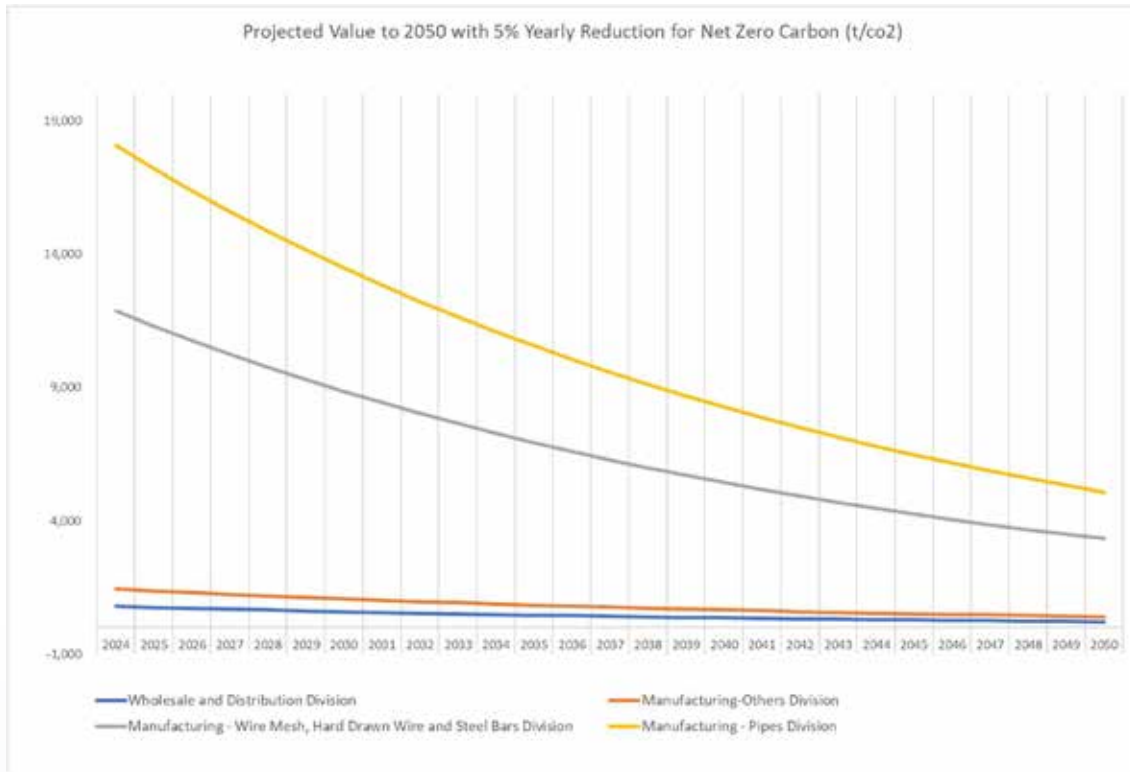
1. Scope 2 Grid Emission Factors are 0.774 for peninsular Malaysia and 0.525 for East Malaysia. Source:

<https://meih.st.gov.my/documents/10620/cdddb88f-aaa5-4e1a-9557-e5f4d779906b>

2. The conversion for Megajoule is 1 kwh is 3.6 MJ.

3. No Carbon Intensity calculation for Wholesale & Distribution Division due to lack of suitable common output or activity level for a wide range of products or activities to derive a meaningful ratio.

There are ongoing efforts to increase the usage of renewable energy via our solar panel installation initiatives and we expect see the carbon avoidance or reduction results in the coming few years progressively.



Using 2023 as baseline, we target to reduce emissions of 5% every year to achieve accumulated 30% reduction by year 2030, during which we will formulate more strategies to achieve carbon neutral by year 2050.

### Scope 3

Scope 3 emissions refer to indirect emissions that are generated by both upstream and downstream activities which are not directly controlled or owned by Engtex. We collected data for 2 out of 15 prescribed categories, namely Business Travel and Employees Commuting.

#### Business Travel

The tables below outline Engtex's overall business travel.

Business Travelling by Air	Unit	2024	2023
Total Distance Flown	KM	1,018,811	719,669
CO2 Emissions	t/co2	83	64

\* Data collection started in 2023.

Business travel by air in Engtex consists of domestic and overseas flights related to our commercial and regulatory activities (product certifications) and our migrant workers traveling to and from their respective home countries in connection with employment.

Business Travelling by Land	Unit	2024	2023
<b>Total fuel consumed</b> (employees' vehicles on company's petrol cards, rented vehicles)	Litre	137,683	N/A
<b>Total distance travelled</b> (self-drive, taxi, ride-sharing, public bus, trains)	KM	33,747	N/A
Total CO2 Emissions	t/co2	227	N/A

\* Data collection started in 2024.

In 2024, we improved our business expenses claim procedures to facilitate data collection pertaining to business travel and to increase sustainability awareness of our employees. In Engtex, we also conduct many of our meetings and trainings on digital platforms, whether with fellow colleagues or external parties, to reduce emissions from traveling.

## Employee Commuting

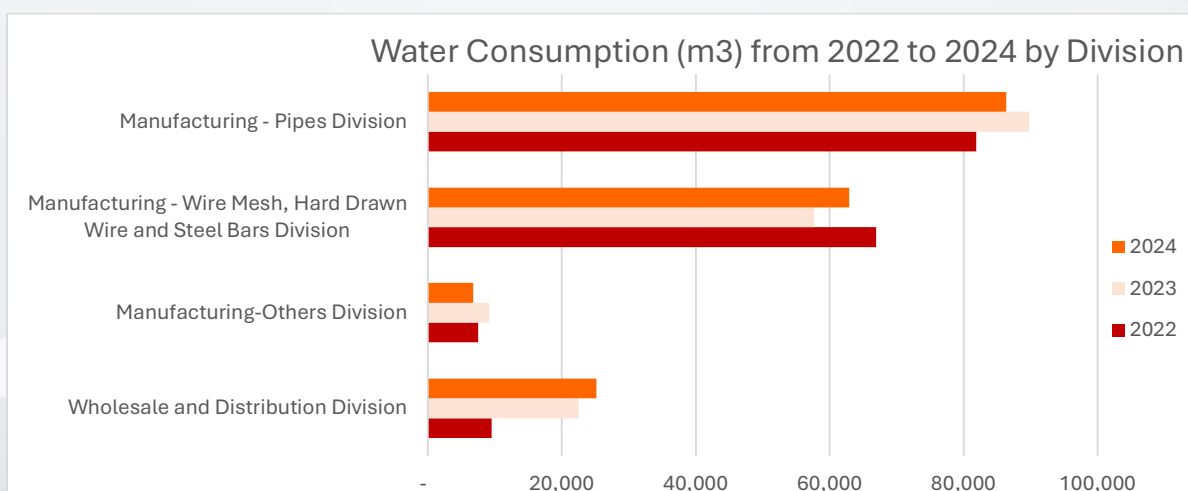
We collected data on employees commuting to and from work based on their respective working days, modes of commuting, and distance between home and work. Engtex acknowledges the impact of GHG emissions from employee commuting and encourage sustainable commuting options such as carpooling and public transport. The notable rise in employee commuting emissions from 2023 to 2024 is attributed to a shift from company car benefit to car-allowance benefit for certain employees and an improved data collection efforts in accounting for commuting of employees enjoying the company car benefit which come with petrol cards.

Employee Commuting	Unit	2024	2023
Total Distance Commuted	KM	6,565,452	5,226,193
CO2 Emissions	t/co2	983	760

\* Data collection started in 2023.

Source: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

## Water Management







Financial year	2024	2023	2022 <sup>2</sup>
Overall Water Consumption (m <sup>3</sup> )	181,271	179,120	165,832
Manufacturing - Pipes Division	86,391	89,763	81,861
Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division	62,935	57,690	66,933
Manufacturing - Others Division	6,765	9,152	7,504
Wholesale and Distribution Division	25,180	22,515	9,534

Financial year	2024	2023
Overall Water Intensity (m <sup>3</sup> / MT)	0.63	0.58
Manufacturing - Pipes Division	1.04	1.12
Manufacturing - Wire Mesh, Hard Drawn Wire and Steel Bars Division	0.43	0.36
Manufacturing - Others Division	0.37	0.30
Wholesale and Distribution Division <sup>1</sup>	N/A	N/A

1. No Water Intensity calculation for Wholesale & Distribution Division due to lack of suitable common output or activity level for a wide range of products or activities to derive a meaningful ratio.
2. Prior to FY 2023, water usage only included limited number of companies, no intensity ratio is calculated for FY 2022.

Water is essential in our manufacturing processes and day-today of our employees' usage during work. Below are some of Engtex's key water initiatives and conservation efforts:

1. **Optimised Water Management Systems:** Engtex uses water-saving features such as low-flow faucets with automatic shut-off designs and dual-flush toilets. These initiatives help lower consumption, prevent wastage, and enhance overall efficiency. We have also installed rainwater harvesting facilities in various business locations to reduce dependency on freshwater supply.
2. **Recycling and Reusing Water:** Engtex prioritises water reuse within its operations by investing in used water treatment facilities. This allows used water to be treated, recirculated and reused for various processes, reducing the dependency on freshwater supplies.
3. **Community Awareness and Engagement:** Through communications and awareness campaigns, Engtex empowers individuals and communities to adopt sustainable water-saving habits and culture.
4. **Adherence to Regulations and Standards:** We adhere to environmental protection regulations and guidelines by treating and monitoring industrial wastewater before discharging them into water bodies in order to minimise polluting water source and ecological footprint.
5. **Investment in Water Infrastructure:** Engtex continuously upgrades and maintains water infrastructure to prevent leakages, curb losses, and improve efficiency in water distribution networks. By modernising these systems, Engtex aims to reduce water wastage and ensure sustainable access to clean water for communities.

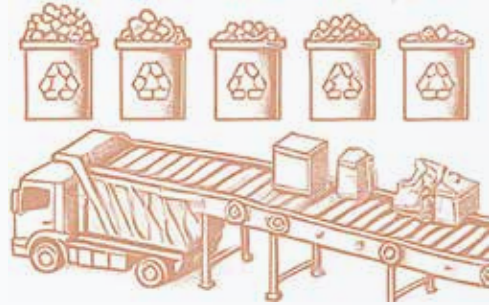


By embedding sustainability into its operations, Engtex contributes to preserving water resources and fostering a more environmentally responsible future.

## Waste Management

Engtex prioritises responsible waste management as part of its sustainability commitment, recognising wastewater discharge, liquid effluents, and solid waste as key environmental concerns. To minimise waste, Engtex implements various initiatives and strategies, including:

1. **Optimise Production Processes** – Improve manufacturing efficiency to minimise material waste and reduce offcuts.
2. **Recycling & Reuse** – Establish a closed-loop system for reusing scrap metal and other recyclable materials within operations.
3. **Employee Awareness & Training** – Educate staff on waste reduction best practices and encourage responsible disposal habits.
4. **Digital Transformation** – Reduce paper waste by implementing digital documentation and automation systems.
5. **Engagement with Recycling Partners** – Partner with local recycling facilities to ensure proper disposal and recovery of materials.



Type of Waste	Unit	2024	2023
Recycled Wastes	MT	248.5	568.4
Scheduled Wastes	MT	61.9	21.3
Other Wastes	MT	2,355.6	3,309.5
Total	MT	2,666.0	3,899.2
Recycle Rate	%	9.3	14.6

- *Other Wastes include miscellaneous industrial wastes and general waste.*

In 2024, we conducted several recycling campaigns to encourage recycling habit and awareness among employees.





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## GOAL 3: DEVELOPING A SAFE, HEALTHY AND DIGNIFIED WORKFORCE

Engtex places great importance on fostering a safe, healthy, and dignified workforce as part of its broader sustainability efforts and alignment with the UNSDGs, particularly Goal 3. Recognising that a safe and supportive work environment enhances productivity, innovation, and long-term growth, Engtex has established a culture of promoting and ensuring health and safety at workplaces, complying with relevant health and safety regulations, and facilitating health screening for our employees.

### ***Occupational Health and Safety***

In Engtex, our health and safety framework include the setting up of health and safety committees who establish health and safety policies, carry out periodic risk assessment and corrective actions, appointing health and safety officers or coordinators, collecting relevant data and analysing health and safety incidents, conducting practical and awareness trainings for existing and new employees. Appropriate personal protective equipments ("PPE") are provided to relevant employees and replaced regularly for deterioration from usage.

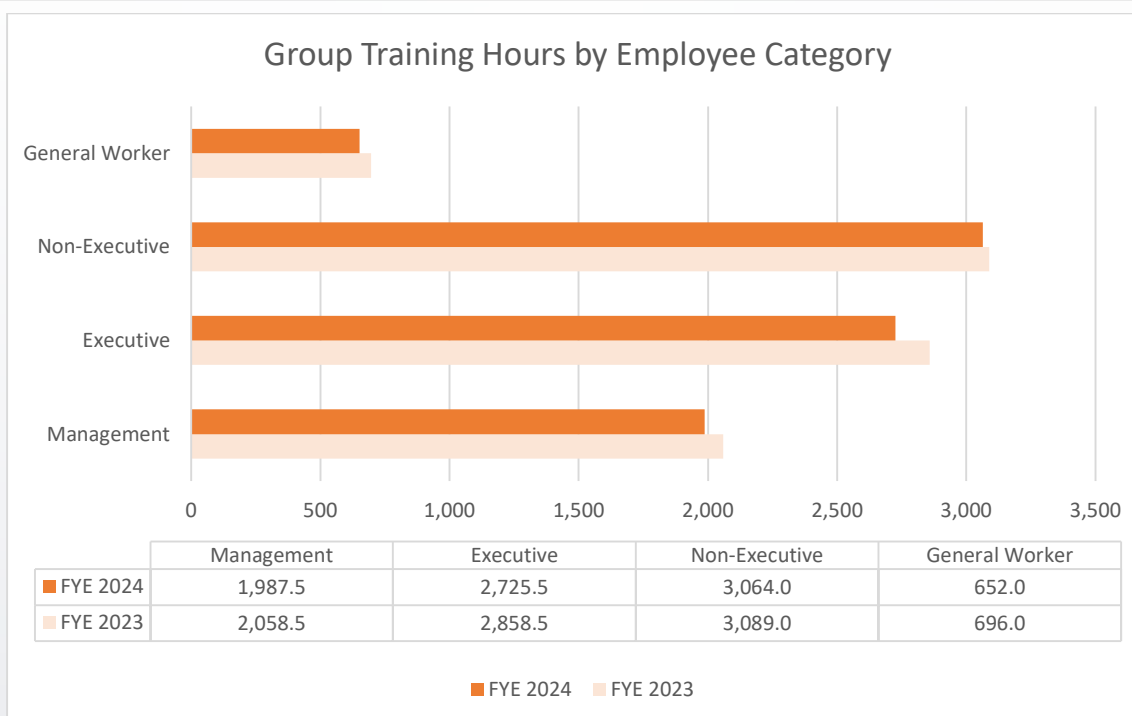
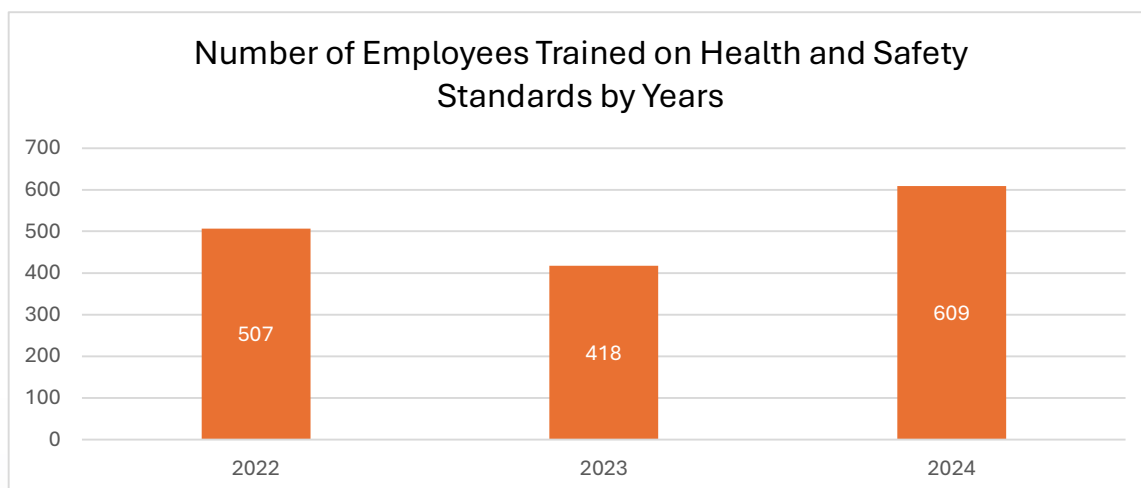
In 2024, our health and safety trainings conducted or attended by our employees include the following:

- Basic Fire Fighting, Emergency Response Plan & Preparedness Certification Training.
- Safety on Chemical Handling.
- Hearing Conversation & PPE Matrix.
- Safety on Equipment Handling.
- Radiation Safety Refresher Course
- Permit to Work and Operational Safety Improvement.
- Working Safely at Height
- Chemical Health Risk Management Assessment and Chemical Exposure Monitoring.
- Noise Risk Assessment.
- Ergonomics.
- Occupational Safety & Health Coordinators Competency Programme
- Hazard Identification, Risk Assessment and Risk Control.
- Using Personal Protective Equipment.





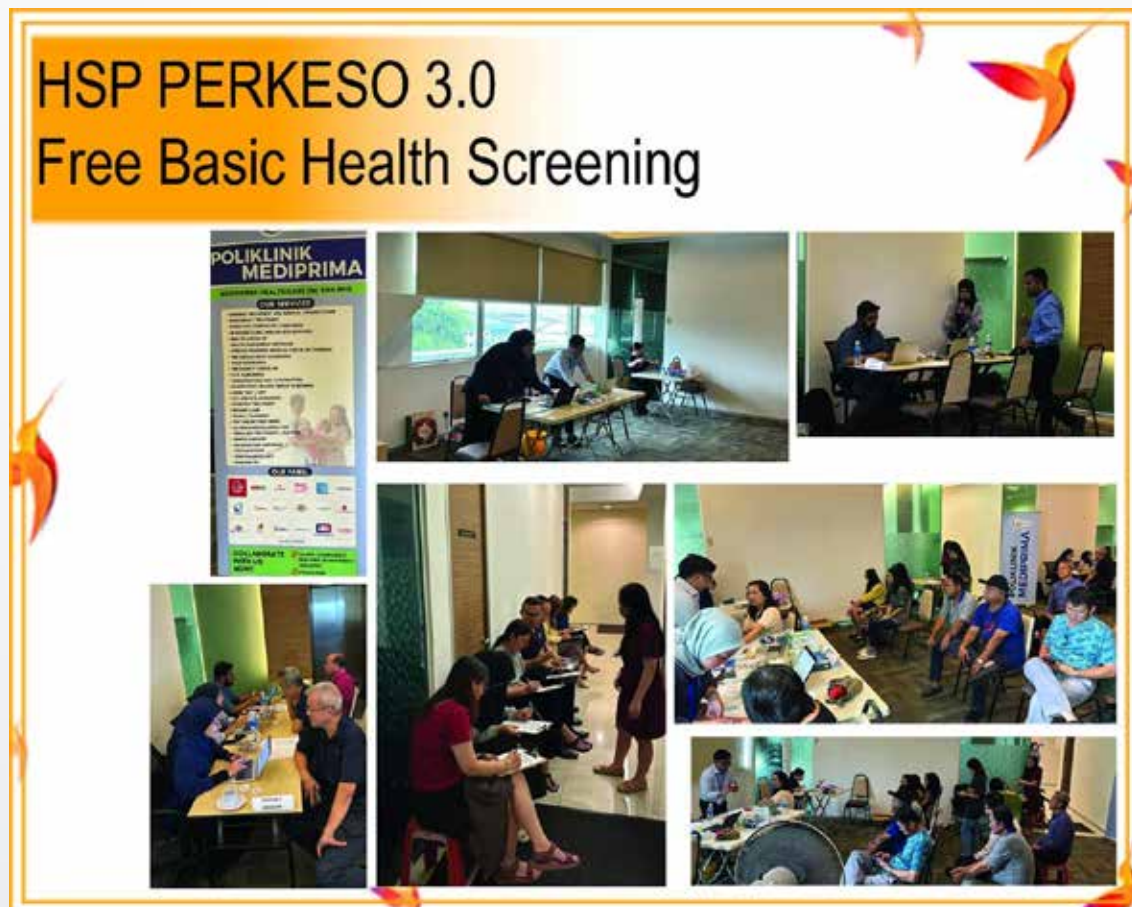
Health and Safety	Unit	2024	2023	2022	Target
<b>Work-related fatalities</b>	No. of cases	0	0	0	0
<b>Lost Time Incident Frequency Rate (LTIFR)</b>	No. of cases per million of hours worked	2.5	5.4	3.1	< 2



## Employee Wellbeing

Engtex fosters a positive and supportive workplace by prioritising employee well-being, inclusivity, and work-life balance. Engtex promotes a healthy work environment where employees feel valued and appreciated. Additionally, Engtex encourages team engagement and social participation, strengthening workplace relationships and fostering a sense of belonging within the organisation. Our Group Human Resources Policy and Code of Ethics & Conduct provide frameworks for proper personal conducts at workplace and identify channels for employees to air grievances.

Our manufacturing operations conduct regular chemical exposure analysis and audiometric to monitor hazards and employees' health. In FYE 2024, we also organised a company-wide free health screening for employees, promoting health awareness, early detection and overall well-being.





## OTHER INFORMATION

### Appendices

#### BURSA KPI List

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	100
Management	Percentage	100
Executive	Percentage	100
Non-executive/Technical Staff	Percentage	100
General Workers	Percentage	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	93,500
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	20
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	1.8
Management Between 30-50	Percentage	53.5
Management Above 50	Percentage	44.7
Executive Under 30	Percentage	17.9
Executive Between 30-50	Percentage	67.6
Executive Above 50	Percentage	14.5
Non-executive/Technical Staff Under 30	Percentage	39.0
Non-executive/Technical Staff Between 30-50	Percentage	49.7
Non-executive/Technical Staff Above 50	Percentage	11.3
General Workers Under 30	Percentage	39.8
General Workers Between 30-50	Percentage	58.2
General Workers Above 50	Percentage	2.0
Gender Group by Employee Category		
Management Male	Percentage	72.8
Management Female	Percentage	27.2
Executive Male	Percentage	52.6
Executive Female	Percentage	47.4
Non-executive/Technical Staff Male	Percentage	56.9

Non-executive/Technical Staff Female	Percentage	43.1
General Workers Male	Percentage	99.7
General Workers Female	Percentage	0.3
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	62.5
Female	Percentage	37.5
Under 30	Percentage	0.0
Between 30-50	Percentage	12.5
Above 50	Percentage	87.5
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megajoules	153,663,100
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.5
Bursa C5(c) Number of employees trained on health and safety standards	Number	609
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	1,987.5
Executive	Hours	2,725.5
Non-executive/Technical Staff	Hours	3,064.0
General Workers	Hours	652.0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.0
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	13
Executive	Number	35
Non-executive/Technical Staff	Number	87
General Workers	Number	161
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	83.8
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	181.3
<b>Bursa (Waste Management)</b>		
Bursa C10(a) Total Waste Generated	Metric Tonnes	2,666.0
Bursa C10(a)(i) Total waste diverted from disposal	Metric Tonnes	248.5
Bursa C10(a)(ii) Total waste directed to disposal	Metric Tonnes	2,417.5
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric Tonnes	10,207.4



Bursa C11(b) Scope 2 emissions in tonnes of CO2e (net solar avoidance)	Metric Tonnes	32,903.5
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric Tonnes	1,293.9
(*) Restated		



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