

# Corporate Sustainability Statement



## Reporting Period and Scope

This Sustainability Statement covers the sustainability-related performance of Concrete Engineering Products Berhad (“CEPCO” or “the Group”) for the financial year from 1 September 2024 to 31 August 2025. The reporting scope encompasses all business operations of the Group unless stated otherwise. There were no significant changes to the Group’s structure, ownership, or supply chain during the reporting period.



The full Sustainability Statement is available in PDF format on our corporate website.



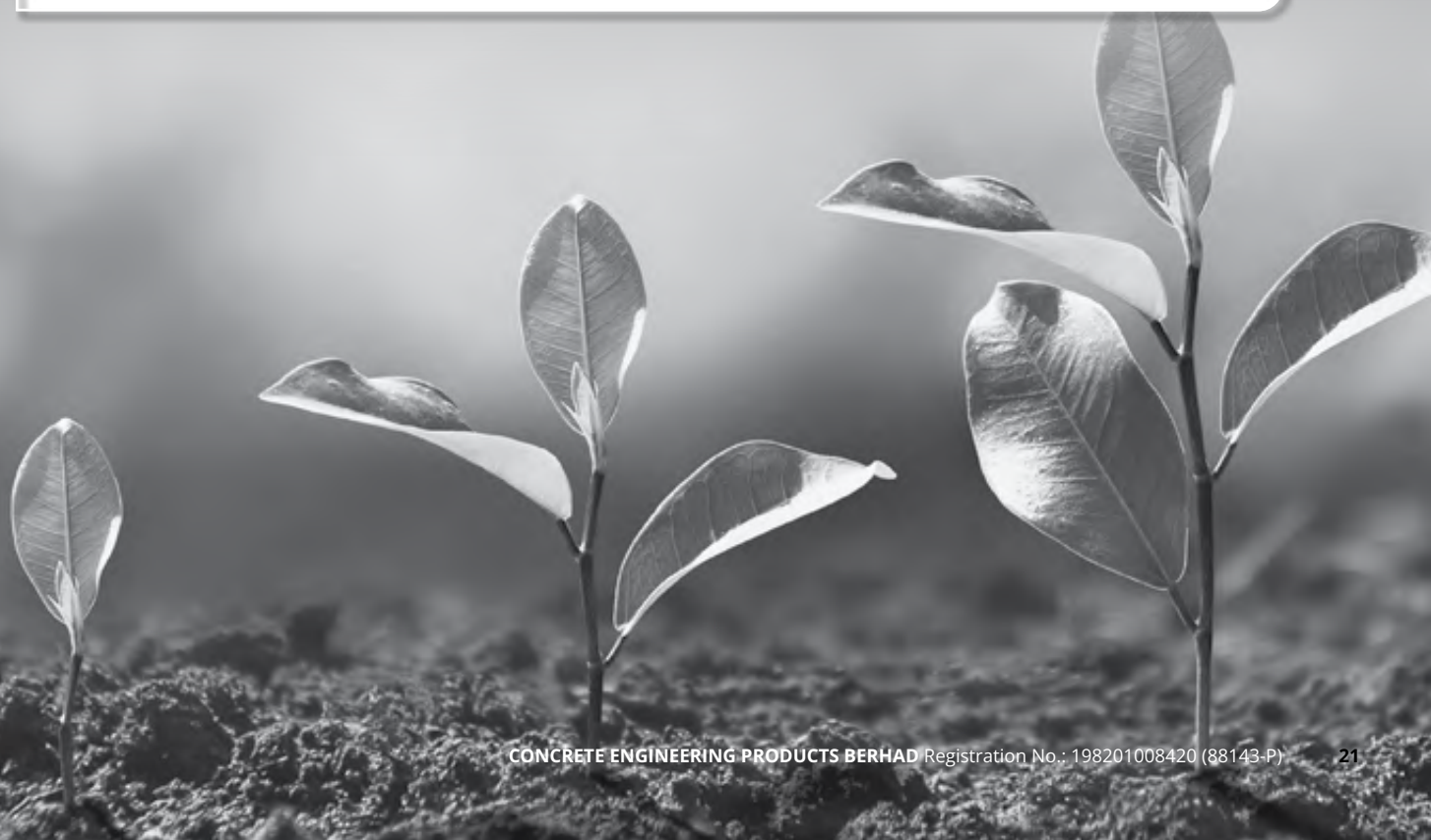
## Reporting Framework and Assurance

This Statement has been prepared with reference to the Bursa Malaysia Sustainability Reporting Guide and relevant toolkits, drawing guidance from the Global Reporting Initiative (GRI) principles where appropriate. External assurance is not mandatory under the Main Market Listing Requirements and, accordingly, this Statement has not been independently assured.



## Feedback

Stakeholders are encouraged to provide feedback or enquiries regarding this Statement via [cepcoc@cepcoc.com.my](mailto:cepcoc@cepcoc.com.my)



# Corporate Sustainability Statement (Cont'd)

## SUSTAINABILITY AT CEPCO

### Introduction

Sustainability remains central to CEPCO's long-term strategy. Guided by the principle of balancing present needs with future stewardship, the Group seeks to integrate environmental, social and governance considerations into its decision-making and operations.

The Group continues to emphasise regulatory compliance, operational excellence and continuous workforce development to mitigate risks that may impact business continuity.

### SUSTAINABILITY VISION



To be the preferred world-class manufacturer and supplier of prestressed spun concrete piles and poles in Malaysia.

### SUSTAINABILITY MISSION



To operate responsibly and deliver high-quality products while creating enduring environmental, economic and social value for stakeholders.

### Sustainability Maturity

CEPCO's sustainability practices focus on Compliance and Risk Management, with continued efforts to enhance value protection, operational resilience and regulatory adherence.



# Corporate Sustainability Statement (Cont'd)

## SUSTAINABILITY GOVERNANCE

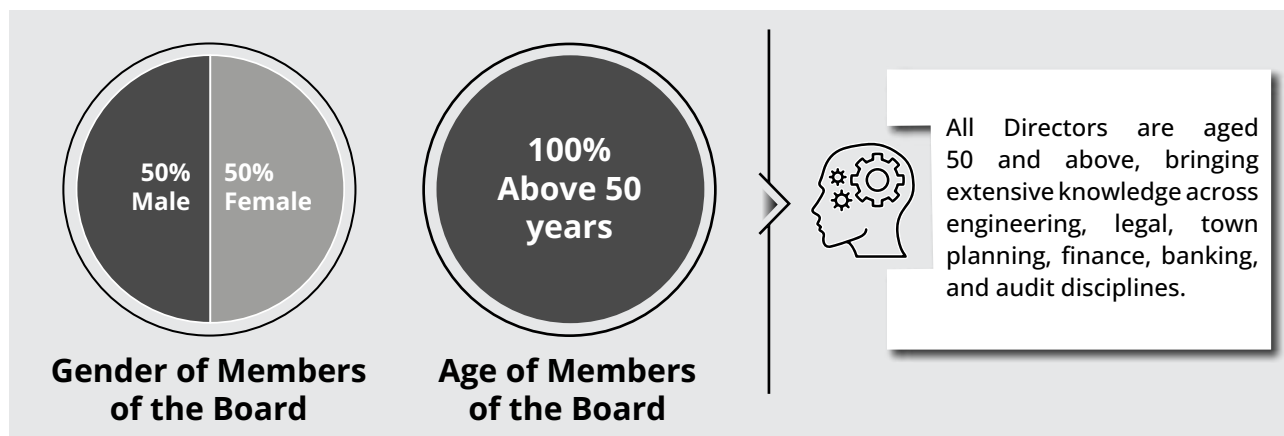
### Governance Structure

The Board of Directors ("the Board") is the highest governing body overseeing CEPCO's sustainability agenda. The Board provides strategic direction and ensures that sustainability considerations are incorporated into business planning and decision-making.

The Board comprises four (4) members:



The Board maintains a balanced composition with 50% male and 50% female members. All Directors are aged 50 and above, bringing extensive knowledge across engineering, legal, town planning, finance, banking, and audit disciplines.



The Board is supported by the Group's Chief Operating Officer and senior management, who are responsible for implementing sustainability initiatives and ensuring effective governance throughout the organisation.

Further details on corporate governance practices are available in the Statement on Corporate Governance.

### Risk Management

Sustainability risk management is embedded within the Group's overall risk management framework. The Group's Chief Operating Officer and department heads are responsible for identifying, assessing, and managing material risks. Risk oversight is complemented by the Group's independent Internal Auditors, who serve as the second line of defence.






Additional information on risk management is disclosed in the Statement on Risk Management and Internal Control on pages 51 to 54 of this Annual Report.

# Corporate Sustainability Statement (Cont'd)

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

### Stakeholder Engagement

CEPCO engages regularly with key stakeholder groups to understand their expectations and sustainability concerns. Engagement channels include meetings, site visits, training sessions, annual reviews, and regulatory interactions.

Stakeholder's group	Type of engagement	Key topic
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Site visit</li> <li>• One-to-one meeting</li> <li>• Annual review</li> </ul>	<ul style="list-style-type: none"> <li>• Improve customer service and satisfaction.</li> <li>• Feedback on products and services for quality improvement.</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Operations and environment management.</li> <li>• Occupational safety and health awareness.</li> <li>• Internal and external training.</li> <li>• Annual appraisal and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Improve employee engagement and performance.</li> <li>• Enhance employee career advancement.</li> <li>• Company strategies and performance.</li> </ul>
 <b>Government agencies</b>	<ul style="list-style-type: none"> <li>• One-to-one meeting as and when required.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to local laws and regulations.</li> </ul>
 <b>Vendors</b>	<ul style="list-style-type: none"> <li>• Site visit.</li> <li>• One-to-one meeting.</li> <li>• Annual review.</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of goods and services provided by vendors.</li> </ul>
 <b>Shareholders</b>	<ul style="list-style-type: none"> <li>• One-to-one meeting as and when required.</li> <li>• Annual General Meeting.</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback on the Group's performance.</li> </ul>

Insights from these engagements inform the Group's sustainability priorities.

### Materiality Assessment

CEPCO conducts a materiality assessment guided by approaches recommended in the Bursa Sustainability Reporting Guide. The assessment considers:

 <p>i. The nature of CEPCO's business</p>	 <p>ii. Applicable laws and regulations</p>	 <p>iv. Stakeholder feedback</p>
 <p>iii. Emerging local and global industry trends</p>	 <p>v. Internal risk registers and documentation</p>	

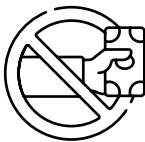


Material sustainability matters are categorised under Environmental, Economic, and Social themes. These priorities guide the Group's sustainability strategy and disclosures.

# Corporate Sustainability Statement (Cont'd)

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT (CONT'D)

### Enhanced Sustainability Reporting

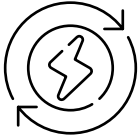

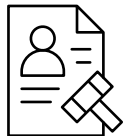
Below is CEPCO performance target and data table for Financial Year 2023-2025:

No.	Common Sustainability Matters	Indicators	Target	Performance Data		
				2023	2024	2025
1	 Anti-corruption	% of employees who have received training on anti-corruption by employee category.	Annual training to all employee	100%	100%	100%
		% of operations assessed for corruption-related risks.	Zero assess	Nil	Nil	Nil
		Confirmed incidents of corruption and action taken.	Zero incident	Nil	Nil	Nil
2	 Community/Society	Total amount invested in the community where the target beneficiaries are external to CEPCO.	As and when required	RM10,000	RM100	Nil
		Total number of beneficiaries of the investment in communities.		5	1	Nil
3	 Diversity	% of employees by gender and age group for each employee category.	Zero employment of child labour	91.32% is male and 8.68% is female employees, 98.60% at the age from 19-49 & 1.40% at the age 50 and above.	91.39% is male and 8.61% is female employees, 99.12% at the age from 19-49 & 0.88% at the age 50 and above.	91.41% is male and 8.59% is female employees, 97.25% at the age from 19-49 & 2.75% at the age 50 and above.
		% of directors by gender and age group.	30% is female directors	80% is male and 20% is female. 100.00% at the age 50 and above.	66.67% is male and 33.33% is female. 100.00% at the age 50 and above.	50.00% is male and 50.00% is female. 100.00% at the age 50 and above.

# Corporate Sustainability Statement (Cont'd)

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT (CONT'D)

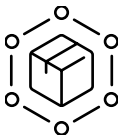



### Enhanced Sustainability Reporting (Cont'd)

No.	Common Sustainability Matters	Indicators	Target	Performance Data		
				2023	2024	2025
4	Energy management 	Total energy consumption - Electricity.	To reduce 50%	3.915 million kWh	3.450 million kWh	2.093 million kWh
		Total energy consumption - Diesel/Fuel Oil.	consumption by year 2030 (Base line set at 4.233 million kWh (FY 2022)).	N/A	3.54 L per MT	5.46 L per MT
5	Health & Safety 	No. of work-related fatalities.	Zero case	0	0	0
		Lost time incident rate.	Less than 5 incidents per 200,000 hours worked	0	0.39	0.17
		No. of employees trained on health & safety standards.	Annually training to cover as many employees as possible	19 staffs	139 staffs	160 staffs
6	Labours Practices and Standards 	Total hours of training by employee category.	Minimum 1,500 hours p.a. of overall category	702 hours	3,131 hours	1,010 hours
		% of employees that are contractors or temporary staff.	Employ as and when required	43	41	There are no contractors/ temporary staffs
		Total number of employee turnover by employee category.	Not more than 15% of overall category	Total Number 62 (17.61%)	Total Number 90 (26.87%)	Total Number 43 (14.21%)
		No. of substantiated complaints concerning human rights violations.	Zero complaint	None	None	None

# Corporate Sustainability Statement (Cont'd)

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT (CONT'D)

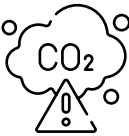
### Enhanced Sustainability Reporting (Cont'd)

No.	Common Sustainability Matters	Indicators	Target	Performance Data		
				2023	2024	2025
7	Supply Chain Management 	Proportion on spending on local suppliers.	Above 75% of total purchase	87.88%	92.37%	96.53%
8	Data Privacy & Security 	Substantial complains on breaches of customer privacy and losses of customer Data.	Zero complaint	Nil	Nil	Nil
9	Water 	Total volume of water used.	To reduce 50% consumption by year 2030 (Base line set at 130,348 M <sup>3</sup> (FY 2022)).	122,485 M3	99,793 M3	107,657 M3
10	Waste Management 	Total waste diverted from disposal.	50% of total waste will diverted from disposal by year 2030.	Nil	Nil	Nil
		Total solid waste direct to disposal		34,669 MT	40,424 MT	10,369 MT
		Total waste directed to disposal - Scheduled Waste.	To reduce 50% of scheduled waste by year 2030	Nil	1.68 metric tons	Nil

# Corporate Sustainability Statement (Cont'd)

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT (CONT'D)

### Enhanced Sustainability Reporting (Cont'd)

No.	Common Sustainability Matters	Indicators	Target	Performance Data		
				2023	2024	2025
11	 Emissions	Scope 1: Emissions in tonnes of CO <sub>2</sub> e - From sources owned or controlled by CEPCO, i.e. Petrol/diesel/fuel oil consumption.	Net zero of Greenhouse Gas Emission by year 2050.	0.002 million tCO <sub>2</sub> e	0.01 million tCO <sub>2</sub> e	
Scope 2: Emissions in tonnes of CO <sub>2</sub> e - From the generation of electricity, heat or steams purchased by CEPCO but the equipment is not owned by CEPCO, i.e. Electricity consumption.		N/A (CEPCO only start collect the emission data from 1 September 2023).		1.91 million tCO <sub>2</sub> e	2.34 million tCO <sub>2</sub> e	
Scope 3: Emissions in tonnes of CO <sub>2</sub> e - From sources not owned or directly controlled by CEPCO but resulting from the organisation's value chain and related to CEPCO activities, i.e. Business Travel, Employee Commuting, and Goods Delivery.				0.54 million tCO <sub>2</sub> e	0.51 million tCO <sub>2</sub> e	

Remark: Selected prior-year data have been restated where necessary to ensure clearer comparison with the current year's results.





# Corporate Sustainability Statement (Cont'd)

## ENVIRONMENTAL SUSTAINABILITY

CEPCO is committed to minimising environmental impacts arising from its operations and upholding full regulatory compliance. The Group maintains certification under the ISO 14001 Environmental Management System and complies with requirements of the Department of Environment (“DOE”) and local authorities.







### Environmental Compliance and Monitoring

Environmental performance is monitored annually, covering:

-  Waste management
-  Air and noise quality
-  Raw material usage
-  Chemical and hazard assessment

CEPCO’s production processes adhere to documented SOPs designed to minimise environmental impact while maintaining product quality certified under MS ISO 9001:2015 and MS 1314.

### Resource Efficiency and Carbon Management

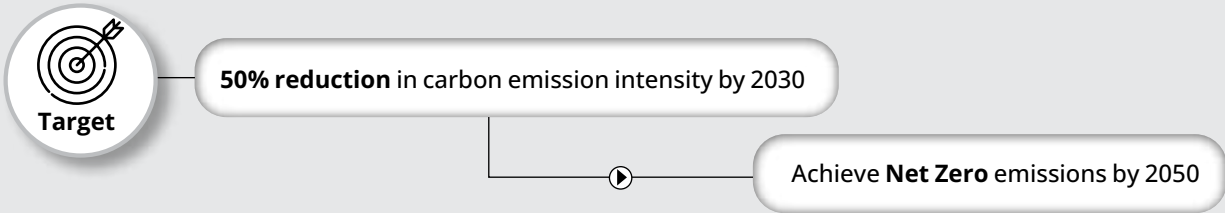
 <p>Water Usage</p>	 <p>A rainwater harvesting system is used for general cleaning and efficiency.</p>	<p>Total water consumption for the year:</p> <p><b>107,657</b> m<sup>3</sup></p>
 <p>Energy Consumption</p>	 <p>Electricity <b>2.09</b> million kWh</p>	 <p>Fuel usage (petrol, diesel, fuel oil) <b>5.43</b> liters/metric ton</p> <p>CEPCO continues to implement energy efficiency measures and explore renewable energy options such as renewable energy through solar for our plants. Our application for Rawang plant has been approved by TNB recently. We expect to complete the installation of the solar panel by the end of this calendar year.</p>
 <p>Water Usage</p>	<p>Dust collectors are installed at production sites to reduce dust, debris, gases, and chemical fumes, ensuring improved air quality for employees and surrounding communities.</p>	

# Corporate Sustainability Statement (Cont'd)

## ENVIRONMENTAL SUSTAINABILITY (CONT'D)

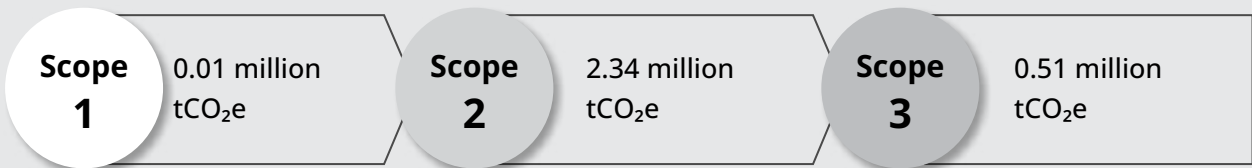
### Greenhouse Gas (GHG) Emissions and Net Zero Commitment

In March 2024, CEPCO appointed People Prowess Sdn Bhd to conduct a comprehensive GHG Assessment. The findings from the assessment have established the emission goal for CEPCO:



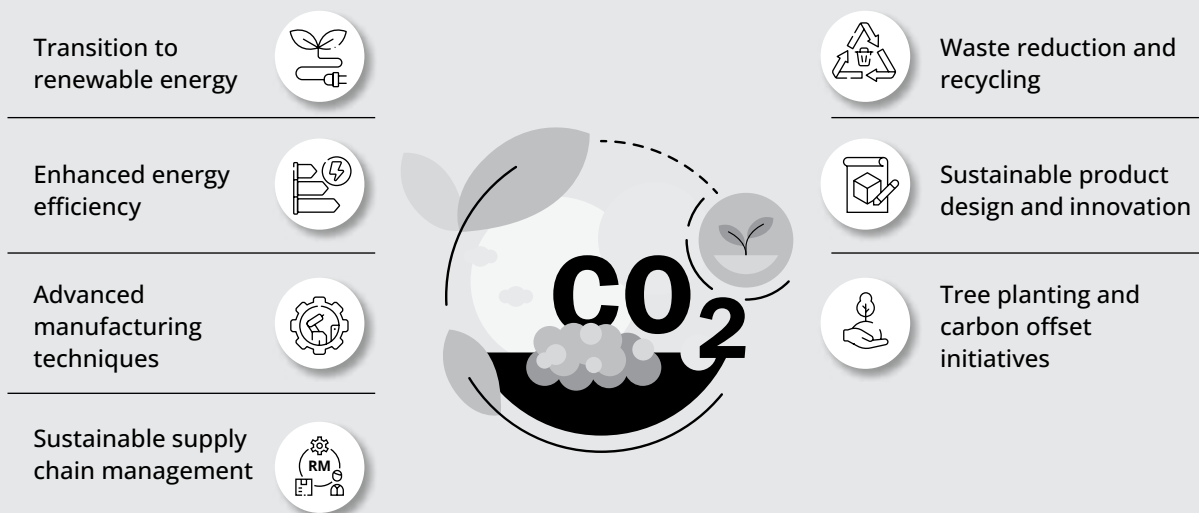
### GHG Emissions

The GHG Emissions for FY2025 is 2.87 million tCO<sub>2</sub>e per metric ton of production, comprising:



### Long-Term Emission Reduction Strategies

CEPCO have set a long-term execution plan to achieve the net zero emission goals via:



# Corporate Sustainability Statement (Cont'd)

## ENVIRONMENTAL SUSTAINABILITY (CONT'D)

### Waste Management

For the year under review:

Scheduled waste: **0** tons

Solid waste: **10,369** metric tons

All waste is managed in accordance with DOE and local council regulations.

### Sustainable Supply Chain

Top suppliers undergo Vendor Self-Regulation Assessment to evaluate environmental impacts relating to resource usage, waste, and biodiversity.

### Environmental CSR Initiatives

During the year, CEPCO introduced an internal initiative to reduce polystyrene meal boxes by distributing reusable food containers to employees, promoting sustainable consumption and reducing non-recyclable waste.

## ECONOMIC SUSTAINABILITY

CEPCO remains committed to delivering sustainable economic value through operational efficiency, product quality, and market competitiveness.



### Quality Management and Customer Focus

With ISO 9001:2015 accreditation, CEPCO maintains strong quality management systems and continuous improvement practices. Customisable product solutions enhance competitiveness and deliver long-term value for customers.



### Export Contribution

Exports contributed 10.19% of total revenue, supporting foreign exchange inflows. The Group aims to further expand its international market presence.



### Local Procurement

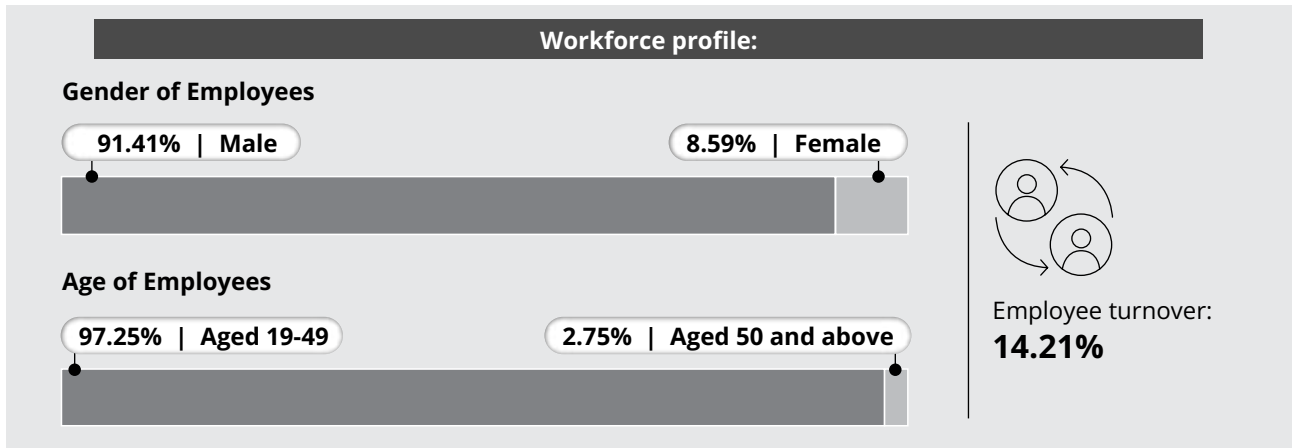
CEPCO supports domestic economic development by sourcing 96.53% of total purchases locally.

# Corporate Sustainability Statement (Cont'd)

## SOCIAL SUSTAINABILITY

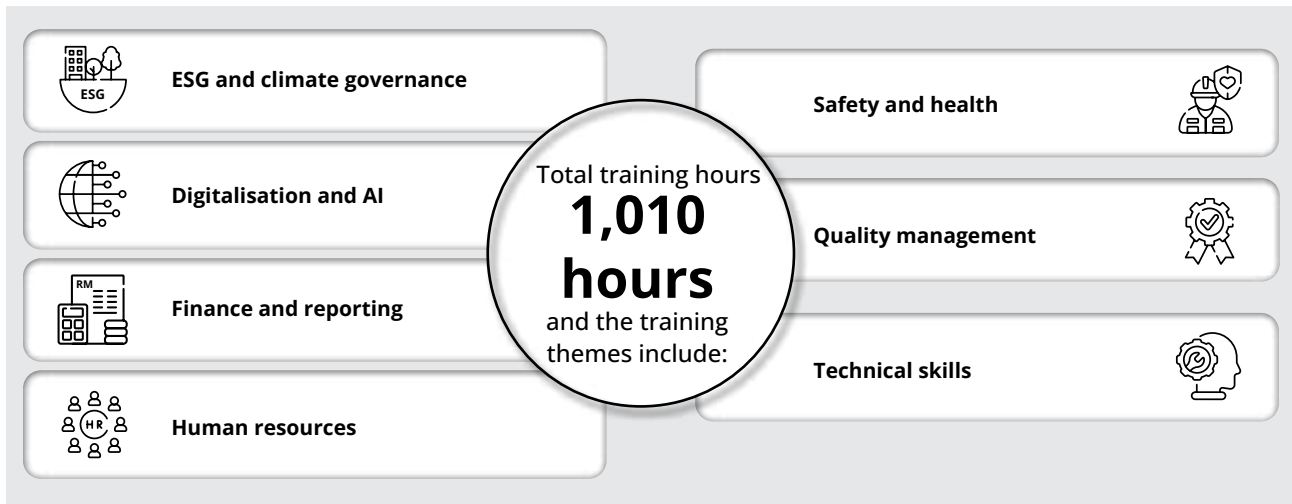
### Workforce Composition and Equality

The Group upholds a merit-based culture and prohibits discrimination of any kind.

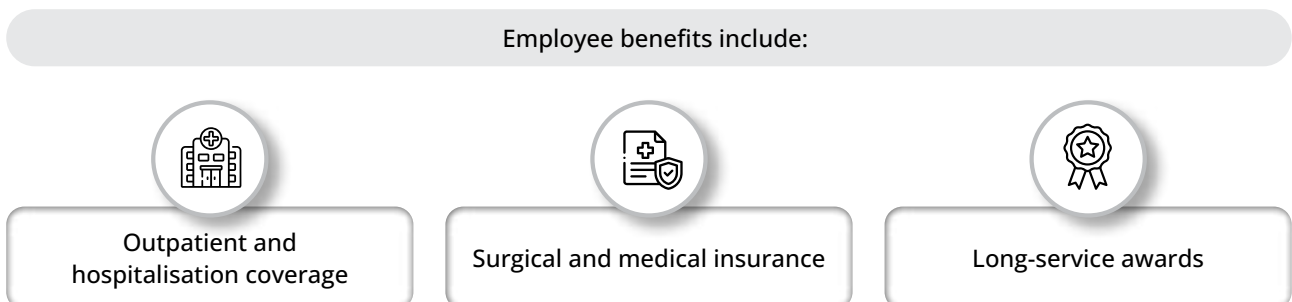


### Human Capital Development

CEPCO invests in continuous learning and development.



### Employee Benefits and Welfare

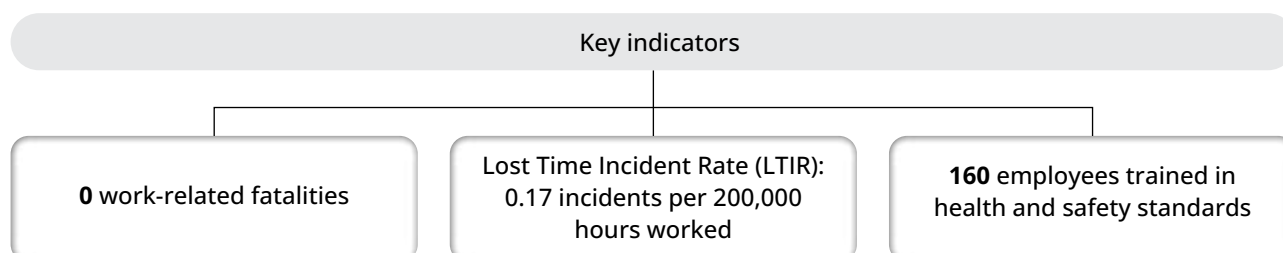


# Corporate Sustainability Statement (Cont'd)

## SOCIAL SUSTAINABILITY (CONT'D)

### Occupational Health and Safety

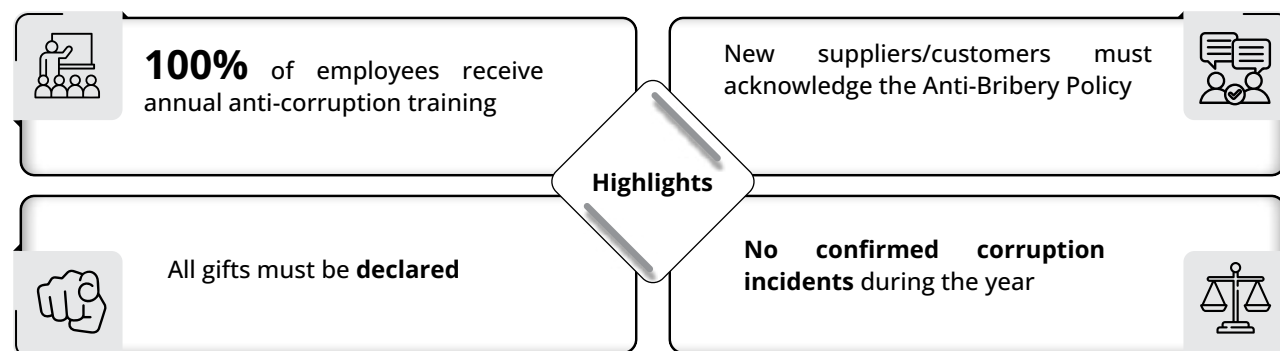
CEPCO is certified under ISO 45001:2018, reinforcing its commitment to safe and healthy work environments.



## ANTI-CORRUPTION AND BUSINESS ETHICS

CEPCO enforces a strict zero-tolerance approach to bribery, corruption, and abuse of power.

The Group's Anti-Corruption Framework and Policy, implemented on 1 June 2020, is applicable to Directors, Senior Officers, Employees, and Business Partners. The framework aligns with Section 17A of the MACC Act 2009, which establishes corporate liability for corruption.



## DATA PRIVACY AND CYBERSECURITY

The Group safeguards personal data in compliance with the Personal Data Protection Act 2010. Cybersecurity measures including firewalls and internal controls ensure stakeholder data confidentiality.

There were no reported incidents of privacy breaches during the reporting year.

### Conclusion

CEPCO remains committed to embedding sustainability into its strategy, operations, and corporate culture. The Group will continue enhancing its environmental stewardship, social responsibility, and governance practices to deliver long-term value to stakeholders.