HONG LEONG ASIA LTD.

Sustaining Growth

Future Forward

SUSTAINABILITY
REPORT
2024

CONTENTS

Standing
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About This Report

This Sustainability Report ("SR" or "Report") showcases Hong Leong Asia Ltd's ("HLA" and together with its subsidiaries as defined below, the "HLA Group" or the "Group") sustainability approach, initiatives and performance from 1 January 2024 to 31 December 2024 ("FY2024"), unless otherwise stated. This Report has been prepared in accordance with Global Reporting Initiative ("GRI") Standards and complies with the Singapore Exchange Securities Trading Limited (the "SGX-ST") requirements on sustainability reporting.

In determining the scope of this Report, only key entities of HLA from the Building Materials and Powertrain Solutions businesses where there is operational control (including offices, manufacturing plants and facilities in China, Singapore and Malaysia) and which contributed to more than 99% of HLA's revenue in 2024, are included.

The businesses covered in this Report are:

1. Hong Leong Asia Ltd. - Corporate Office, Singapore;
2. Island Concrete (Private) Limited ("Island Concrete"), Singapore;
3. HL Building Materials Pte. Ltd. – Corporate Office ("HLBM"), Singapore;
4. R3 Precast of HL Building Materials Pte. Ltd ("R3 Precast"), Singapore;
5. R3 Precast of HL-Manufacturing Industries Sdn. Bhd. ("HLMI"), Malaysia;
6. Singapore Cement Manufacturing Company (Private) Limited ("SCMC"), Singapore;
7. Tasek Corporation Berhad ("Tasek"), Malaysia (including its subsidiaries);
8. China Yuchai International Limited ("CYI"), Singapore; and
9. Guangxi Yuchai Machinery Company Limited ("GYMCL" or "Yuchai"), China (including key subsidiaries).

Environmental, social and governance ("ESG") topics selected are based on principles of materiality, sustainability context and stakeholder inclusion. We have also aligned material topics with the United Nations Sustainable Development Goals ("SDGs"), focusing on SDG 9, "Industry, Innovation & Infrastructure" and SDG 12, "Responsible Consumption and Production". These two SDGs are the most relevant to our businesses and are aligned to specific material issues described in this Report.

A historical comparison to the previous years is presented where possible. We will continue to assess and improve our performance progress and data collection methodology over time. Certain prior years' figures have been restated in this SR to reflect new and improved data points.

There is no significant change to the organisation's size, structure, ownership, or supply chain during the year. A limited internal assurance was conducted for the data reported in this Report by the HLA Internal Audit team.

This Report is published separately in digital format and available to shareholders via SGX-ST's website and HLA's website https://www.hlasia.com.sg.

This Report is made in accordance with a resolution of the Board dated 26 March 2025.

Board Statement

Dear Stakeholders,
For over half a century since the company was founded, HLA has been through many business cycles and changing demands in the key markets where we operate. We have been innovating to stay ahead and remain relevant to all our stakeholders.

As a leading Asian multinational in powertrain solutions and building materials, we understand the need to remain focused on delivering concrete results for our key stakeholders in order to have a positive impact. In 2021, we adopted the Group's 2025 Vision and we are delivering on our goals and making major steps toward our ambition to create a positive impact beyond our businesses.

DRIVING TOWARDS A LOW-CARBON, CIRCULAR ECONOMY

In 2024, together with our customers, business partners, suppliers and employees:

Powertrain Solutions Portfolio

- We saw unit sales for the New Energy Solutions segment under Yuchai Simlan Technology Co., Ltd ("Simlan")[1], a subsidiary of Guangxi Yuchai Machinery Company Limited ("GYMCL"), up 50.2% compared to 2023, which translated into a 61.9% increase in revenue. Despite a marked improvement, we continue to see an overall slow uptake for these products and will fall short on our new energy sales target of 20% over total powertrain solutions sales by 2025.
- We continued to see stronger demand in transitionary alternatives, particularly in the range extender system as its fuel efficiency potential and hence, carbon reduction and cost savings are recognised by our customers. Simlan recorded a 274% growth in revenue from range extender sales compared to 2023, part of which includes its first delivery to the Singapore market for city buses and tour coaches, continued demand from Macau for its city buses, as well as mining trucks for the off-road segment for other markets.
- Simlan's subsidiary, Yuchai Cynland (Jiangsu) Hyentech Co., Ltd. ("Yuchai Cynland") based in Wuxi High Tech Zone, China continues to work on the development of Proton Exchange Membrane fuel cell systems in collaboration with Tsinghua University and provides technical support to Simlan's joint venture entity, Beijing Xingshunda New Energy Technology Co., Ltd., in its road trials of 50 hydrogen fuel cell city buses in Beijing, China.
- To support its greater push for decarbonisation in the marine sector, GYMCL has also expanded its research and development (R&D) to include the development of ammonia-diesel combustion and methanol propulsion engines.

Building Materials Portfolio

- We continued to reduce the emissions intensity at the cement plant under Tasek Corporation Berhad ("Tasek") compared to our baseline year of 2016. However, given the limited availability of alternative materials, we will fall short on our clinker-to-cement ratio target of ≤0.75 by 2025. In the coming years, we expect the market for lower-carbon intensity products to develop further with greater market-based incentives which will help to drive the reduction in emissions intensity over the longer run.
- We have developed a decarbonisation roadmap for Tasek in Q3 2024. This will be a crucial pillar of the Group's 2030 Vision and climate risk management strategy over the longer term.
- We laid the groundwork for ReGen Sustainable Solutions Sdn. Bhd. ("ReGen") to commence operations in 2025 – a significant step towards driving circularity for the Building Materials portfolio through creating a second life for waste materials while reducing waste to landfill and contributing towards a low-carbon future.
- We commenced operations at the flagship batching plant of Island Concrete (Private) Limited ("Island Concrete") in Jurong Port's ready-mix concrete hub – an integrated facility that targets to shorten the production time and reduce carbon emissions of the built environment industry by cutting more than a million truck trips per year.
- In our quest to reduce manpower and increase operational efficiencies, we are piloting automated truck scheduling to optimise delivery routes and working on Singapore's first autonomous (hybrid) wheel-loader to maximise efficiency in material handling.
- We continued to replace Island Concrete's fleet of ready-mix 9m^3 concrete trucks to 12m^3. This will reduce the number of truck trips needed which will improve operational efficiency and reduce diesel usage. The number of 12m^3 ready-mix concrete mixer trucks now makes up about 40% of our total fleet.

1 Fomerly known as Yuchai Xinlan New Energy Power Technology Co., Ltd..

Board Statement

Even as we create positive impact through the work we do, we are also advancing our sustainability stewardship efforts, lowering our carbon emissions, delivering on our diversity and inclusion commitments and fostering a culture of care and safety.

GYMCL has made headway in pioneering hydrogen combustion engines in China. This has been recogised by GYMCL being appointed as a committee member of the new Hydrogen Combustion Engine Innovation Consortium division of the China Internal Combustion Engine Society to contribute to the development of low-carbon and zero-carbon internal combustion engines. This division was launched in May 2024 under the guidance of the China Association for Science and Technology and the Ministry of Industry and Information Technology to pursue China's "dual carbon" goals – to peak carbon emissions before 2030 and achieve carbon neutrality by 2060. Aside from advancing its R&D strategy, GYMCL has also started to strengthen capabilities towards energy-related performance and targets within and beyond its operations.

The Group's environmental efforts have also been recognised by the Financial Times & Statista as one of the Asia-Pacific Climate Leaders in 2024 for the third consecutive year. This is also a testament to the hard work of our operational teams in ensuring operational efficiency, contributing to the Group's reduction of Scope 1 and 2 emissions intensity despite being in the challenging category of "hard-to-abate" sectors. As one of seven listed companies in Singapore to make the list, this accolade inspires our continued commitment towards a low-carbon, circular future as we advance towards 2030. In 2024, we achieved a 27% reduction in total Scope 1 and 2 CO_2 emissions intensity [t CO_2 / million (SGD Revenue)] compared to the baseline year of 2016.

EMPOWERING OUR PEOPLE AND COMMUNITIES

Reflecting upon our journey to empower our people, we spent the year developing the *Beyond***HLA** foundation to encourage greater involvement in our sustainability ambition amongst HLA employees as well as to form longer-term collaborations with like-minded partners. We kicked this off through Future City workshops that offered employees the opportunity to engage in activities that strengthened their understanding of HLA's vision and sustainability ambition. We continued in this vein with more youths by spending time to connect with primary schools and polytechnics/technical institutes across Singapore and Malaysia to share about our sustainability ambitions to inspire potential possibilities for innovation within our sectors. We discussed the challenge towards decarbonising the built environment and the role that our Powertrain Solutions must play in developing a new infrastructure for low-carbon transportation in future cities. We aim for our businesses to develop projects that will encourage the move towards innovating at speed through empowering employees and extending their reach in communities. We believe this will also result in greater positive impact such as building a more resilient and diverse workforce.

BUILDING RESILIENCE FOR THE LONG TERM

Having launched our updated Supplier Code of Conduct and Occupational Health and Safety policies in 2023, we conducted refresher briefings for our business units in 2024 and obtained their feedback.

In our efforts to increase supplier engagement within our Building Materials business, we have achieved our target to screen all high-value suppliers in Singapore and Malaysia after the adoption of updated HLA Supplier Code of Conduct in early 2023. We also engaged four of these suppliers to better understand their ESG practices. For our Powertrain Solutions business in China, we saw greater interest from high-value customers and suppliers to better understand ESG performance within their supply chain. In view of these developments, the procurement team at GYMCL is updating their supplier audit questionnaires to cover a baseline on ESG disclosures and to align this over time with the requirements of the HLA Supplier Code of Conduct.

Upholding the safety of our employees and other stakeholders remains paramount to the Group. We are committed to maintaining high safety standards and will continue to work closely with partners and contractors to ensure this. In the area of safety performance, the Group closed off 2024 with zero workplace fatalities and injuries for third-party transportation. However, we recorded 18 lost-time injuries ("LTI") most of which were related to non-observance of procedures. Most of these cases involved our employees compared to the contractors. Two serious incidents related to vehicular accidents within the plant were reported under GYMCL. The investigation reported gaps in the review of employee competencies in safety training as well as oversight of safety officers on the ground which have since been resolved while other improved safety procedures to operate electric trucks and other mobile equipment within the factory have been implemented.

Board Statement

To improve safety reporting standards within the Group, we have updated our reporting framework and communication channels to streamline notification of critical safety incidents to the HLA Chief Executive Officer. Aside from ensuring timely updates on such incidents, this process has provided greater visibility across our business units in relation to the safety reporting indicators and safety performance management. We have also seen increased engagement on safety-related matters on the ground with a total of 704 safety engagement sessions held across Singapore and Malaysia in 2024. In Singapore, this included safety observation tours conducted by 19 management personnel as well as safety appreciation events involving over 1,000 workers and drivers. In Malaysia, Tasek's "Visible Felt Leadership" programme continues to progress well with 584 sessions held during the year while safety campaigns were held by Tasek in Malaysia with almost 600 participating employees.

STRENGTHENING OUR FOUNDATIONS FOR 2030

As the businesses continue to work towards their respective 2025 targets, the HLA Sustainability Team began to work on the Group's 2030 ESG ambitions. During the year, leaders were brought together to envision a more sustainable 2030 for HLA and build a baseline to discuss and develop the Group's potential 2030 ESG targets. Thereafter, the HLA Sustainability Team organised further consultations with the businesses in late 2024 and early 2025. The Group's key ESG ambitions and high-level targets have since been drafted, discussed and reviewed with HLA's senior management as well as presented to the HLA Board Sustainability Committee for feedback on 10 February 2025. The 2030 ESG strategy will be updated for the HLA Board's final approval in 2025.

Further, in collaboration with the newly formed GYMCL ESG committee, the HLA Sustainability team aligned its sustainability reporting standards and supported GYMCL in its transition. The collaboration also enabled HLA to expand GYMCL's scope of data to include key subsidiaries as updated under the "About this Report" section of this Report (see p.2). We will continue to work with GYMCL to improve the accuracy and coverage of ESG data related to these entities in the coming years.

Last but not least, the HLA Internal Audit team has also conducted its third audit of the Group's sustainability reporting practice which has been a useful exercise to review gaps in our data collection and management process as well as to prepare for future external audits. In total, a data review covering four material issues on carbon emissions, waste, employees and safety was performed, with appropriate recommendations for improvement made to the HLA Sustainability Team and business units.

LOOKING AHEAD

As we progress towards finalising our 2030 ESG targets, driving towards a low-carbon and circular economy remains our top priority. Our operations in China, Singapore and Malaysia have ambitions to meet their respective national targets on carbon reduction and carbon neutrality in the years ahead. National plans are still work in progress and evolving for most parts, and the speed in rolling out supportive measures as well as carbon pricing mechanism can vary. This can create uncertainty over the rate of uptake of greener products in our markets. It is also important to note that new technology on carbon capture requires very high investments at the present point in time, and so are the investments required to develop the infrastructure for alternative energy sources. Both of these are likely to remain high for the next five years.

Hence, the strategic implementation of our decarbonisation roadmap for Tasek is an important area of focus in 2025 to assess our potential to reduce the Group's Scopes 1 and 2 CO_2 emissions while developing our Scope 3 CO_2 emissions profile will help map out the subsequent areas of focus to drive the decarbonisation of our sectors. This will be dependent on our efforts to increase stakeholder engagement within our respective value chains to collaborate on opportunities to innovate. Without partnerships with customers, suppliers and solution providers, we would not be able to support the transition from "brown to green" in our sectors.

To support this journey, we need to continue building a strong, diverse and talented workforce to help drive this agenda. We will leverage upon our *Beyond*HLA framework to engage with our employees and develop them in pursuit of our 2030 ESG ambitions. We are proud to have achieved recognition for our efforts to drive employee engagement and continually improve our work environment in a changing landscape. Our people have always been the bedrock of our success and will continue to advance HLA to do better for the environment and communities.

BOARD OF DIRECTORS
Hong Leong Asia Ltd.
26 March 2025

Our Approach to Sustainability

SUSTAINABILITY FRAMEWORK

The HLA Group Sustainability Framework provides a clear articulation of the Group's sustainability priorities. Its three interconnected pillars encompass the material ESG topics facing HLA Group. Ensuring the sound management of these material topics is crucial to the success of our business strategy to create long-term value for our stakeholders.

HLA 2025 VISION

At HLA, our vision is to develop and deliver sustainable and innovative urban solutions for cities of the future. Our core values set the foundation for building resilience for the long-term.

DRIVING INNOVATION FOR A LOW-CARBON AND CIRCULAR ECONOMY

1. Energy Consumption and CO_2 emissions
2. Alternative Cement and Concrete Products
3. Energy Efficient Products
4. Circular Economy and Waste Management
5. Dust and Other Emissions
6. Product Quality and Customer Satisfaction

EMPOWERING OUR PEOPLE AND COMMUNITIES

1. Community Engagement
2. Diversity, Equity, Inclusion and Talent Management

BUILDING RESILIENCE FOR THE LONG-TERM

1. Ethical Conduct and Regulatory Compliance
2. Cybersecurity and Data Protection
3. Responsible Supply Chain
4. Occupational Health, Safety and Welfare

Keep The Customer First

Mind The Details That Matter

Do The Right Things

Think Fast, Work Faster

Create An Impact Beyond Our Business

Notes:
1. To differentiate the material topic of "Innovative Products" between Powertrain Solutions and Building Materials businesses, our core business units as depicted on the materiality matrix on p 12, we have renamed the topic as "Alternative Cement and Concrete Products" and "Energy Efficient Products: for the Building Materials and Powertrain Solutions" businesses, respectively.
2. The topic "Responsible Supply Chain" was formerly known as "Supply Chain Management" and was renamed to reflect the integration of ESG in our practices.

Our Approach to Sustainability

SUSTAINABILITY GOVERNANCE

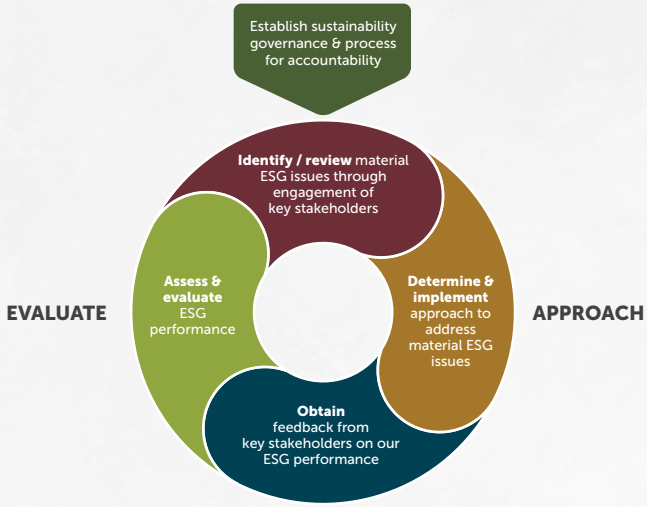
The Board of Directors (the "Board") provides guidance for the Group's sustainability framework, governance and reporting practice. The Board has oversight on the Group's business strategy and operational matters and also ensures these are consistent with the Group's efforts to mitigate climate-related risks and pursuit of climate-related opportunities.

In May 2023, the Board Sustainability Committee ("BSC") was set up and has since provided specific oversight over HLA's sustainability initiatives , which had previously been under the purview of the Audit and Risk Committee ("ARC"). The Building Materials business, made up of Building Materials Group, Singapore, and Tasek in Malaysia, have their own Environmental, Social and Governance ("ESG") Impact Working Groups. CYI/GYMCL also have an ESG Committee. Meanwhile, the HLA Sustainability Team led by the Head of Sustainability and Corporate Affairs would oversee sustainability related issues, climate-related agenda, track and support the progress of ESG commitments and strategies of the above business units and report to the BSC; which in turn would report to the Board.

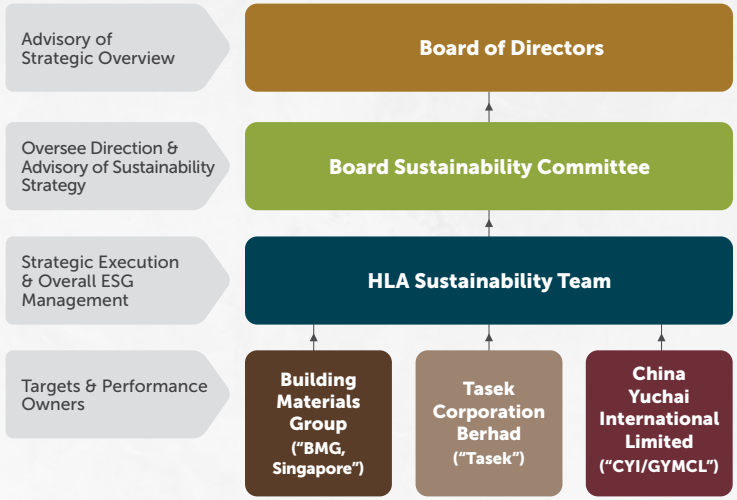
The CEO has the overall responsibility in driving ESG performance while managing the internal control and risk management framework of the Group's businesses and operations.

Since 2023, HLA has linked its ESG performance with the remuneration of its key executives. The key performance indicators ("KPIs") of our ESG performance, including those of the health and safety of our employees and the use of recycled and alternative materials in cement and concrete, have been implemented and cascaded down to our business leaders. In 2024, it was expanded to include the participation of business and functional leaders, at least once a quarter on health and safety activities such as safety audits, training and talks. All leaders must also participate in one corporate social responsibility ("CSR") activity and ensure at least 30% of employees participate in one CSR activity during the year. The ESG KPIs form a minimum of 20% of total performance evaluation in 2024.

HLA'S SUSTAINABILITY GOVERNANCE PROCESS



HLA'S SUSTAINABILITY GOVERNANCE STRUCTURE



Our Approach to Sustainability

HLA'S KEY STAKEHOLDERS AND MATERIALITY ASSESSMENT PROCESS

Our Key Stakeholders

We recognise the importance of engaging our stakeholders and define our key stakeholders as groups that the HLA businesses in China, Singapore and Malaysia may have a significant impact on or vice versa, and those with a vested interest in our business conduct. They include shareholders, customers, employees, local communities, government agencies, industry associations, suppliers and business partners.

Recognising the importance of engaging our stakeholders to encourage open communication and build relationships, we have adopted a stakeholder-inclusive approach – understanding the diversity of our stakeholders, keeping our ears to the ground and staying abreast of industry trends – and deployed various platforms to this end. The frequency of ongoing engagement with our stakeholders varies with their concerns and needs as well as with the topics of engagement.

Our Approach to Sustainability

STAKEHOLDERS ENGAGEMENT

KEY STAKEHOLDERS	MATERIAL ESG ISSUES	ENGAGEMENT PATHWAYS
CUSTOMERS		
Our customers are the reason for our business existence. We aim to assist our customers to meet future requirements and transit to a low carbon economy with key focus on sustainable and innovative urban solutions in the built environment and transport sectors.	• Energy Consumption and CO_2 Emissions • Alternative Cement and Concrete Products (BMG, Singapore) • Energy Efficient Products (CYI / GYMCL) • Product Quality and Customer Satisfaction • Cybersecurity and Data Protection	• Materiality Survey (assessed in 2021 and reviewed periodically) • Customer Surveys (Yearly) • Partnerships / Joint Ventures • Customer Site Visits • Service Centres / Call Centres, Mobile Applications • Online Channels • Rebranding Projects • After-Sales Services (GYMCL)
EMPLOYEES		
Our employees are the engines that drive our business forward, anticipating needs of our customers, delivering value and executing business strategies.	• Diversity, Equity, Inclusion and Talent Management • Occupational Health, Safety and Welfare • Cybersecurity and Data Protection	• Materiality Survey (assessed in 2021 and reviewed periodically) • Recruitment Channels • Talent Management Programme • Employee Surveys • Training and Development Initiatives • Town Hall Meetings, Management Meetings • Department / Team Bonding • Staff Engagement Events and Wellness Activities • Newsletters, Bulletin Boards, Email Communication • Whistle-blowing Channel • Rebranding Projects • Occupational Health and Safety Channels (toolbox meetings, management meetings, trainings, safety week / day, visible felt program, safety observation tour) • Phishing Email Assessments • Data Protection Policy Briefing

Our Approach to Sustainability

KEY STAKEHOLDERS	MATERIAL ESG ISSUES	ENGAGEMENT PATHWAYS
SUPPLIERS, CONTRACTORS AND VENDORS		
Across our value chain, we expect our suppliers to adhere to our policies and codes. In addition, we recognise the important role we play in collaborating with our suppliers, contractors and vendors to improve sustainable and responsible practices.	• Ethical Conduct and Regulatory Compliance • Occupational Health, Safety and Welfare • Responsible Supply Chain • Cybersecurity and Data Protection	• Materiality Survey (assessed in 2021 and reviewed periodically) • Supplier Evaluation (Yearly) • Supplier Code of Conduct Self-Assessment (Yearly) • Health and Safety Trainings / Inductions • Tender/Bidding Process, Request for Proposals / Support, Meetings, Dialogues
GOVERNMENT AGENCIES AND AUTHORITIES		
Beyond meeting regulatory requirements, we recognise the importance of building partnerships and good relations with the authorities and regulators to participate in nation building and development.	• Energy Consumption and CO_2 Emissions • Circular Economy and Waste Management • Dust and Other Emissions Management • Ethical Conduct and Regulatory Compliance • Occupational Health, Safety and Welfare	• Materiality Survey (2021) • Site Inspections, Site Audits, Reports Submissions • Meetings, Trainings, Seminars, Technical Committees at respective industry associations
LOCAL COMMUNITIES		
We are part of the communities wherever we operate. We are committed to invest our resources in the local communities to support their well-being and development.	• Dust and other Emissions Management • Community Engagement	• Environmental and Social Impact Activities and Initiatives • Partnerships or Collaborations with Non-Governmental Organisations
SHAREHOLDERS, INVESTORS, ANALYSTS AND MEDIA		
We aim to maximise shareholder value and implement prudent risk management to ensure company financial resilience and embed sustainability strategies into the business.	• Energy Consumption and CO_2 Emissions • Ethical Conduct and Regulatory Compliance • Cybersecurity and Data Protection	• Annual General Meeting • Corporate Websites, Annual Reports, Financial Reports • Meetings, Presentations and Dialogues

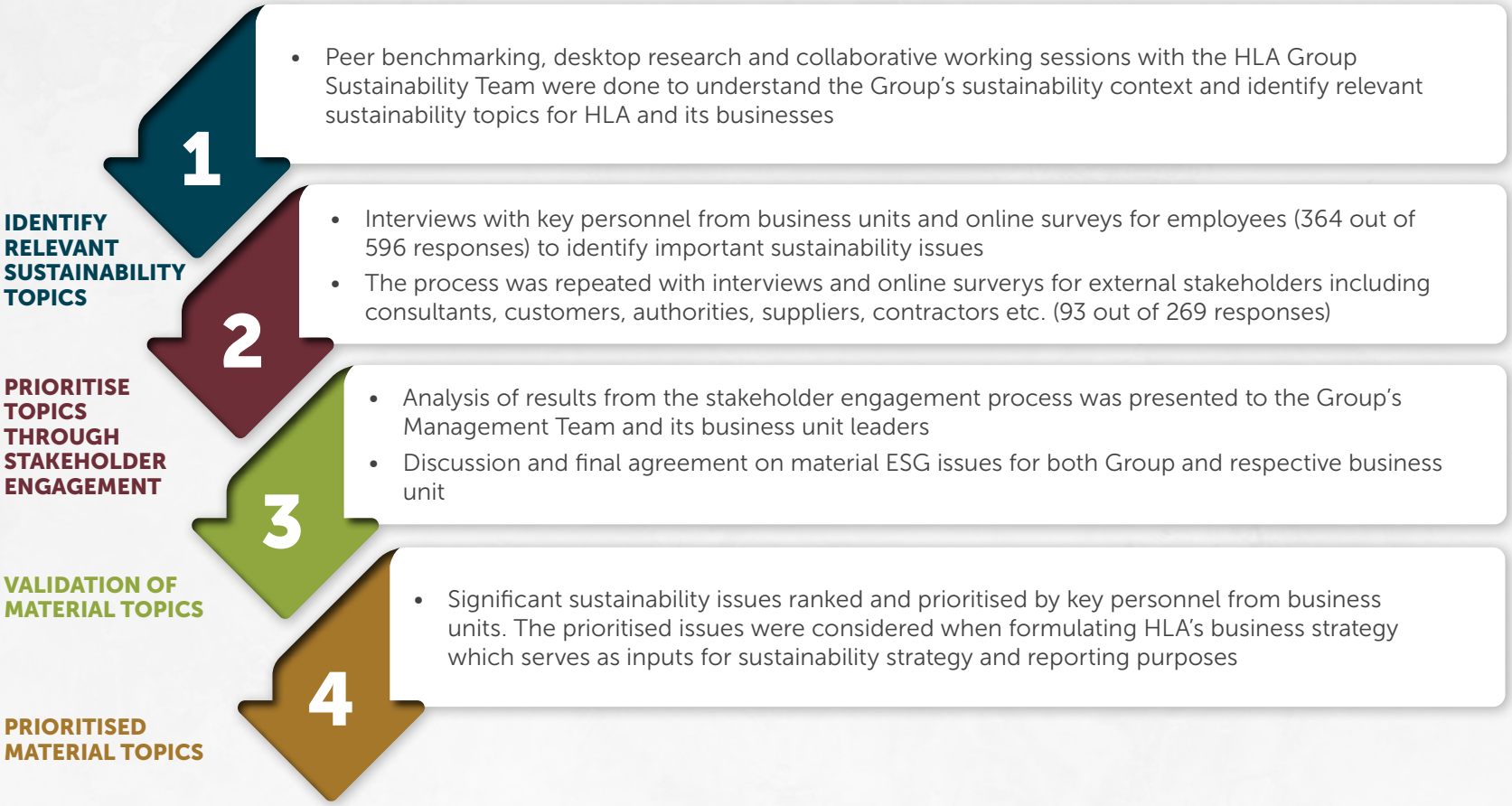
Our Approach to Sustainability

MATERIALITY ASSESSMENT

HLA conducted its sustainability materiality assessment in 2021 to re-frame the ESG concerns from the respective business key stakeholders. The material issues have since been updated accordingly and are reviewed periodically to ensure alignment with current issues or trends.

To understand the sustainability concerns and identify relevant sustainability key topics, we followed the process as shown below.

HLA GROUP MATERIALITY ASSESSMENT PROCESS

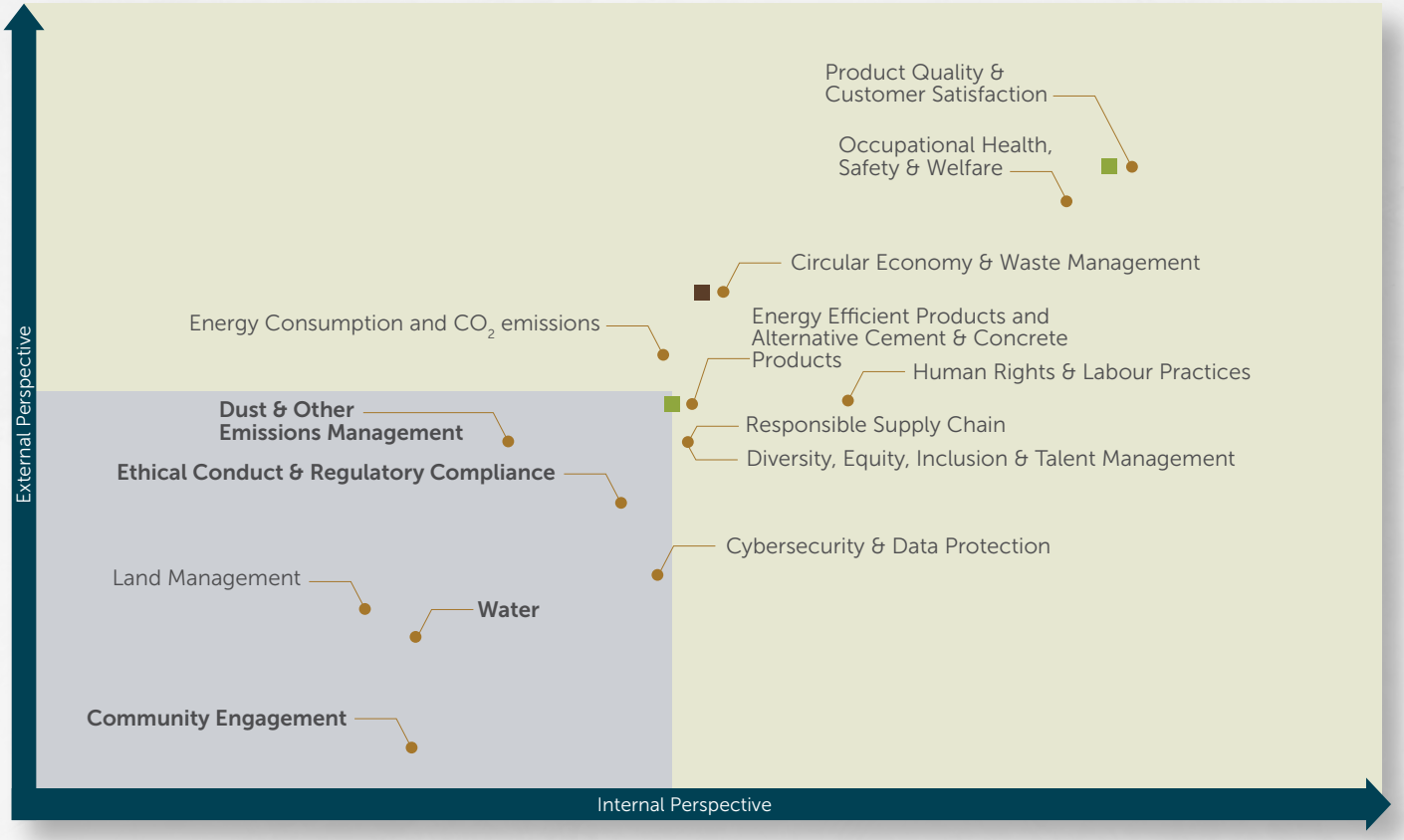


Our Approach to Sustainability

HLA's materiality matrix is summarised from our engagement with various stakeholders both internally and externally. The list of ESG issues were mapped onto a matrix reflecting the importance of key stakeholders (external) and HLA (internal).

The materiality matrix compiled reflected a strong consistency between internal and external ratings on the material issues. It also served to affirm the high relevance of SDGs 9 and 12 to the Group's businesses.

HLA MATERIALITY MATRIX



*Note: Material issues bolded within the blue box were included as key prioritised topics during the management workshops.

SDG 9
- Innovative Products
- Product Quality & Customer Satisfaction

SDG 12
- Circular Economy & Waste

- HLA prioritised material issues
- SDG 9: Industry, Innovation and Infrastructure
- SDG 12: Responsible Consumption and Production

Driving Innovation for

A Low-Carbon & Circular Economy

Cities of the future must transition towards a low-carbon economy in order to mitigate and adapt to climate change. This must also be supported by adopting a circular economy approach that removes waste and maximises the value of limited resources.

We see these changes as opportunities to transform the business. We optimise our operations to reduce environmental footprint, and use natural resources more efficiently by replacing traditional raw materials with more sustainable alternatives.

We partner with our customers and other players in the value chain to create sustainable and innovative urban solutions in the Building Materials and Powertrain Solutions sectors.

Driving Innovation for A Low-Carbon & Circular Economy

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2024 Performance	STATUS	2025 TARGET
Energy Consumption and CO_2 Emissions	Reduction in CO_2 emission intensity (t CO_2 / million (SGD Revenue)) vs 2016 baseline	27%	To improve	≥50%
	Scope 3 Emissions Reporting (in alignment with TCFD reporting requirements by SGX-ST)	Scope 3 Emissions reported (FY2022 to FY2024)	Target achieved	Report on a comply or explain basis by 2023
Alternative Cement and Concrete Products (Building Materials)	Percentage of sales volume from innovative / certified green concrete products under Green Mark / SGBP (as defined below) (Singapore)	10%	On track	≥20%
	Number of new products registered under recognised Malaysia green bodies	Achieved	Target achieved	Certification for 2 cement and 2 concrete mix under Tasek
Energy Efficient Products (Powertrain Solutions)	Percentage of new energy products sold against overall Powertrain Solutions sales	3.4%	To improve	≥20%
Circular Economy and Waste Management	Replacement of clinker with fly ash, limestone, ground-granulated blast furnace slag, etc.	0.88	To improve	≤0.75
	Percentage of recycled/alternative raw materials in total concrete volume	29%	On track	≥35%
	Percentage of concrete waste generated from total volume (excluding sludge)	2.4%*	On track	<0.5%
	Alternative raw materials used in the calcination process	65,426 MT	Target achieved	>50,000 MT
	Percentage of coal substitution by alternative fuels in calorific value basis	18%	On track	>30%
	Utilisation rate of foundry waste sand	71%	On track	≥90%
	Recycling of casting waste	100%	Target achieved	Maintain 100%
Dust and Other Emissions	Fines / complaints on dust emissions from authorities	Zero Incident	Target achieved	Zero Incidence
	Dust emission levels	< 26 mg/Nm^3** (Building Materials) < 30mg/Nm^3 (Powertrain Solutions)	Target achieved	< 50mg/Nm^3 continuously (Building Materials) < 30mg/Nm^3 (Powertrain Solutions)
	SOx, NOx, VOC emissions	SOx – 13 g / t clinker NOx – 1,379 g / t clinker VOC – 45 kg / year	Target achieved	Data to be assessed / collected and reported by 2023
Product Quality and Customer Satisfaction	Average Customer Satisfaction Score based on annual surveys / feedback	82% (Building Materials) 90% (Powertrain Solutions)	On track	≥90% (Building Materials) ≥85% (Powertrain Solutions)

* Concrete waste data for Singapore includes sludges as operations face challenges to exclude at the moment.
** Based on average external third-party measurements from both kilns.

To improve On track Target achieved

Driving Innovation for A Low-Carbon & Circular Economy

HLA GROUP

Energy Consumption & CO_2 Emissions

HLA's core businesses in Building Materials and Powertrain Solutions are energy intensive. For the Building Materials unit ("BMU"), coal is the main source of fuel used in the kiln for clinker production at Tasek while other sources of energy include diesel, gas, alternative fuels and electricity. The industrial operations of the business in Singapore and Malaysia, spanning offices, batching plants, silos and the transportation of products to customers, require high energy consumption daily.

Across our operations, energy consumption is closely monitored and managed by the operations team daily, monitored monthly by management and reported quarterly to the HLA Sustainability Team. This data analysis helps to identify any anomalies which are then further investigated so that remedial actions can be taken. For instance, Tasek's cement operations has an online power monitoring system to control the efficiency of major plant equipment during the production of clinker and cement. This system was upgraded in 2021 and integrated into the plant computerised control system.

We also took migratory steps such as utilising lower-carbon emission alternative fuels ("AFs") to replace coal, and alternative/substitute materials like pulverised fly ash ("PFA") and ground-granulated blast furnace slag ("GGBS") to reduce the carbon intensity of cement production.

Our Powertrain Solutions operations also uses a considerable amount of electricity. The foundry operations consumes almost 60% of the electricity consumption. To mitigate the carbon footprint, solar panels were installed at manufacturing plants to increase renewable energy consumption. Other initiatives include voltage control and optimisation at the substation via reactive power compensation, changing electric heating pipe to heating with heat pump, and implementing heat-waste drying technology. Fuels like diesel are mainly used for hot testing of engines produced while the business also has cold testing in place which does not require any fuel in the process.

PROGRESS ON 2025 TARGETS

CO_2 emission intensity of the Group's business operations remains flat in 2024 compared to 2023. FY2024 Group revenue increased by 4.1% while the Group's CO_2emissions reported in FY2024 also increased by 4.3% from FY2023, respectively. The increase in overall CO_2 emissions was mainly contributed by the Powertrain Solutions business which has expanded its reporting scope in the current year to include key subsidiaries. We will continue to closely monitor our emission profile and carbon intensity of the business activities in the transition to a lower carbon economy.

Over 2022 and 2023, a scenario analysis aligned with TCFD requirements was conducted by an external consultant. Data collection for Scope 3 emissions have been completed in line with our 2025 Target.

GROUP CO_2 EMISSIONS

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Energy Consumption and CO_2 Emissions	Reduction in CO_2 emission intensity (t CO_2/million (SGD Revenue)) vs 2016 baseline	37%*	27%*	27%	↘	≥50%
	Scope 3 Emissions Reporting (in alignment with TCFD reporting requirements by SGX-ST)	TCFD Consultant selected. Data collection in progress.	Scope 3 baseline data for 2021 reported as a case study.	Scope 3 emissions reported (FY2022 – FY2024).	✓	Report on a comply or explain basis by 2023.

*Number has changed due to updates after latest emission factors on electricity published for Singapore and Malaysia.

↘ To improve ✓ On track ✓ Target achieved

Driving Innovation for A Low-Carbon & Circular Economy

2024 PERFORMANCE

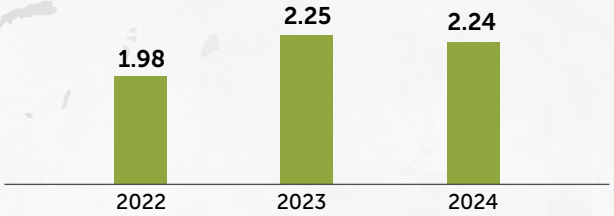
Total energy consumption for the Group's operations in China, Singapore and Malaysia increased by approximately 4% to 9,471 TJ for FY2024, primarily due to expanded coverage of the reporting scope for China which now includes key subsidiaries.

CO_2 emissions produced by operations in China, Singapore and Malaysia in FY2024 had increased compared to the prior year due to the expanded reporting scope for China which now includes GYMCL's key subsidiaries. Scope 1 emissions from the combustion of fossil fuels and calcination of limestone - which is inherent in clinker production, accounted for the remaining 83% of the Group's total carbon footprint for FY2024. Scope 2 emissions in the form of purchased electricity to power the Group's businesses which include properties, operations and utilities made up 17% of the Group's overall CO_2 emissions.

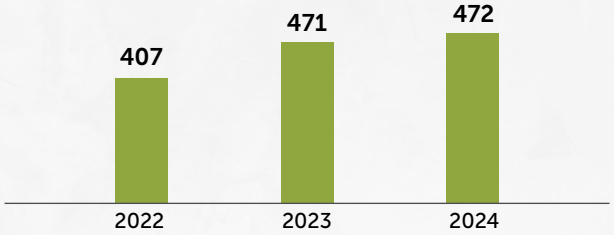
The Group has prioritised the use of AFs and hence, set a minimum of 30% replacement target for coal in 2025 as one of the levers to reduce CO_2 emissions from business activities. We continue to work towards using a higher proportion of AFs as well as increasing investments to process waste materials better so as to consume a higher proportion of AF. In addition, an energy audit was conducted at Tasek in Malaysia over 2022 and 2023 to identify energy efficiency improvements. Following this exercise, a study was initiated in late 2024 to develop a decarbonisation roadmap for Tasek's cement plant as it is the greatest contributor to Scopes 1 and 2 emissions under the Group's portfolio.

Solar panels have been commissioned at our integrated construction and prefabricated hub in Punggol Barat, Singapore since mid-2023, which have partially offset the site's Scope 2 emissions. Feasibility studies are underway to expand the usage of solar panels. Currently, renewable energy constitutes around 5% of the Group's overall electricity consumption.

GROUP AVERAGE ENERGY INTENSITY
TJ / million (SGD Revenue)



GROUP AVERAGE CO_2 INTENSITY (SCOPE 1 AND 2)
tCO_2 / million (SGD revenue)



Driving Innovation for A Low-Carbon & Circular Economy

GROUP TOTAL ENERGY CONSUMPTION (FOSSIL FUELS & ELECTRICITY) BY COUNTRY

TOTAL ENERGY CONSUMPTION (FOSSIL FUELS AND ELECTRICITY)	UNIT MEASUREMENT	2022	2023	2024
Singapore Cement Silo Terminal Ready-mix Concrete Batching Plants Precast Fabrication and Assembly Facility	TJ	116	121	136
Malaysia Cement Plant Ready-mix Concrete Batching Plants Precast Fabrication and Assembly Facility Quarries	TJ	6,365	7,848	7,646
China Engine Production Facility in Yulin & Bang Pakong, Thailand R&D Facility in Nanning and Wuxi	TJ	1,124	1,158	1,689*
Total Energy Consumption	TJ	7,605	9,127	9,471
Overall Energy Intensity	TJ / million (SGD Revenue)	1.98	2.25	2.24

*Scope of data under the Powertrain Solutions business in China has been expanded to include key subsidiaries from FY2024 onwards.

GROUP CO_2 EMISSIONS BY SCOPE 1, SCOPE 2 AND TOTAL (BY COUNTRY)

SCOPE 1 EMISSIONS (BY COUNTRY)	UNIT MEASUREMENT	2022	2023	2024
Singapore	tCO_2	6,523	6,598	7,342
China	tCO_2	38,145	39,052	43,904**
Malaysia	tCO_2	1,290,337	1,599,039	1,599,433
TOTAL	tCO_2	1,335,005	1,644,689	1,650,679

SCOPE 2 EMISSIONS (BY COUNTRY)	UNIT MEASUREMENT	2022	2023	2024
Singapore	tCO_2	3,255	3,577*	3,786
China	tCO_2	88,047	92,401	171,713**
Malaysia	tCO_2	139,288*	169,264	170,258
TOTAL	tCO_2	230,590	265,242	345,757

TOTAL SCOPE 1 AND 2 EMISSIONS (BY COUNTRY)	UNIT MEASUREMENT	2022	2023	2024
Singapore	tCO_2	9,778	10,175*	11,128
China	tCO_2	126,192	131,453	215,617**
Malaysia	tCO_2	1,429,625*	1,768,303	1,769,691
Total Scope 1 and 2 Emissions	tCO_2	1,565,595	1,909,931	1,996,436
CO_2 Intensity (Scope 1 and 2)	tCO_2 / million (SGD revenue)	407	471	472

Note: All CO_2 calculation is as per 2006 IPCC Guidelines for National Greenhouse Gas Inventories, GHG Protocol and Cement Sustainability Initiative.
*Indicates that numbers have been updated after latest emission factors on electricity published for respective countries.
**Indicates that the scope of data under the Powertrain Solutions business in China has been expanded to include key subsidiaries from FY2024 onwards.

Driving Innovation for A Low-Carbon & Circular Economy

In 2022, HLA engaged an external consultant to assist in determining the Scope 3 inventory across the supply chain in China, Singapore and Malaysia for the Building Materials and Powertrain Solutions businesses. The following summarises the key steps undertaken in 2023:

Q1 - Setting boundary and identification of emissions sources

- Screening template
- Prioritisation of Scope 3 categories

Q2 to Q3 - Data Collection and Consolidation

- Scope 3 data collection template
- Engagement and clarification with business units

Q4 - Scope 3 Inventory

- Data processing and calculations
- Presentation to business units

Initial screening and prioritisation for 15 categories of Scope 3 based on the GHG Protocol were conducted in Q1 2023 based on materiality, measurability, estimated size and controllability. Data collection templates were then designed and rolled out to the business units with a series of engagements, clarifications and walkthroughs. Finally, appropriate emission factors (calculated using either spend-based, activity-based or average data methods) were developed to calculate the Group's Scope 3 emissions.

The Group's Scope 3 emissions recorded (excluding GYMCL key subsidiaries) from FY2022 to FY2024 are summarised in the following page.

As seen in the table of Scope 3 emissions breakdown for 2024, Categories 1, 3 and 11 cover almost 98% of the stated FY2024 Scope 3 emissions. This is mainly contributed by activities related to the purchase of cement, purchase of coal and engines sold, respectively. Accuracy of data will be improved in the coming years by transitioning our data collection methodology from activity-based to supplier-based and therefore, progressively replacing spend-based data with material weight / mass data.

CO_2 EMISSIONS BY SCOPE 3 AND TOTAL (BY COUNTRY)

SCOPE 3 EMISSIONS (BY COUNTRY)	UNIT MEASUREMENT	2022	2023	2024
Singapore	tCO_2e	1,243,476	1,332,570	1,714,489
China*	tCO_2e	416,266	454,567	518,794
Malaysia	tCO_2e	762,240	944,987	1,009,572
Scope 3 Total Emissions	tCO_2e	2,421,982	2,732,124	3,242,855

*Data reported only covers GYMCL's main plant in Yulin, Guangxi.

BREAKDOWN OF SCOPE 3 EMISSIONS (2024)

SCOPE 3 CATEGORIES	DETAILS	% OF TOTAL SCOPE 3 EMISSIONS
Category 1: Purchased goods & services	Purchase of raw materials including cement, aggregates, steel etc.	82.0
Category 11: Use of sold products	Diesel engines used in its lifetime	7.4
Category 3: Fuel- and energy-related activities not included in Scope 1 & Scope 2	Mainly from purchased electricity and fuels for operations	8.3
Category 4: Upstream transportation and distribution	Majority attributed to road freight	1.5
Category 10: Processing of sold products	Processing of cement into other products example precast/concrete	0.6
Category 2: Capital goods	Related to CAPEX and machinery expenses	0.1
Category 5: Waste generated in operations	Landfilling of waste materials generated from operations	0.1

Driving Innovation for A Low-Carbon & Circular Economy

BUILDING MATERIALS

ALTERNATIVE CEMENT & CONCRETE PRODUCTS

For much of the built environment, the cement and concrete used have significant carbon footprint. Annually, the cement and concrete industry accounts for approximately 8% of global CO_2 emissions. In the cement manufacturing process, clinker is produced when calcined limestone reacts with silica-based minerals in a kiln to form a mixture of calcium silicates and in turn generates the biggest share of CO_2 emissions in the cement-to-concrete value chain.

In FY2024, the Building Materials business continued with initiatives to develop and adopt cost-efficient substitution of traditional raw materials and use of AFs, as well as to implement measures that reduce waste consumption in production.

In Singapore, we continuously work to improve the manufacturing of lower-carbon intensity concrete products. At Island Concrete, fly ash cement, GGBS and recycled concrete aggregates ("RCA") are used to manufacture a range of certified green concrete called Envirocrete or Ecocrete (167 different mixes), delivering lower carbon footprint with similar performance compared to using ordinary portland cement.

Certified by Singapore Green Building Product ("SGBP"), an industry standard environmental certification under Building and Construction Authority ("BCA") in Singapore, Island Concrete's range of green concrete products are supplied to various construction and infrastructure projects for the built environment sector in Singapore.

At our Malaysian operations, Tasek develops cement products with lower clinker content as specified under the Malaysian Standards Specification for Cement. The products have lower carbon emissions and energy consumption and typically includes substituting clinker with PFA and GGBS. Currently, Tasek markets its lower carbon intensity cement as a "CEM II/A-V" (as per EN 197-1 standards) labelled product under the brand name – Green "Buaya".

Driving Innovation for A Low-Carbon & Circular Economy

PROGRESS ON 2025 TARGETS

Alternative Cement and Concrete Products

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Alternative Cement and Concrete Products	Percentage of sales volume from innovative / certified green concrete products under Green Mark / SGBP (Singapore)	8%	12%	10%	✓	≥20%
	Number of new products registered under recognised Malaysia green bodies	1 cement product	3 cement products & 2 concrete mix certified	ACHIEVED	✓	Certification for 2 cement and 2 concrete mix under Tasek

↘ To improve ✓ On track ✓ Target achieved

In FY2024, the sales volume of green concrete products reduced in comparison to the prior year under BMG, Singapore, accounting for 10% of total concrete sales volume. This is on the back of total concrete sales volume growing 16% year-on-year, while the sales of green concrete did not keep pace with the overall growth.

To be certified, green concrete products must demonstrate substitution of cement (>25%) and aggregates (>30%) with alternative materials and zero toxic / hazardous substances in the manufacturing process. As of the end of FY2024, Tasek achieved two new green product certifications under the CEM II/B-M and CEM II/B-V categories by the Singapore Environment Council ("SEC"), increasing the green product portfolio for cement to three. In the concrete market, product certification is an assessment of the manufacturer's production control system, facilities and conformity to specifications. We have achieved the certification of two green concrete mixes by Certibuild Malaysia.

Driving Innovation for A Low-Carbon & Circular Economy

BUILDING MATERIALS

CIRCULAR ECONOMY AND WASTE MANAGEMENT

Internal waste generated from the Building Materials business include non-hazardous waste such as domestic waste, concrete waste and scraps as well as hazardous waste such as engine oils and lubricants.

For non-hazardous waste, the domestic waste is mainly landfilled or incinerated while scraps are sold to recyclers. Concrete waste is typically taken off by external parties for backfilling at various constructions sites while some contractors repurpose the concrete waste as recycled concrete aggregates after going through a process of drying, sorting and crushing.

Furthermore, the industry currently uses various clinker substitutes or alternative raw materials to produce green products and solutions, contributing to a more sustainable and circular built environment by reducing the amount of CO_2 released in the final product. This practice is also implemented to provide our customers with lower-carbon alternatives. Trials are conducted to assess the performance of the green products and push the limits of our formulations.

As for hazardous waste, this waste is sent to an approved third-party contractor as per respective country regulations for disposal. As most of the hazardous waste are petroleum based, these are mainly recoverable.

Apart from waste generated and recycled, the industry also requires water to produce cement and concrete products such as precast and ready-mix concrete.

Cement manufacturing process requires water for cooling of machines and hot gases while water is also one of the major components in concrete mixes. In addition, water is used in the offices, lavatory facilities, plant cleaning activities and for dust suppression measures.

In Malaysia, the cement plants mainly draw water from ponds and lakes in existing quarries while concrete operations draw groundwater via boreholes. Water for non-processing usage is sourced from piped municipal supply. Over in Singapore, the main source of water for operations comes from piped municipal supply with the new batching plant at Jurong Port connected to NEWater, a product of recycled wastewater in Singapore.

All concrete batching plants have a water recycling system where sedimentation ponds are in place to capture any wastewater mixed with concrete. Pumps are installed in the ponds to recycle the wastewater for washing of trucks or dust suppression measures.

Driving Innovation for A Low-Carbon & Circular Economy

2024 PERFORMANCE

Overall, an estimated 224,309 tonnes of waste from the Building Materials business were generated in 2024, which is 15% lower compared to 2023. Less than 1% was directed to disposal which mainly comprised domestic waste and hazardous waste. The remaining 99% was diverted from disposal which mainly comprised concrete waste from ready-mix concrete operations and metal scraps from cement and precast operations.

Overall, the Building Materials business recorded a water consumption of 1.84 million m^3 of water. Nearly two fifths or 37% of this volume is consumed by Tasek's cement plant, followed by the ready-mix concrete operations in Singapore making up 36%, followed by the precast operations in Singapore at 17%. The remaining 10% is accounted for by related entities within the Building Materials business in Singapore and Malaysia.

WASTE GENERATION BY BUSINESS SEGMENT AND GEOGRAPHIC LOCATION

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	TYPE OF WASTE	WASTE GENERATED (TONNE)		
			2022	2023	2024
Building Materials	Singapore	Oils, lubricants, concrete sludge, domestic waste, scraps	250,892	254,192	217,949
	Malaysia		5,707	9,511	6,360
TOTAL			256,599	263,701	224,309

WATER CONSUMPTION BY BUSINESS SEGMENT AND GEOGRAPHIC LOCATION

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WATER CONSUMPTION (m^3)		
		2022	2023	2024
Building Materials	Singapore	877,727	924,647	975,170
	Malaysia*	773,290	871,839	868,063
TOTAL		1,651,017	1,796,486	1,843,233

*Water consumption data from concrete and cement operations in Malaysia is based on water pump flow, running hours and water usage in concrete mix.

WASTE DIVERTED FROM DISPOSAL BY BUSINESS SEGMENT AND GEOGRAPHIC LOCATION

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WASTE DIVERTED FROM DISPOSAL (TONNE)		
		2022	2023	2024
Building Materials	Singapore	250,169	253,627	217,518
	Malaysia	5,584	9,339	6,041
TOTAL		255,753	262,966	223,559

WASTE DIRECTED TO DISPOSAL BY BUSINESS SEGMENT AND GEOGRAPHIC LOCATION

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WASTE DIRECTED TO DISPOSAL (TONNE)		
		2022	2023	2024
Building Materials	Singapore	723	565	431
	Malaysia	122	171	319
TOTAL		845	736	750

Driving Innovation for A Low-Carbon & Circular Economy

PROGRESS ON 2025 TARGETS

As part of the HLA Group's plan to drive circular economy solutions, Tasek has a co-processing permit license that is in compliance with Malaysia's guidelines on Environmentally Sound Co-Processing of Scheduled Waste in the cement industry. This license allows Tasek to offer expertise and solutions to co-process waste from other industries which reduces the need to dispose via landfill. As of 2024, strategic plans were put in place to build in-depth expertise under ReGen Sustainable Solutions Sdn Bhd, a new subsidiary under Tasek.

In 2023 & 2024, the use of alternative raw materials rich in alumina and silica in Tasek's cement products have surpassed the 2025 Targets which is largely attributed to improved plant capability and sourcing efforts.

In terms of coal replacement, Tasek achieved a 18% substitution rate utilising AFs that mainly include fossil-based waste like plastics and carbon black. The utilisation rate increased 6 percentage points from FY2023 due to improvements made to the AF feeding systems and efforts in sourcing suitable materials.

The proportion of clinker replacement achieved was lower with C/K ratio of 0.88. Cementitious material replacement decreased 6 percentage points in FY2024 compared to FY2023, mainly attributed to lower availability of fly ash as one of the power plants in Malaysia, a supplier of fly ash, had shut down its coal fired turbine for repair throughout most of 2024.

Concrete waste makes up a substantial proportion of material waste in the Building Materials industry. It is generated from demolition and construction activities, concrete trial mixes, over-ordered concrete by customers, leftover concrete after pours on-site and from truck breakdowns. Generally, concrete waste can be repurposed into concrete blocks, used for backfilling at construction sites, recovered as recycled concrete aggregates or ultimately disposed at landfill.

In 2024, the concrete quality technical team in Malaysia optimised the concrete mix design and improved the replacement rate of alternative waste materials, achieving 22% compared to 18% in 2023. For the concrete operations in Singapore, the substitution rate maintained at 31% which is the same as previous year's performance.

In Malaysia, the ready-mix concrete operations have maintained an overall proportion of concrete waste generated from total concrete volume produced at the Group's target level of ≤ 0.5%. Due to overall increased volumes, over-ordering and transportation issues, there was a slight increase in the amount of concrete waste generated for both Singapore and Malaysia.

In Singapore's ready-mix concrete operations, the concrete waste from Island Concrete is mainly generated from over-ordering by customers and has decreased in 2024 by 1.3% year-on-year. The sales and operations teams have increased engagement with customers to educate them on the concrete volumes to be ordered for casting to avoid wastage.

Driving Innovation for A Low-Carbon & Circular Economy

UTILISATION OF ALTERNATIVE RAW MATERIALS AND ALTERNATIVE FUELS (TASEK'S CEMENT PLANT)

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024	2025 TARGET
Circular Economy & Waste Management	Alternative raw materials used in the calcination process (MT)	41,572	66,434	65,426 ✓	≥50,000
	Percentage of coal substitution by alternative fuels in calorific value basis	16%	12%	18% ✓	≥30%
	Replacement of clinker with fly ash, limestone, ground-granulated blast furnace slag, etc.	0.88	0.87	0.88 ↘	≤0.75

SUBSTITUTION OF ALTERNATIVE RAW MATERIALS (READY-MIX CONCRETE OPERATIONS) BY COUNTRY

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	COUNTRY	2022	2023	2024	2025 TARGET
Circular Economy & Waste Management	Percentage of recycled/alternative raw materials in total concrete volume	Singapore	28%	31%	31% ✓	≥35%
		Malaysia	22%	18%	22% ✓	

*Alternative raw materials include PFA, GGBS, WCS, RCA & Granite Fines / Quarry Dust.

CONCRETE WASTE GENERATED (READY-MIX CONCRETE OPERATIONS) BY COUNTRY

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	COUNTRY	2022	2023	2024	2025 TARGET
Circular Economy & Waste Management	Percentage of concrete waste generated from total volume (excluding sludge)	Singapore*	4.1%	4.3%	3.0% ✓	≤ 0.5%
		Malaysia	0.4%	0.5%	0.3% ✓	

* Concrete waste data for Singapore includes sludges as operations face challenges to exclude as of the moment.

↘ To improve ✓ On track ✓ Target achieved

Driving Innovation for A Low-Carbon & Circular Economy

BUILDING MATERIALS

DUST AND OTHER EMISSIONS MANAGEMENT

Dust is emitted in the processing of raw materials and within our cement and ready-mix concrete batching plants. HLA's Building Materials business operations are committed to ensure that we have effective mitigating measures in place.

The measures are compliant with specific country requirements to minimise air emission and pollution for nearby communities. Key pollution control equipment includes bag filters or electrostatic precipitators which are installed in our plants and covers major equipment, transfer points and silos. These are inspected on a periodic basis and preventive maintenance is carried out to maintain optimum performance of the pollution control equipment.

For our operations in Singapore, ambient air is monitored, and the government imposes regulatory measures to minimise dust emissions through zoning and land-use planning.

At Tasek, an online real time continuous emission monitoring system is installed and linked to the Department of Environment in Malaysia. On rare occasions when there is a spike in dust emission due to an unexpected breakdown or instability of certain plant processes, the operations team would take prompt actions to rectify the issue and notify the regulators accordingly.

Monitoring of emission levels by an external third party is also carried out on a quarterly basis. A direct communication channel is provided for nearby communities to enable them to address any relevant environmental issue with the plant's management team for corrective action.

Our Building Materials business ensures its processes and maintenance of equipment are in good order to control dust emissions according to regulatory limits.

At Tasek, dust emission limits were first introduced in 2019 in accordance with the Environmental Quality (Clean Air) Regulation 2014 in Malaysia. The first phase of upgrading of dust collectors was then completed in 2019. The second phase of upgrading the electrostatic precipitators system for the second kiln was completed in 2022. Dust emission levels are currently well below the allowable limit of 50mg/Nm^3.

We recorded zero fines from authorities on emissions and no complaint from the communities in Malaysia in 2024.

PROGRESS ON 2025 TARGETS

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Dust and Other Emissions	Fines / complaints on dust emissions from authorities	Zero incident	Zero incident	Zero incident	✓	Zero incidence
	Dust emission levels	<39 mg/Nm^{3*}	<15 mg/Nm^{3*}	<26 mg/Nm^{3*}	✓	<50mg/Nm^3 continuously
	SOx, NOx, VOC emissions	Data collection in progress	SOx – 19 g / t clinker NOx – 1,279 g / t clinker VOC – 45 kg / year	SOx – 13 g / t clinker NOx – 1,379 g / t clinker VOC – 45 kg / year	✓	Data to be assessed / collected and reported by 2023

↘ To improve ✓ On track ✓ Target achieved

*Based on average external third-party measurements from both kilns.

Driving Innovation for A Low-Carbon & Circular Economy

BUILDING MATERIALS

PRODUCT QUALITY & CUSTOMER SATISFACTION

HLA's Building Materials business operations, including our cement plant and ready-mix sites, are ISO 9001 certified. The laboratory in our cement plant in Malaysia is also certified ISO 17025 compliant, which sets the main standards for testing and calibration. Periodic testing of raw materials, clinker, cement and concrete are conducted to ensure quality is maintained throughout the supply chain.

The HLA Group's portfolio of cement and concrete products have their product certification licenses issued by respective authorities – Standard and Industrial Research Institute of Malaysia, Construction and Industry Development Board for Malaysia, and BCA in Singapore. Major suppliers are evaluated at least once a year on quality of goods and services provided. Ad-hoc visits to our suppliers' sites formed part of the evaluation process, especially for new suppliers.

Our sales and marketing teams proactively engage with customers to ensure products and services meet or exceed their expectations. They work closely with the technical and quality control teams to conduct site visits and review customer feedback to resolve issues and align with changing industry requirements and trends. These engagements enable the sales and marketing teams to address issues promptly.

Formal surveys are also conducted to obtain customer feedback on our products and services. These are performed annually or at the end of each project. The customer feedback enables us to gauge the level of customer satisfaction and identify areas for improvement.

Driving Innovation for A Low-Carbon & Circular Economy

PROGRESS ON 2025 TARGETS

For the Building Materials business in Singapore, R3 Precast achieved a customer satisfaction score of 83% in 2024 on the manufacture, supply and delivery of precast concrete components for projects completed. The score, solicited from six customers, was based on BCA's customer evaluation criteria covering five areas: quality performance, site planning and control, progress of works, housekeeping, and response to instructions. For Island Concrete, 41 customers were surveyed on topics ranging from sales response to enquiry, order process, product quality and delivery performance. Island Concrete achieved a customer satisfaction score of 82%.

For the Building Materials business in Malaysia, Tasek's cement division conducted an online annual survey for its key customers in 2024. A new survey questionnaire was developed and launched in Q4 which covered product quality and customer service including product performance, logistical arrangements and service levels. A customer satisfaction score of 86% was recorded based on 91 responses for 2024.

Tasek's concrete division similarly conducted an online customer survey which covered customer feedback on ordering, delivery, quality and service. The score recorded was 6 percentage points lower compared to 2023. The lower score was attributed to delivery performance, and this is currently being addressed by the sales and logistics teams.

CUSTOMER SURVEY RESULTS FOR BUILDING MATERIALS BUSINESS

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Product Quality and Customer Satisfaction	• R3 Precast	82%	87%	83%	↘	90%
	• Island Concrete	81%	81%	82%	✓	
	• Tasek Cement	78%	84%	86%	✓	
	• Tasek Ready-Mix Concrete	86%	84%	78%	↘	

↘ To improve ✓ On track ✓ Target achieved

Driving Innovation for A Low-Carbon & Circular Economy

ISLAND CONCRETE FLAGSHIP BATCHING PLANT – JURONG PORT READY-MIXED CONCRETE ECOSYSTEM

In 2020, Island Concrete signed a 30-year lease agreement with Jurong Port Pte Ltd ("JP") to build and operate a state-of-the-art ready-mix concrete plant. Construction of this new batching plant commenced in 2021, and the plant was commissioned and became operational in Q4 of 2024.

Island Concrete's new flagship plant is equipped with three 4.5m^3 twin-shaft mixers with a production capacity of 540m^3 per hour. New design features also include a unique below ground conveyor belt system and bucket elevators for high-speed transfer and loading of raw materials. The entire plant and office building was constructed using certified green concrete containing Ordinary Portland fly ash cement and has achieved BCA's Green Mark certification.

JP's RMC Ecosystem is an integrated facility designed to streamline logistics – from import to the efficient production of concrete with full automation features for material handling equipment and conveyors, and is part of the blueprint for a greener supply chain for the building materials sector. It is equipped with 700m-long enclosed conveyor belts to transport aggregates or sand from the ship to the batching plants without the need for tipper trucks thereby reducing carbon emissions and transport cost. It is also equipped with shared facilities such as water recycling systems and truck washing facilities which frees up space for production activities.

Photo Credit: Jurong Port

Driving Innovation for A Low-Carbon & Circular Economy

POWERTRAIN SOLUTIONS UNIT

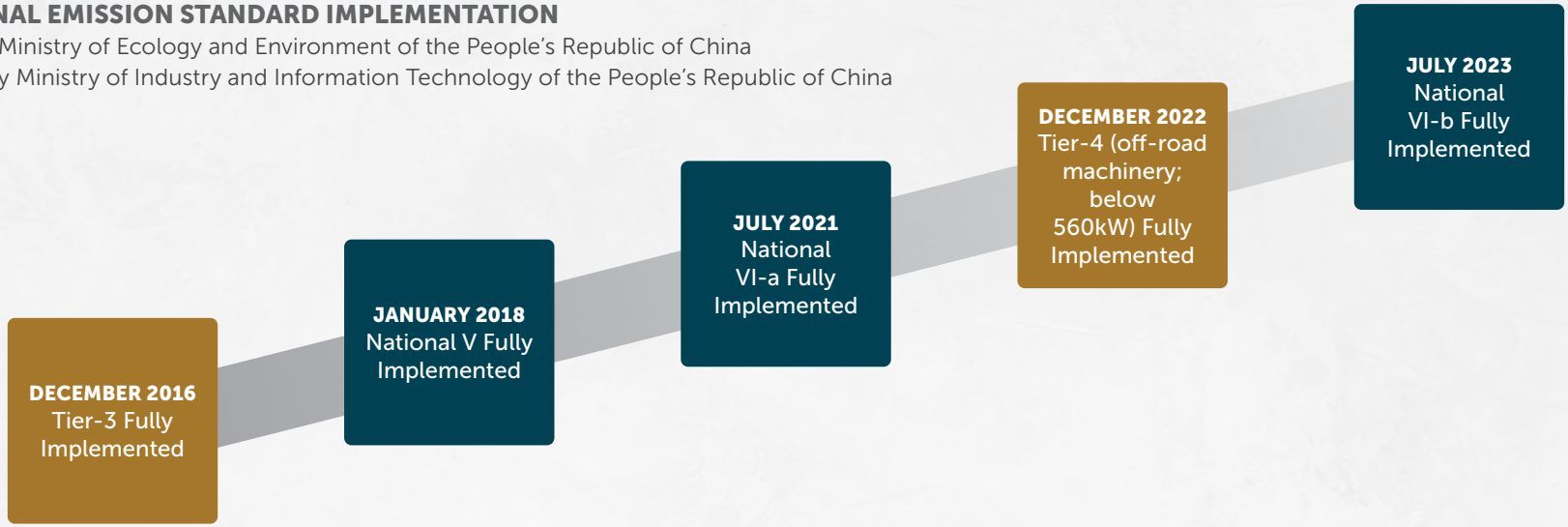
ENERGY EFFICIENT PRODUCTS

GYMCL is a major manufacturer and provider of Powertrain Solutions in China. It has invested heavily in R&D to reduce the environmental impact of its business and to meet the stricter emission standards required by the Chinese government. GYMCL's main plant and R&D centre are headquartered in Yulin, Guangxi Zhuang Autonomous Region, while its R&D branch facilities are located in Nanning, capital of the Guangxi Zhuang Autonomous Region, as well as Wuxi High-Tech Industrial Development Zone, Jiangsu Province.

To combat increasing air pollution, China has implemented the National VI standards on-road commercial vehicles and Tier 4 emission standards for off-road vehicles. The National VI standards were implemented in different phases:

CHINA NATIONAL EMISSION STANDARD IMPLEMENTATION

- Mandated by Ministry of Ecology and Environment of the People's Republic of China
- Announced by Ministry of Industry and Information Technology of the People's Republic of China



Notes:

- China VI-a and VI-b national emission standards apply to on-road vehicles to implement fuel-neutral limits that reduce air and climate pollutants, including carbon monoxide, total hydrocarbons, nitrogen oxides, particulate matter, particle number and nitrous oxide.
  VI-b mandates more stringent testing of these pollutants compared to VI-a.
- Tier-4 national emission standards apply to off-road vehicles for light-, medium- and heavy-duty applications for agricultural, construction and power generation markets. The standards aim to implement fuel-neutral limits to reduce air and climate pollutants, including carbon monoxide, total hydrocarbons, nitrogen oxides, particulate matter, particle number and nitrous oxide.

Sources:
Notice of Nat VI emission standard 关于实施重型柴油车国六排放标准有关事宜的公告 (mee.gov.cn)
Notice of Nat VIb emission standard 关于实施汽车国六排放标准有关事宜的公告 (mee.gov.cn)
Notice of Off Road Tier4 emission standard 非道路移动机械第四阶段排放标准实施进入倒计时_中华人民共和国生态环境部 (mee.gov.cn)

Driving Innovation for A Low-Carbon & Circular Economy

Concurrently, GYMCL is working to comply with the Chinese Stage 4 HD Vehicle Fuel Consumption standards. This was planned to be enforced in mid-2024 with target fuel savings of 15% above that of Stage 3 standards. However, this timeline experienced a delay and will now be enforced by mid-2025.

With the implementation of the Chinese Automotive Fuel Economy Policy, GYMCL is advancing towards supplying new engine models for environmentally friendly new energy vehicles ("NEVs") with improved fuel efficiency. Since 2024, GYMCL has also commenced the testing and development of hydrogen, methanol and ammonia fuel combustion engines. China's incentivisation policies such as the reduction of purchase tax for NEV buyers will further drive the demand for next-generation electric, fuel cell systems as well as hybrid and range extenders powertrain which will drive the extension of the NEV products portfolio of GYMCL and provide customers with a wider range of green options.

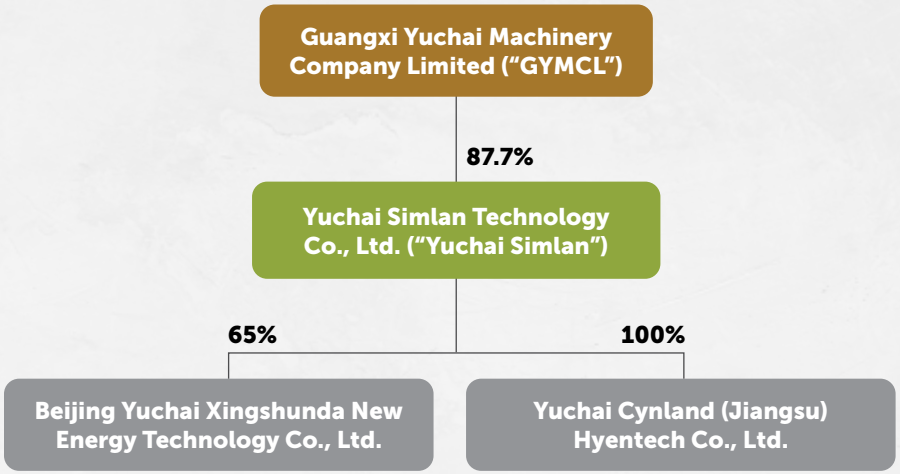
To meet the growing demand, Yuchai Simlan Technology Co., Ltd. ("Yuchai Simlan")[1] was incorporated in August 2021 with a capital injection of RMB500 million. It was established to research, develop and construct new production capacity for GYMCL's new energy technologies for both on-road and off-road applications.

In August 2023, Yuchai Simlan formed a new subsidiary, Yuchai Cynland (Jiangsu) Hyentech Co., Ltd. It was established in collaboration with Tsinghua University to focus on the development of high-performance fuel cell stacks and hydrogen production equipment in Wuxi High Tech Zone, China.

Following this, the chart below presents key subsidiaries established under GYMCL since 2021 to focus on different strategic areas related to the development of new energy products.

1 Formerly known as Yuchai Xin-Lan New Energy Power Technology Co., Ltd.

STRUCTURE OF NEW ENERGY SUBSIDIARIES UNDER GYMCL



Note:
Yuchai Simlan Technology Co., Ltd. ("Yuchai Simlan") is an 87.7%-owned subsidiary and conducts R&D to create new production capacity for new energy technologies, including fuel cell systems, range extenders, hybrid power and electric drive systems. In 2024, Yuchai Simlan produced new energy powered systems for truck, bus and off-road machinery applications.

Beijing Yuchai Xingshunda New Energy Technology Co., Ltd. ("Yuchai Xingshunda") is a 65%-owned JV with Beijing Xing Shun Da Bus Co., Ltd. for development, manufacture and sale of fuel cell powertrain systems and fuel cell power components for the Beijing,Tianjin and Hebei markets.

SUMMARY OF R&D STATISTICS UNDER GYMCL

	2022	2023	2024
R&D expenses (RMB million) with capitalised costs*	1,018	1,064	1,189
Patent Application**	1,042	628	575
Patent Granted***	803	617	604

*Previous HLA Sustainability Reports reported R&D expenses without capitalised costs.
**Patents are applicable in China only.
***The types of registered patents are invention patents, utility model patents and design patents. The term of patent protection is 10 to 20 years from the filing data depending on the type of patents registered.

Driving Innovation for A Low-Carbon & Circular Economy

PROGRESS ON 2025 TARGETS

In 2024, sales of new energy products increased 50.2% compared to the previous year and represented 3.4% of total engine sales under the Powertrain Solutions business. Despite the overall slower uptake of new energy solutions in the market, Simlan recorded a marked year-on-year improvement and even saw triple-digit growth for range extender products.

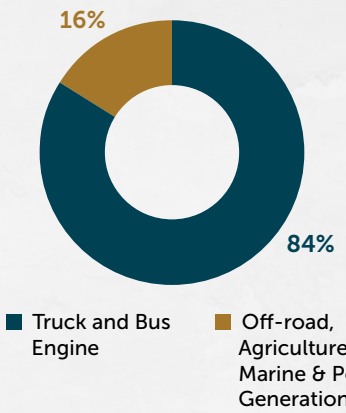
NEW ENERGY PRODUCTS SOLD AGAINST OVERALL POWERTRAIN SOLUTIONS SALES (%)

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Energy Efficient Products (Powertrain Solutions)	Percentage of new energy products sold against total Powertrain Solutions sold	2.0%	*2.6%	3.4%	↘	≥20%

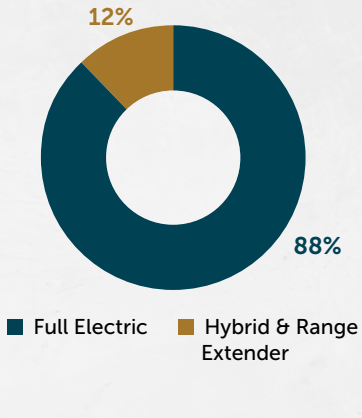
*Performance reported in HLA FY2023 Sustainability Report was 3% as a rounded figure.

↘ To improve ✓ On track ✓ Target achieved

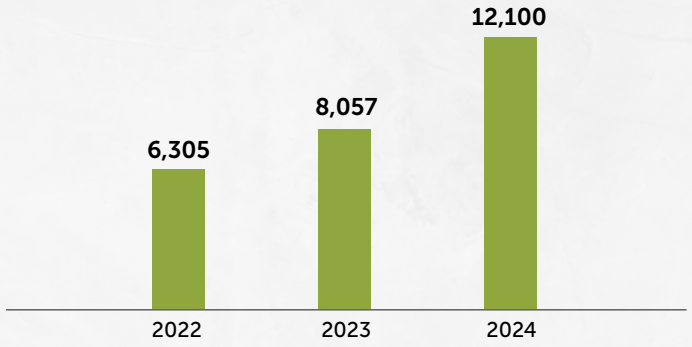
NEW ENERGY UNIT SALES BY SEGMENT (2024)



NEW ENERGY UNIT SALES BY PRODUCT TYPE (2024)



NEW ENERGY PRODUCTS UNIT SALES (2022 - 2024)



GYMCL will continue to roll out initiatives with key partners to deliver new energy solutions to its customers in the coming years.

Driving Innovation for A Low-Carbon & Circular Economy

FIRST BATCH OF GREEN ENERGY BUSES WITH YUCHAI XINGSHUNDA HYDROGEN FUEL CELLS

Launched by Yuchai Xingshunda, the first batch of 50 Suzhou King Long 12-metre hydrogen fuel cell buses commenced commercial operations in May 2024. Powered by 30 units of 82kW and 20 units of 125kW Yuchai Xingshunda hydrogen fuel cell systems, the buses have clocked a total of more than 1 million km.

The 82kW hydrogen fuel cell system has an energy efficiency rate of 43% and enables a service life of more than 15,000 hours. It is highly suitable for buses, light-duty trucks, passenger vehicles, construction machinery and can be customised for other applications.

Designed for semi-trailers, cargo and dump trucks, passenger cars, and construction machinery, Yuchai's 125kW hydrogen fuel cell system features a proprietary metal plate stack to reduce hydrogen consumption and has an energy efficiency rate of 45%. Together with Yuchai's advanced intelligent energy management programs and algorithms, the 125kW system enables optimal energy distribution and utilisation, improves overall system performance and safety, and prolongs the powertrain lifespan to more than 15,000 hours.

Under the Chinese government's 14th and 15th Five-Year Plans, China's hydrogen energy industry is anticipated to develop at an accelerated rate in the coming years on the back of its "Action Plan" with a focus on implementing "Ten Actions for Reaching Carbon Peaking" which will have the Chinese economy transitioning to sustainable energy and alternatives such as green and low-carbon transportation.

Hence, GYMCL's new green energy powertrain products are targeted to meet China's national "dual carbon" goal. Compared with traditional internal combustion engines ("ICE"), hydrogen fuel cell powertrain systems use the electrochemical reaction of hydrogen and air to replace the combustion process in traditional ICE vehicles. These new products have demonstrated many technical advantages such as high energy efficiency, zero greenhouse gas emissions, low noise and high-power density. These not only meet the national technical guidance requirements for hydrogen power but also sources all components and parts domestically which ensures a more resilient supply chain.

While continuing to develop reliable and leading traditional power engines, Yuchai has also embraced investments in new energy powertrain development. Leveraging Yuchai Simlan as the platform, GYMCL promotes strategic cooperation with research institutes and vehicles original equipment manufacturers to strengthen core competencies and build expertise in creating new energy systems for a range of on-road and off-road applications including buses, trucks and engineering equipment.

Driving Innovation for A Low-Carbon & Circular Economy

POWERTRAIN SOLUTIONS UNIT

CIRCULAR ECONOMY AND WASTE MANAGEMENT

At GYMCL, the "reduce, reuse and recycle" approach is adopted operationally to conserve natural resources.

Sustainable practices include using recycled sand rather than natural sand in the manufacturing process of engine blocks; water used for equipment cooling requirements is also recycled and used for the cleaning of water tanks in sewage treatment stations and ground surfaces to reduce overall water consumption. As for product transportation, GYMCL has replaced wooden packaging with reusable, lighter steel cage frames which reduces waste and emissions.

GYMCL is currently using environmentally friendly high-heat paint within the plant that is free of benzene, toluene, xylene and other heavy metals such as lead, mercury, chromium and cadmium. This reduces the volatile organic compounds found in traditional high-heat paint by 80%.

2024 PERFORMANCE

Overall, an estimated 19,175 tonnes of waste was generated by the Powertrain Solutions business in 2024. Scrap iron fillings make up 52% of the waste followed by 11% of domestic waste and 10% of paper-based waste. Approximately 37% of the total waste was directed to disposal which mainly consists of domestic waste and hazardous waste. The remaining 63% which mainly consists of card box packaging paper and metal scraps was diverted from disposal.

We have started to monitor and report this indicator in 2024 and will continue to improve the reporting of waste generation and disposal from operations in subsequent sustainability reports.

WASTE GENERATED (2024)

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	TYPE OF WASTE GENERATED	AMOUNT OF WASTE GENERATED (TONNE)
Powertrain Solutions	China	Hazardous waste (paint residues, oil), industrial waste and process waste (cleaning fluids, scrap tools, etc.) Product & Packaging waste (metal scraps, cardboard packaging paper, etc.) and domestic waste	19,175

Driving Innovation for A Low-Carbon & Circular Economy

WASTE DIRECTED TO DISPOSAL (2024)

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WASTE DIRECTED TO DISPOSAL (TONNE)
Powertrain Solutions	China	7,080

WASTE DIVERTED FROM DISPOSAL (2024)

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WASTE DIVERTED FROM DISPOSAL (TONNE)
Powertrain Solutions	China	12,095

Overall, the Powertrain Solutions business recorded consumption of 975,305 m^3 of water. Nearly 70% of this volume is consumed by the main engine manufacturing sites and foundry for the engine block casting.

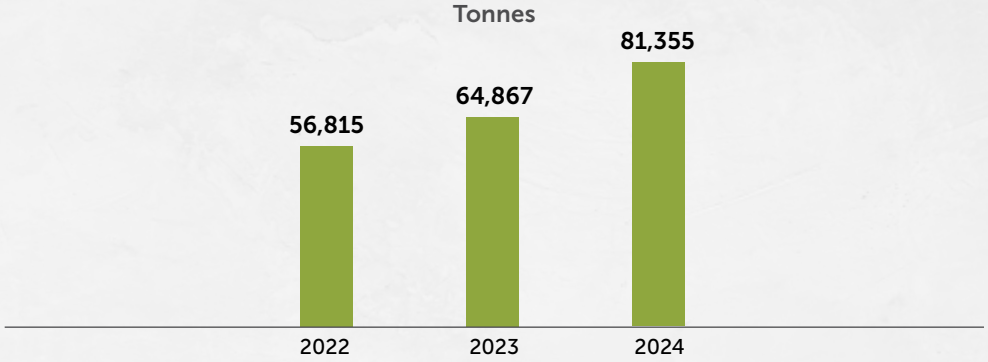
We have started to monitor and report this indicator in 2024 and will continue to improve on the reporting of overall water consumption.

WATER CONSUMPTION (2024)

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WATER CONSUMPTION (m^3)
Powertrain Solutions	China	975,305

In the replacement of natural sand used in the casting process with recycled sand, GYMCL achieved a replacement rate of 71% in 2024. This was recorded against a total volume of 114,618.6 tonnes of sand used.

RECYCLED SAND UTILISED (2024)



POWERTRAIN SOLUTIONS UNIT

DUST AND OTHER EMISSIONS MANAGEMENT

GYMCL has built treatment and filter or scrubber systems for dust, fumes, painting and noise to reduce the pollution resulting from engine production. Existing environmentally friendly facilities and production lines comply with national, provincial and local environmental protection regulations in China.

2024 PERFORMANCE

GYMCL has not received any fines from authorities on emissions and complaints from the community in 2024.

Driving Innovation for A Low-Carbon & Circular Economy

POWERTRAIN SOLUTIONS UNIT

PRODUCT QUALITY AND CUSTOMER SATISFACTION

GYMCL prides itself on quality assurance and continues to ensure high standards as its product range expands. This is guided by a strong culture of total quality control. The local management team has clear oversight on key processes such as lean manufacturing and has established strong practices of open communication and collaboration amongst business functions.

Understanding customer needs in the market segments that GYMCL serves and strengthening of brand and service levels remain a key focus. The recent National VI compliant engine roll-out was supported by greater training resources to strengthen the technical capacity of service personnel and to ensure a positive customer experience in using the new engine technology.

GYMCL serves the Chinese domestic market with over 6,000 service stations and more than 500 overseas service stations providing after-sales service including warranty for engines made by GYMCL.

To strengthen quality assurance for management to meet new customer demands and satisfy growing regulatory requirements for safety, efficiency and environmentally friendly features, R&D continues to be a main driver of innovation for GYMCL's engine designs.

PROGRESS ON 2025 TARGETS

GYMCL received positive customer feedback from surveys that cover product quality, service, efficiency and customer service attitude. The results were polled from customers consolidated through key sales channels that include customer service hotlines, service management offices located across China and third-party customer satisfaction surveying bodies.

GYMCL achieved a customer satisfaction score of 90% in 2024.

CUSTOMER SATISFACTION BY PRODUCT SEGMENT

PRODUCT SEGMENT	2022	2023	2024		2025 TARGET
Commercial	82%	85%	88%	✓	85%
General Engine	86%	87%	92%	✓	
Marine	88%	85%	89%	✓	
Overall	84%	85%	90%	✓	

To improve On track Target achieved

Empowering Our
People & Communities

People are the heart of our businesses. They are built on shared values in the individuals we hire and the work culture we foster. This is important to shape who we want to be at HLA based on our core values.

We embrace diversity and strive to create an inclusive workplace by providing jobs and enabling personal and professional growth for everyone. We are also committed to investing in the local communities to support well-being and prosperity within the wider society.

Empowering Our People & Communities

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2024 PERFORMANCE	2025 TARGET
Diversity, Equity, Inclusion and Talent Management	Hours of training per employee per annum (in-person and/ or virtual, on the job training etc.) to be aligned with career development plans	51 hours/employee	≥40 hours / employee annually
	Implement a diversity, equity and inclusion policy	Policy pending rollout	100% implemented
	Update and implement clear succession planning development framework	Framework in discussion with BU	100% implemented
	Redesign internship and develop management trainee programmes to align to talent management programmes	Framework in discussion with BU	100% implemented
Community Engagement	Percentage of employee participation in volunteering or community engagement activities (Corporate Office and Building Materials segment)	34%	≥30%
	Volunteering hours for community engagement activities (Powertrain Solution)	20,521 hours / year	≥6,000 hours / year
	Complaints from local communities at all operational sites	Zero incident	Zero incidence
	All sites to establish and implement stakeholder engagement plans	100%	100%
	Initiatives towards Sustainable Cities and Communities and/or Sustainable Construction initiatives	Collaboration with Manjung Local Council in Lumut, Perak in Malaysia. Initiated collaboration with Life3 Urban Sustainability Hub (LUSH) in Singapore.	Initiation & implementation of projects, partnerships, collaborations or R&D

To improve On track Target achieved

Empowering Our People & Communities

HLA GROUP LEVEL

DIVERSITY, EQUITY, INCLUSION AND TALENT MANAGEMENT

Generations of employees have built their careers at HLA, and have been with the Group for 20, 30, 40 – even 50 – years. At HLA, we value that loyalty and strive to create a culture where all employees, from new hires to long-tenured professionals, can continue to grow, develop and find long-term professional fulfilment in service of the Group's collective success.

In today's fast-changing business landscape, workforce development is essential for staying competitive and resilient. With over 10,000 employees across China, Singapore and Malaysia, we strive to foster a culture of continuous learning, aligning talent development with technological advancements, and providing a working environment which encourages high standards of conduct and work performance.

As a Group, we are committed to attracting and supporting a diverse workforce at all levels. Headquartered in Singapore, the Group's HR practices adhere to the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP") that promotes fair and equitable employment practices. We affirm our commitment to competitive workplace practices and our HR policies are aligned to the guidelines formulated by TAFEP. When recruiting and promoting employees, we have transparent processes in place to ensure all decisions are based on clear performance criteria. We also deploy a variety of measures including non-discriminatory recruitment advertisements, regular performance appraisal for employees, instilling a code of business conduct and establishing an appropriate avenue for employee grievances to promote best practices in workplace initiatives within the Group.

HLA also complies with the Fair Consideration Framework by the Ministry of Manpower, Singapore, with job openings at HLA made publicly accessible at the Jobs Bank administered by the Workforce Development Agency of Singapore. In addition, in line with the new tripartite guidelines launched by the Singapore government on Flexible Work Arrangements ("FWAs") in December 2024, the Group has also rolled out a FWAs policy to offer flexible work options to meet changing dynamic needs of employees.

Our Code of Business Conduct and Ethics ("COBC") ensures that we create a fair, respectful and equitable work environment. The COBC is also shared with every new employee and reiterated with the annual refresher Code of Business Conduct and Ethics eLearning programme. Employees can also use HLA Group's whistle-blowing channel to report grievances concerning non-compliance with regulations. The Group's whistle-blowing channel is accessible through the corporate website – www.hlasia.com.sg to ensure that concerns may be reported, investigated and duly addressed.

PROGRESS ON 2025 TARGETS

DIVERSITY, EQUITY, INCLUSION AND TALENT MANAGEMENT

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Diversity, Equity, Inclusion and Talent Management	Hours of training per employee per year (in-person and/or virtual, on the job training etc.) to be aligned with career development plans	58 hours / employee	66 hours / employee	51 hours / employee	✓	40 hours / employee annually
	Implement a diversity, equity and inclusion policy	Policy drafted	Internal review	Policy pending rollout	✓	100% implemented
	Update and implement clear succession planning and talent development framework	Framework being developed by Group HR	Framework being finalised by Group HR	Framework in discussion with BU	✓	100% implemented

To improve ✓ On track ✓ Target achieved

Empowering Our People & Communities

Training and Career Development

In 2024, we continued to strengthen the performance appraisal and goal setting processes. Various engagement sessions were conducted with key stakeholders to gather inputs to build a robust performance appraisal system. SMART goal-setting workshops were then conducted groupwide to support employees in transitioning to the enhanced performance management system.

HLA GROUP TRAINING HOURS FOR EMPLOYEE BY BUSINESS UNIT

	TRAINING HOURS			TRAINING HOURS / EMPLOYEE		
YEAR	HLA CORPORATE	BUILDING MATERIALS UNIT	POWERTRAIN SOLUTIONS	HLA CORPORATE	BUILDING MATERIALS UNIT	POWERTRAIN SOLUTIONS
2022	721	30,399	547,546	22	23	64
2023	780	38,549	596,151	23	26	74
2024	722	62,655	465,135	22	43	53

At HLA, we build our leadership pipeline and enhance leadership capability through performance appraisals and succession planning processes. Supervisors are responsible for guiding these employees through their career paths with clearly defined goals and individual development plans, enabling the Group to build a sustainable talent pool for more senior roles within the business. All employees have access to learning opportunities via various company organised or self-directed pathways. Throughout the year, employees attend trainings or courses that enable them to better perform or enhance their capabilities to support their career development paths. This includes workshops, talks, courses, and/or learning required that are relevant to their job functions which are identified via the annual Training Needs Analysis assessment.

In China under the Powertrain Solutions business, training sessions equivalent to 465,135 training hours were conducted for employees. The dip in training hours compared to 2023 is due to ongoing efforts to refine and streamline training processes.

For the Building Materials business, training sessions equivalent to 62,655 hours were conducted for employees in Singapore and Malaysia. Training hours significantly improved by 63% compared to 2023, primarily due to more expansive "future of work" training programmes to enhance employee experience and drive HLA's overall digitalisation transformation.

In Singapore and Malaysia, training topics such as health and safety were conducted more frequently over at the plants for the Building Materials business, reinforcing operations teams' awareness of potential hazards, safety protocols, and inculcating best practices in their daily duties. We had also ramped up our efforts to improve digital literacy and capabilities of our people through collaborating with the Digital Business Transformation Centre at Temasek Polytechnic in Singapore to hold a Creative Marketing Workshop series for office-based, back-end functions.

For Tasek, more external trainings such as certification, soft skills, and competency training were conducted. In 2024, Tasek introduced an online national learning platform e-LATiH, a talent development initiative from the Malaysian Human Resource Development Fund (HRDF Corporation), enabling employees to access to a wide range of training resources to upskill and reskill in certified competencies for personal and professional growth.

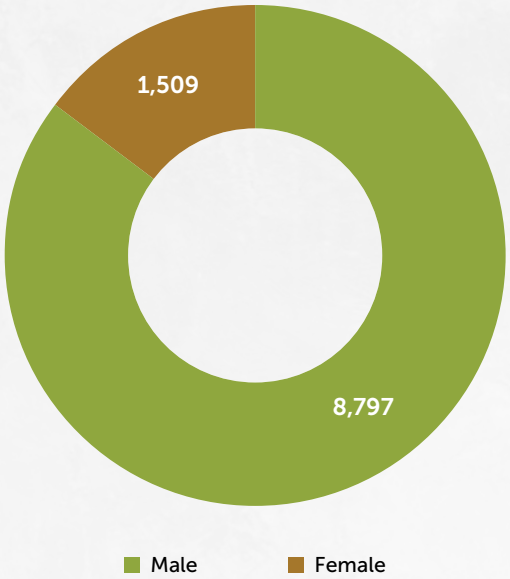
Empowering Our People & Communities

2024 PERFORMANCE

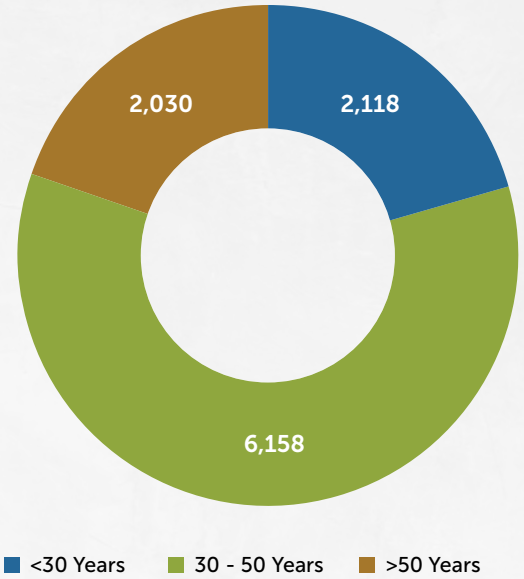
HLA has a diverse and international workforce spanning across China, Singapore, and Malaysia. As of end December 2024, the Group has a total of 10,306 employees in China, Singapore and Malaysia. This comprised a total headcount of 1,455 employees for the Building Materials business across Singapore and Malaysia and 8,818 employees for the Powertrain Solutions business and 33 employees at HLA's corporate headquarters in Singapore. 18% of the employees from Building Materials business in Singapore and Malaysia is unionised while all employees from Powertrain Solutions are unionised.

Across the Group, the gender ratio was approximately 85:15 between men and women, out of which 60% of the workforce were within the 30 to 50 age group, 20% of the employees were below the age of 30, with 20% above 50 years old. At HLA, we are committed to attracting and supporting a diverse workforce at all levels. We recognise that there is significant work to be done to increase diversity in our talent pool and is committed to help women grow and thrive within the organisation and build a robust internal pipeline of talented women who will rise into leadership roles.

HLA EMPLOYEE PROFILE BY GENDER



HLA EMPLOYEE PROFILE BY AGE



Empowering Our People & Communities

HIRING & TURNOVER RATE FOR 2024 BY GENDER & AGE

BUSINESS UNITS	NEW HIRES						TURNOVER					
	AGE GROUP			GENDER			AGE GROUP			GENDER		
	<30	30 - 50	>50	MALE	FEMALE	TOTAL	<30	30 - 50	>50	MALE	FEMALE	TOTAL
HLA Corporate	2	–	2	1	3	4	–	3	2	3	2	5
	50%	0%	50%	25%	75%	100%	0%	60%	40%	60%	40%	100%
Powertrain Solutions	468	113	10	506	85	591	139	160	51	245	105	350
	79%	19%	2%	86%	14%	100%	40%	46%	14%	70%	30%	100%
Building Materials	47	57	9	99	14	113	29	81	37	128	19	147
	42%	50%	8%	88%	12%	100%	20%	55%	25%	87%	13%	100%
Total	517	170	21	606	102	708	168	244	90	376	126	502
	73%	24%	3%	86%	14%	100%	33%	49%	18%	75%	25%	100%

Talent Outreach

To build a talent pipeline for the next generation, the Building Materials businesses in both Singapore and Malaysia had hosted over 30 interns from various educational institutes in 2024. Guided by experienced mentors, the interns rotated with Operations, Productions, Quality Control, Maintenance, and Support Services departments and actively participated in training sessions, workshops, projects, gaining practical knowledge and contributing meaningfully to the businesses.

At HLA, we remain committed to fostering a culture of learning and professional growth. We appreciate the dedication and contributions of our interns and look forward to continuing this initiative to support and nurture future talent.

As part of our Talent Management strategy to engage the next generation of engineers, we hosted 34 Civil Engineering and Architecture students from the University of Tun Hussein Onn Malaysia to visit the R3 Precast plant in Senai, Malaysia for the fourth consecutive year. The students had the opportunity to go on a guided plant tour, gaining firsthand insights into the precast production process as well as providing them with a platform to connect theoretical knowledge with real-world applications.

At Tasek, we also partnered with local educational institutions such as "University Technology Mara", "Institute Kemahiran Mara" and "Kolej PolyTech MARA", underscoring our commitment to nurture and share with the next generation of employees industry insights and opportunities within the building materials sector.

Empowering Our People & Communities

2024 PERFORMANCE

Engaging Our People

Besides training and career development opportunities, we continue to build and nurture our employees through a series of communication activities, well-being programmes and access to supportive resources. We believe caring for our people is not only the right thing to do but it also provides a competitive advantage in attracting and retaining talent.

At HLA, our leaders and employees are encouraged to exchange ideas and inspire one another to be better role models in promoting workplace diversity, equity and inclusivity. This includes having town hall sessions and management dialogues to engage employees and supervisors to ensure that we build healthy relationships in the workplace to support business growth.

"LA-KOPI TIME!" WITH HLA SENIOR MANAGEMENT

"La Kopi Time!" reflects HLA's commitment to engage employees on the ground, solicit feedback and reiterate HLA's vision, core values and organisational goals. Between April and October 2024, five dialogue sessions were conducted across HLA's cement, concrete and precast operations under Island Concrete, R3 Precast, Tasek across Singapore and Malaysia. 87 employees from executive to mid-level managers of diverse ages were invited to engage with HLA's senior management.

Each session was led by HLA's CEO and focused on key prioritised topics including business growth, sustainability and safety culture. This was followed by a Q&A session to allow employees to voice concerns, ask questions and share ideas. All feedback was reviewed and funnelled back through discussions with respective business unit leaders to address concerns and to plan for follow-up actions that are to be resolved.

These sessions encourage cross-functional interaction and communication, promote a sense of belonging and strengthen cohesiveness amongst employees. In the belief that engaged employees deliver better results and enhance the performance of the Group, measures are progressively introduced over time to enhance trust and enthusiasm, empowering employees to innovate and contribute to the Group's progress.

Empowering Our People & Communities

In 2024, HLA was ranked among Singapore's Best Employers for the second consecutive year in an extensive survey conducted by The Straits Times and Statista, placing 3rd in the Engineering and Manufacturing category and 90th amongst 250 best employers in Singapore. We were also recognised for our people-centred initiatives with a Silver Standard in Employee Experience & Well-being by the Singapore Human Resources Institute at the 17th Singapore HR Awards, attesting to the Group's overall improved efforts in 2024 to address challenges and opportunities in the workplace.

Empowering Our People & Communities

Advancing beyond 2025 | Future-Fit Leaders

In line with our drive for sustainability development, and to ensure that the internal talent bench is strong and their capabilities continuously strengthened, we actively pursue people development, and have always encouraged and supported employees for ongoing training and development programmes with the aim to strengthen expertise for the HLA of the future. During the year, we focused on the further development of global, cross-divisional and cross-hierarchical talent programmes, with which we strive to develop high-performing employees within the Group and identify promising employees with the potential to lead a business unit or Group function.

In 2024, we rolled out the first of a series of Fireside Chats and Future Fit initiatives, with invited external guest speakers sharing invaluable insights on topics such as capitalising core competencies, leading with clarity and navigating disruptions to drive change. During the Future Fit workshop, HLA leaders explored tools to drive long-term growth and innovation. Through workshop exercises integrating sustainability and strategic thinking into decision-making, leadership participants were further empowered and uplifted to do what matters to lead in an evolving business environment. These initiatives reinforced the Group's aspirations to develop and deliver sustainable and innovative urban solutions for cities of the future, underscoring the transformative potential of the Group's businesses.

In 2024, Tasek launched a nine-month long "Rise to Lead" leadership programme in March 2024 involving 23 cross-functional and cross-divisional managers. Comprising four workshops covering wide ranging topics such as managing self, leading organisations and design thinking, the highly interactive sessions were delivered through games, group activities, individual reflections and sharing sessions. Participants were given assignments after every workshop to be practised at the workplace which are then presented in a review session with the senior management after two months. The main objective of the workshop is to empower Tasek management team to drive meaningful change, particularly within their respective departments or teams.

Empowering Our People & Communities

COMMUNITY ENGAGEMENT

HLA's business operations impact local communities economically and socially. Underlining the Group's unwavering commitment to a sustainable future with the launch of *Beyond***HLA** in 2024, we are focused in three areas:

(i) Sustainable Cities and Communities;
(ii) Enabling Healthier Environments and Communities;
(iii) Educating Future Generations.

As a Group, we aim to leverage our corporate expertise and resources to enable future generations of the workforce to support and uplift the communities in which we operate.

PROGRESS ON 2025 TARGETS

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Community Engagement	Percentage of employee participation in volunteering or community engagement activities (Corporate Office and Building Materials)	12%	18%	34%	✓	30%
	Volunteering hours for community engagement activities (Powertrain Solutions)	N/A	10,084	20,521	✓	≥6,000 hours / year
	Complaints from local communities at all operational sites	1	Zero incident	Zero incident	✓	Zero incidence
	All sites to establish and implement stakeholder engagement plans	33% (Engagement plans completed for Malaysia)	100% for GYMCL, BMG & Tasek	100% for GYMCL, BMG & Tasek	✓	100%
	Initiatives towards Sustainable Cities and Communities and/or Sustainable Construction	Joint venture with bus manufacturer, Beijing Xing Shun Da Bus Co., Ltd on fuel cell powertrain systems	Collaboration with Waterways Watch Society, MY Clean Beach, Stridy & SK Tasek	Collaboration with Manjung Local Council in Lumut, Perak in Malaysia Initiated collaboration with Life3 Urban Sustainability Hub (LUSH) in Singapore	✓	Initiation & implementation of projects, partnerships, collaborations or R&D

↘ To improve ✓ On track ✓ Target achieved

Empowering Our People & Communities

2024 PERFORMANCE

In 2024, employee volunteering activities and community engagement participation have doubled from 2023 across our operations in China, Singapore and Malaysia. In Singapore and Malaysia, Group efforts were focused on establishing the key pillars of the *Beyond***HLA** framework which was established in 2023 to strengthen HLA's Corporate Social Responsibility ("CSR") agenda. In particular, we cemented the Youth4Planet series as our flagship CSR initiative, signifying our belief in inspiring young minds in the journey towards creating positive impact within and beyond our business.

We also kickstarted and initiated community-related collaborations at the local government level and enterprise level in Singapore and Malaysia, respectively. As carved out in the 2025 targets and defined under the *Beyond***HLA** framework, we strive to develop innovative projects to improve cities and communities where we operate.

SUSTAINABLE CITIES AND COMMUNITIES

Island Concrete sponsors ready-mix concrete to develop Life3 Sustainability Urban Hub

Singapore: Life3 Biotech Pte Ltd (Life3), social enterprise start-up, was spun-off from the National University of Singapore in 2019. Life3 pioneered the research & development of sustainable production of microalgae - a single cell-microorganism using proprietary bioreactor systems. Their mission is to accelerate a new world of sustainable living, redefining how people live, consume,and interact with the planet.

In 2024, Island Concrete sponsored 400m^3 of concrete to build Life3 Urban Sustainability Hub ("LUSH") that aims to be a low-carbon facility that exemplifies the "Farm-to-Factory-to-Consumer" concept. At the end of 2024, around 25% of the concrete volume has been successfully supplied. In 2025, a 5-metre single story structure will be erected and used as an educational and innovation platform for outreach and educate members of the public and youth in Singapore about food security and environmental sustainability through site visits, workshops and courses. A key feature to promote will be Life3's Hydroponics Integrating MicroAlgae and Solar Energy System which is a 2-in-1 solution, harnessing solar energy and water-upcycling to produce plant-protein and leafy vegetables sustainably in a closed-loop symbiotic system.

Tasek Concrete sponsors ready-mix concrete to empower the Bukit Manchung indigenous village

Malaysia: 75 employees volunteered at the Bukit Manchung indigenous village located at Bukit Beruntung, Selangor on 30th November 2024 to help with the construction and erection of a bus stop to provide a safe and comfortable facility for the indigenous children.

The bus stop was constructed with building materials supplied by Tasek and the seating bench was constructed from recycled concrete test cubes. The community hall was also spruced up with a fresh coat of paint while other activities organised for the community included educational games with themes focused on recycling and circularity for the indigenous children.

57 employees from Tasek joined hands with 30 employees from Manjung Local Council to refurbish and revitalise the Lumut Waterfront Esplanade Wing in Manjung Perak on 14th December 2024. This initiative focuses on improving public spaces which includes patching and repair works, cleaning and painting of the public park's wall, stage and pergola.

Empowering Our People & Communities

ENABLING SOLUTIONS HEALTHIER ENVIRONMENT AND COMMUNITIES

Lessons with Ocean Purpose Project on the wider issues from plastic waste and its innovation potential

Singapore: 47 employees cleaned up a stretch of 800-metre beach in collaboration with the Ocean Purpose Project at Pasir Ris Beach Park on 25th June 2024 and collectively removed 62 kg of waste. In the process, the employee volunteers gained a deeper insight into the complexity of how waste impacts livelihoods and communities as well as learnt about innovative solutions, in particular, turning plastic into fuel and seaweed into bioplastics.

Exploring how new products can be created from waste with Seven Clean Seas

Singapore: 38 employees cleaned up a stretch of 97-metre beach at Batam on 4th November 2024 in collaboration with Seven Clean Seas and collectively removed 478 kg of waste. Thereafter, employees learned about sorting the recyclables and circularity at Seven Clean Seas's recovery facility to create products such as rooftops, stools and tables. In their vision to pursue a Plastic-Free world, it was also heartening to learn about Seven Clean Seas's efforts to ensure stable employment and equitable wages for all their employees.

Tasek employees and their families learn about preserving endangered turtles in Lumut, Perak

Malaysia: 43 employees spent a meaningful Saturday morning on 3rd August 2024 together with their families at the Segari Turtle Sanctuary, Lumut Perak. The Tasek team cleaned the pools, the centre and also learnt about the importance of turtle conservation and the sanctuary's work in preserving these endangered species.

Empowering Our People & Communities

EDUCATING FUTURE GENERATIONS

Youth4Planet Series with Xingnan Primary School

Singapore: The Youth4Planet series is HLA's flagship outreach programme that aims to actively engage the young generations in Singapore from an early stage to raise awareness on climate change, drive advocacy on sustainable living and inspire to make a difference through building leadership skills. Furthermore, this initiative is an extension of HLA's aspiration to create sustainable and innovative urban solutions in its value chains to contribute to resilient future cities.

In collaboration with The Possible Class, 40 employee volunteers from HLA Group volunteered with 160 Xingnan Primary School students across 4 sessions in April and May to share about sustainability and the built environment as well as transportation sectors. The employee volunteers engaged the students on ideas and proposed solutions to create liveable cities while solving environmental and sustainable problems.

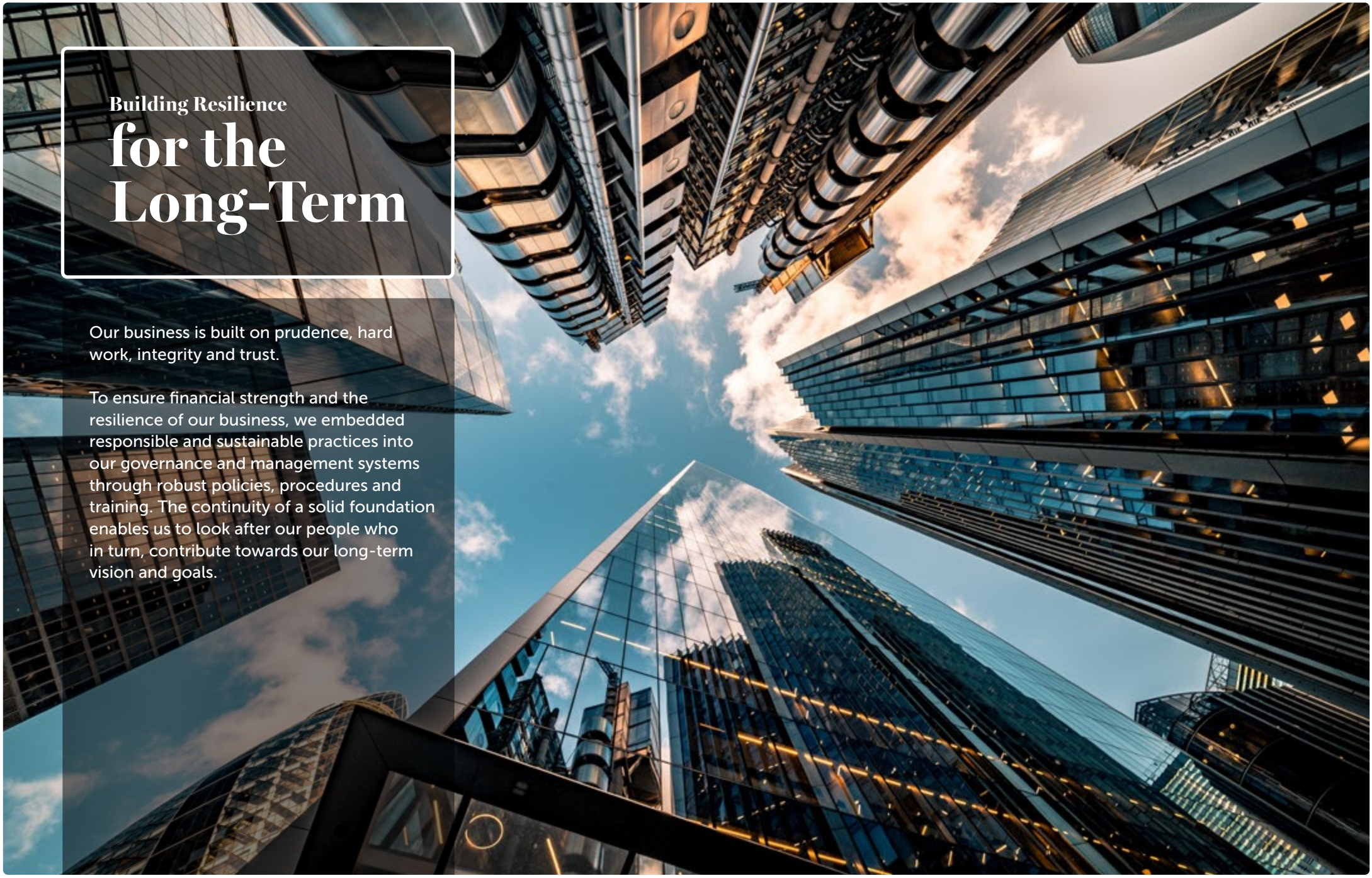
In the spirit of applying STEAM principles, students were encouraged to discover and think critically before developing their concepts and ideas to present a future-ready solution. The result was 20 urban models designed by the students that stemmed from condensed learning sessions across 15.5 hours on sustainability and urban design concepts.

Empowering Our People & Communities

Over in China, GYMCL employees are actively participating in volunteering activities focused on supporting underprivileged communities in the Guangxi region.

- Ten employee volunteers participated in serving the community of Nabo Village which is located in Bobai County, Guangxi Region. Volunteers set up a home appliance repair service station to provide free home appliance repair services to the villagers. Volunteers also assisted the farmers during the harvesting seasons and participated in the agricultural value chain activities.

- During the summer of 2024, voluntary tutoring activities, cultural courses and interest classes were organised by the Yuchai Group Youth League Committee and Yuchai Volunteer Corps. Approximately 100 primary and junior high school students participated in the cultural courses covering Chinese, Mathematics, and English while interest classes include English speaking, recitation, drums playing and singing. Incepted since 2009, voluntary tutoring has a 15-year history of providing tutoring services for nearly 700 primary and secondary school students over the years, with an accumulated 8,754 volunteer hours.



Building Resilience for the Long-Term

Our business is built on prudence, hard work, integrity and trust.

To ensure financial strength and the resilience of our business, we embedded responsible and sustainable practices into our governance and management systems through robust policies, procedures and training. The continuity of a solid foundation enables us to look after our people who in turn, contribute towards our long-term vision and goals.

Building Resilience for the Long-Term

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2024 PERFORMANCE		2025 TARGET
Ethical Conduct and Regulatory Compliance	Employees receive yearly training on Code of Business Conduct and Ethics, including bribery & corruption	100%	✓	100% implemented
	Corruption and fraud incidents across operations	Zero incident	✓	Zero incidence
Cybersecurity and Data Protection	Recovery plan in place with tracking of recovery KPIs (group wide)	Cybersecurity Incident Response Plan drafted	✓	100% implemented
	To strengthen cybersecurity and data protection policies	Policies implemented and cybersecurity posture strengthened	✓	100% implemented
Responsible Supply Chain	Develop and roll out a new Supplier Code of Conduct to reflect ESG criteria	Singapore and Malaysia: Completed China: Under review	✓	By 2023 & all new suppliers to be screened with the new criteria
	High value suppliers screened as per ESG criteria on a yearly basis	Singapore and Malaysia: 100% implemented China: Under review	✓	100% implemented
Occupational Health, Safety and Welfare	Fatalities & lost time injuries (LTI) across operational sites	Fatality – 0 LTI – 18 (LTIs under Building Materials – 13) (LTIs under Powertrain Solutions – 5)	↘	Zero incidence
	Third-party fatality and injury from transportation of products on the road	Zero incident	✓	Zero incidence
	Operational sites to implement ISO 45001 (Building Materials)	88%	✓	100% implemented

↘ To improve ✓ On track ✓ Target achieved

Building Resilience for the Long-Term

HLA GROUP

We recognise that ethical practices are the foundation of our businesses and expect HLAsians to exhibit high standards of business conduct as reiterated through our core value "Do the Right Thing", HLA Group's COBC and Anti-Fraud, Anti-Bribery & Anti-Corruption ("FCB") policies. We remain vigilant and are determined to build a disciplined and sustainable company. We are committed to be an honest, transparent and ethical organisation and maintain a zero-tolerance stance towards fraud, corruption, bribery and unethical behaviour.

Employees are required to declare their understanding and compliance of the COBC annually. The COBC governs conduct involving conflicts of interests, compliance with legal and regulatory provisions, and ensures proper internal controls within the organisation. Any breaches of COBC may result in investigation, disciplinary actions or termination of the employee, as guided by the respective country labour laws. This is managed and reviewed periodically by the Head of Group Human Resources and overseen by the CEO.

We recognise the importance of speaking up against suspected misconduct. Our whistle-blowing procedures are in place so that employees can securely raise their concerns for matters such as improprieties in financial reporting, other malpractices and misconduct. The ARC oversees the whistle-blowing process and is supported by the Head of Internal Audit of HLA. The whistle-blower is given appropriate protection against any reprisals if disclosures are made in good faith. More information about HLA's Whistle-blowing Policy can be found in the Corporate Governance Report published within the Annual Report.

All policies related to COBC and whistle-blowing can be found at:

- https://www.hlasia.com.sg/corporate-governance
- https://investor.cyilimited.com/corporate-governance/governance-documents-policies

PROGRESS ON 2025 TARGETS

None of the business units under the HLA Group has reported any cases that resulted in legal action for corruption, non-competitive behaviour, anti-trust and monopoly practices in 2024.

HLA had no instances of non-compliance with socio-economic laws and regulations for which significant fines or non-monetary sanctions were issued to HLA in 2024. We define significant non-compliance with laws and regulations as matters that may have a detrimental effect on the reputation of HLA Group in areas such as financial and operational performance. We understand the importance of adhering to the regulations of each jurisdiction and pro-actively ensure compliance.

The HLA ESG Policy, HLA Occupational Health & Safety ("OHS") Policy and HLA Supplier Code of Conduct are available on the HLA corporate website at https://www.hlasia.com.sg/corporate-governance.

ETHICAL CONDUCT AND COMPLIANCE PERFORMANCE FOR BUILDING MATERIALS

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Ethical Conduct and Regulatory Compliance	Employees receive yearly training on COBC, including bribery & corruption	100%	100%	100%	✓	100% implemented
	Corruption and fraud incidents across operations	Zero incident	Zero incident	Zero incident	✓	Zero incidence

To improve On track Target achieved

Building Resilience for the Long-Term

CYBERSECURITY & DATA PROTECTION

Amidst a constantly changing business environment, HLA has assessed the potential strategic, operational, financial and reputational consequences of possible business disruptions and the importance of maintaining viable capabilities to continue critical business functions operationally with minimum impact in the event of a crisis.

The Group is accelerating the digitalisation of our business processes and has enabled a more robust working environment for the workforce by improving access to IT resources in office or remotely, supplementing the HLA Group's Business Continuity Plan ("BCP").

HLA's businesses and operations in Singapore and Malaysia rely heavily on IT and cloud-based services. In the drive to greater cost efficiency and operational resiliency of the businesses, cybersecurity and data protection are key priorities for the safeguarding of critical business functions and compliance with regulatory obligations.

We have taken steps to put in place cybersecurity measures for the Group's Singapore and Malaysia operations with appropriate security controls embedded in our technology assets and systems. HLA takes an incremental approach to adapting our IT infrastructure to ensure that critical data remains protected and managed appropriately as governed by our Group's data protection policy.

There is also frequent communication with employees on the identification of possible cybersecurity events to:

- Advocate 100% reporting culture on any unknown emails, phone calls, or suspicious activities and any possible social engineering activities against the Group;
- Build cybersecurity awareness on techniques and types of phishing activities;
- Advise on IT best practices and cyber hygiene.

Data of employees and customers requires protection under the Personal Data Protection Act. HLA is committed to preventing unauthorised access and disclosure to avoid data breaches that results in significant harm or impact to our employees or customers. Our personal data protection statement can be found at https://www.hlasia.com.sg/corporate-governance.

PROGRESS ON 2025 TARGETS

CYBERSECURITY AND DATA PROTECTION PERFORMANCE (SINGAPORE AND MALAYSIA)

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Cybersecurity and Data Protection	Recovery plan in place with tracking of recovery KPI	Initial review, gap analysis & development of 3-year roadmap by Group IT	3-year plan developed	Cybersecurity Incident Response Plan drafted	✓	100% implemented
	To strengthen cybersecurity and data protection policies		Policies drafted and undergoing reviews	Policies implemented	✓	100% implemented

To improve | On track | Target achieved

Building Resilience for the Long-Term

As part of performance measurement, HLA tracks the number of cybersecurity incidents that occur during the year. Cybersecurity incidents are described as events that affected the normal functioning of our core IT applications and services, and they are investigated thoroughly with reports submitted to HLA management team. In 2024, the Group recorded zero cybersecurity breaches.

During the year, the following initiatives were carried out by HLA's Group IT department to strengthen HLA's overall cybersecurity measures:

- Implemented a new data protection policy in Aug 2024, providing a structured framework to classify data unique to our organisation, based on their level of sensitivity and importance.
- Conducted a cybersecurity risk assessment covering controls and security configurations of enterprise assets, incident response and external threat management, security awareness and skills training, account management and data protection. The outcome provided key inputs which will guide our cyber security roadmap for the next 2 years and this will be reviewed annually.

HLA GROUP CYBERSECURITY AND DATA BREACH OCCURRENCES

YEAR	2021	2022	2023	2024
Number of cybersecurity breaches / events on IT assets and network	2	0	0	0
Number of data breaches that need to be reported to Personal Data Protection Commission	0	0	0	0

Building Resilience for the Long-Term

BUILDING MATERIALS UNIT

RESPONSIBLE SUPPLY CHAIN

We are committed to building a resilient and responsible supply chain through integrating ESG criteria in the selection, monitoring and assessment of our suppliers. This practice establishes the pre-qualification process for significant tenders, particularly on supplier selection criteria including local regulations compliance and certified quality management systems.

High-value suppliers are qualified yearly in accordance with our requisition and purchasing policies and are screened based on business relevance as well as ESG criteria including business conduct, health and safety and environmental management. Ad-hoc visits to suppliers' sites are also part of the evaluation, especially for new suppliers. For those who do not meet the benchmark, warnings are issued. Those with serious lapses are faced with contractual penalties.

At Tasek, supplier evaluation is conducted yearly which covers suppliers, contractors and transporters that we have a contractual relationship with and are considered high value. Evaluation criteria cover quality, delivery, competency, housekeeping and [HSE] compliance, and is scored and graded from A to D, with A being the highest score.

Suppliers, contractors and transporters that are graded D will be removed from the approved supplier list. If any supplier has been issued a non-conformance report ("NCR") or given a penalty due to non-compliance or breach of regulations, two points will be deducted for each NCR or penalty collected during the annual evaluation.

Whereas for the Group's businesses in Singapore, high-value suppliers are evaluated based on quality, price, delivery and general service and support. Each criterion is given a weightage and scorecard from 0 to 100, which will then be graded as outstanding, good, average or re-qualification required.

PROGRESS ON 2025 TARGETS

RESPONSIBLE SUPPLY CHAIN

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Responsible Supply Chain	Develop and roll out a new Supplier Code of Conduct to reflect ESG criteria	Draft policy, framework and assessment circulated for final internal review	Updated Supplier Code of Conduct launched	Singapore and Malaysia: Completed China: Under review	✓	By 2023 & all new suppliers to be screened with the new criteria
	High value suppliers screened as per ESG criteria on a yearly basis		>100 high value suppliers screened	Singapore and Malaysia: 100% Implemented China: Under review	✓	100% implemented

To improve | On track | Target achieved

Building Resilience for the Long-Term

2024 PERFORMANCE

The Building Materials business in Singapore recorded the following ratings in their supplier evaluations over the last three years:

SUPPLIER ASSESSMENT PERFORMANCE UNDER BUILDING MATERIALS GROUP, SINGAPORE

YEAR	NO. OF SUPPLIERS EVALUATED	AVERAGE RATING	REQUALIFICATION REQUIRED
2022	126	83	None
2023	132	82	None
2024	136	79	None

Note – all suppliers evaluated scored Good / Outstanding

Tasek's cement division recorded the following ratings in their supplier evaluations over the last three years:

SUPPLIER ASSESSMENT PERFORMANCE UNDER TASEK'S CEMENT DIVISION

YEAR	NO. OF SUPPLIERS EVALUATED	AVERAGE RATING	SCORED "D"
2022	201	87	None
2023	211	90	None
2024	213	90	None

BUILDING MATERIALS UNIT

OCCUPATIONAL HEALTH, SAFETY AND WELFARE

We place the highest priority on the health and safety of our people who form the bedrock of HLA's business resilience.

We believe in building a proactive safety culture and strive for continuous improvements in health and safety standards. All manufacturing sites have a safety management system in place. In Singapore, the Building Materials Group of businesses are certified for ISO 45001, BizSAFE STAR and BizSAFE Level 4 while operations in Malaysia are certified for ISO 45001 requirements.

To create and maintain a safe working environment aligned to HLA Group's Occupational Health and Safety ("OHS") Policy, our businesses have implemented safety policies that further details standards and strategic goals to ensure clarity of roles and responsibilities of senior management leading OHS strategies. These strategies are supported with sufficient resources to implement performance and continuous monitoring systems including risk assessments, equipment and personal protective equipment ("PPE") as well as training and communication. The businesses also practise visible leadership through quarterly engagement at sites as well as recognition and penalty systems.

We focus on strengthening our management systems as well as promoting a culture of OHS ownership across our operations. Updates on safety initiatives and performance are reported to the CEO and Management team monthly while safety targets outlined under the ESG roadmap are reviewed and discussed during quarterly ESG working group meetings. Safety incidents are managed according to the respective business emergency response plans and escalated to the CEO as well as Heads of Department from Human Resources, Sustainability and Compliance.

Dedicated safety departments in both Singapore and Malaysia ensure key operational sites undergo regular identification of health and safety hazards and facilitate the communication of corresponding risk mitigating actions with employees and third-party contractors. This set of OHS knowledge guides our hierarchy of controls approach which is integrated into operational processes and systems and sets the tone for building a stronger OHS culture by strengthening workplace health and safety standards and awareness amongst employees.

Building Resilience for the Long-Term

PROGRESS ON 2025 TARGETS

There were zero fatalities across Singapore and Malaysia sites in 2024. However, 13 lost time incidents ("LTI") were reported in 2024 involving nine employees and four contractors in Singapore and Malaysia. Most of the incidents were attributed to non-compliance of procedures and inadequate safety awareness.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024		2025 TARGET
Occupational Health, Safety and Welfare	Fatalities & lost time injuries across operational sites	Fatality – 0 LTI – 14	Fatality – 0 LTI – 11	Fatality – 0 LTI – 13	To improve	Zero incidence
	Third-party fatality and injury from transportation of products on the road	0	0	0	On track	Zero incidence
	Operational sites to implement ISO 45001 (Building Materials)	38%	75%	88%*	On track	100% implemented

To improve On track Target achieved

*Tasek Cement had in 2024 successfully extended its ISO certification and scope to cover the Sungai Buloh terminal which contributed to the increase in certified operational sites across Singapore and Malaysia from 75% to 88%.

Below were some initiatives carried out in 2024 to strengthen safety practices across our key subsidiaries.

R3 Precast, Singapore

- Internal training on safe usage of gantry crane for precast operations.
- Safety appreciation day for workers and drivers who have contributed to improved safety performance at respective plants / sites.
- Quarterly safety observation tours by management team throughout plants / sites.

Island Concrete, Singapore

- Safety appreciation day for workers and drivers who have contributed to improved safety performance at respective plants / sites.
- Quarterly safety observation tours by management team throughout plants / sites.

Tasek's cement plant, Malaysia

- Organised Tasek Safety Week event in collaboration with the Department of Occupational Safety & Health and other agencies in Malaysia.
- Certification of Sungei Buloh terminal to ISO standards which includes ISO 9001, 14001 and 45001.

Tasek Concrete, Malaysia

- Organised an internal Safety Day event to raise safety awareness and appreciation for good safety performance.

Building Resilience for the Long-Term

STRENGTHENING THE SAFETY CULTURE THROUGHOUT THE BUILDING MATERIALS BUSINESS

Malaysia

Tasek's cement plant held the annual safety and health week from 22 July to 27 July 2024 in Ipoh. Activities comprised talks, exhibitions, challenges, a fun run and other activities in collaboration with a hospital and various agencies such as Civil Defence ("APM"), National Drugs Agency ("AADK"), Department of Environment ("DOE") and Department of Occupational Safety & Health ("DOSH").

Over in Sungai Buloh, Tasek Concrete held its inaugural safety day on 19 December 2024 with activities focusing on celebrating the commitment, achievement and safety performance demonstrated by individuals throughout the operations. Activities included emergency kit demonstrations, safety quiz, awards ceremony, refreshment and distribution of safety gifts. Ten individuals were recognised for overall safety performance.

Singapore

Safety appreciation days were conducted in February, April, August and November 2024 which involved almost 1,000 production workers. Island Concrete and R3 Precast conducted these events at various sites with outstanding performances in terms of zero lost-time injuries, zero public complaints and positive feedback from customers. Activities included safety talks, distributions of gifts and tokens as well as catered meals for everyone.

Building Resilience for the Long-Term

REPORTABLE SAFETY INCIDENTS UNDER BUILDING MATERIALS GROUP, SINGAPORE & MALAYSIA

	EMPLOYEES				CONTRACTORS			
YEAR	NUMBER OF INJURIES	HOURS WORKED	INJURY RATE (PER MIL HOURS)	FATALITIES	NUMBER OF INJURIES	HOURS WORKED	INJURY RATE (PER MIL HOURS)	FATALITIES
2022	8	4,702,822	1.7	0	6	4,163,306	1.4	0
2023	5	5,764,013	0.9	0	6	3,325,086	1.8	0
2024	9	4,159,050	2.2	0	4	3,072,794	1.3	0

Building Resilience for the Long-Term

POWERTRAIN SOLUTIONS UNIT

CYBERSECURITY AND DATA PROTECTION

GYMCL formulated a series of policies that include "Information Security Risk Management Policy" and "Cybersecurity Management Policy" which standardised the approach and management of information in the company. The policies are aligned with national regulations in China, governing cybersecurity, data security and personal information protection.

2024 PERFORMANCE

GYMCL recorded zero incidents of cybersecurity breaches, events on IT assets and network and data breaches related to customer data in 2024.

POWERTRAIN SOLUTIONS UNIT

RESPONSIBLE SUPPLY CHAIN

GYMCL's suppliers are required to pass ISO 9001 certification or obtain International Automotive Task Force 16949 and Occupational Health and Safety Certifications. Vendor qualifications are conducted by the GYMCL Purchasing Department on requirements related to quality, reliability, cost and other key factors.

Listed on the New York Stock Exchange, CYI also complies with the Conflict Minerals Regulation which require all GYMCL's suppliers to obtain certifications that illustrate their disuse of conflict materials in smelters and refiners or disclose sources of the minerals used. Its due diligence on suppliers is conducted according to the Organisation of Economic Co-operation and Development ("OECD") Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

2024 PERFORMANCE

GYMCL SUPPLIER ASSESSMENT PERFORMANCE

	2022	2023	2024
Suppliers assessed	359	325	318
Percentage of Suppliers meeting the requirements	98%	99%	99%

In compliance with the Conflict Mineral Regulation, CYI conducted a Reasonable Country of Origin Inquiry ("RCOI") of GYMCL's suppliers in 2022 using Version 6.22 of the Electronic Industry Citizenship Coalition and the Global e-Sustainability Initiative Conflict Mineral Reporting Template ("CMRT"). The purpose was to determine whether any of the 3TGs (Tin, Tantalum, Tungsten and Gold) supplied for manufacturing of engines was from recycled or scrap sources originated from troubled regions in the Democratic Republic of the Congo and adjoining countries.

The RCOI requested these suppliers to obtain information through their supply chain regarding the country of origin of 3TGs and the smelters and refiners used in the supply of materials to GYMCL. In order to make this inquiry as complete as possible, these suppliers were further requested to send the same CMRT to their suppliers (direct and indirect) for data collection. CYI sent the CMRT to a total of 159 suppliers and all responses to the RCOI using the CMRT were received in April 2024. 143 (90%) of the suppliers confirmed that the products they supplied to GYMCL in FY2023 did not contain 3TGs sourced from the Covered Countries. The RCOI for FY2024 is currently in progress and will be reported in the Group's SR for the financial year ending 31 December 2025.

Building Resilience for the Long-Term

POWERTRAIN SOLUTIONS UNIT

OCCUPATIONAL HEALTH, SAFETY AND WELFARE

At GYMCL, safety is a priority at every stage of the production process. The manufacturing facility based in Yulin is ISO 45001 certified and all operational sites are required to undergo the "National Safety Culture Construction Demonstration Enterprise" examination and certification in China to meet regulatory requirements in work safety standardisation, which GYMCL has achieved.

Key initiatives are carried out to educate and train employees on work safety practices and techniques to ensure the highest levels of personal safety. Regular physical and occupational health examinations are also organised for all employees to support their general health and wellbeing.

This is supported by GYMCL's "zero injury" safety and environmental assurance system, which provides guidance across normalised, specialised and information-based work safety standardisation and work safety management systems. These management systems are regularly benchmarked against the industry to remain up-to-date and ensure its on-going effectiveness.

In recent years, GYMCL has also significantly improved the working environment of its employees through the upgrading of production line equipment and utilisation of automation and intelligent controls. This has reduced overall labour intensity and enhanced the efficiency and work quality of our employees.

PROGRESS ON 2025 TARGETS

Zero fatalities but five injuries for employees were recorded in 2024 for the operations in China. Two of these injuries were serious incidents and a result of vehicular-related accidents that occurred within GYMCL's plant in Yulin. The root cause analyses led to the identification of gaps and corresponding rectifications relating to safety awareness management, training and on-site assessments. Key areas covered the review of staff competencies in safety training as well as thorough oversight of safety officers on the ground. Gaps have been resolved by management and improved safety mechanisms to operate vehicles and other mobile equipment within the plant have been implemented.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024	2025 TARGET
Occupational Health, Safety and Welfare	Fatalities & lost time injuries across operational sites	0	0	5 ↘	Zero incidence

↘ To improve ✓ On track ✓ Target achieved

REPORTABLE SAFETY INCIDENTS UNDER GYMCL

	EMPLOYEES				CONTRACTORS			
YEAR	NUMBER OF INJURIES	HOURS WORKED	INJURY RATE (PER MIL HOURS)	FATALITIES	NUMBER OF INJURIES	HOURS WORKED	INJURY RATE (PER MIL HOURS)	FATALITIES
2022	0	14,049,000	0	0	N/A	N/A	N/A	N/A
2023	0	11,367,400	0	0	N/A	N/A	N/A	N/A
2024*	5	17,244,028	0.3	0	0	2,155,096	0	0

Note: N/A means not available. (*) asterisk indicates that the 2024 data now include key subsidiaries of GYMCL.

Task Force for Climate-Related Financial Disclosures Recommendations

TCFD Recommendations

HLA has taken the initiative to assess and disclose its climate risks in phases over the next few years. The Task Force on Climate-related Financial Disclosures ("TCFD") recommendations are being gradually adopted in line with SGX-ST requirements to enhance the Group's disclosures in FY2022 and beyond.

GOVERNANCE

a) Describe the organisation's governance around climate-related risks and opportunities

Hong Leong Asia ("HLA") has an established governance framework to effectively manage our environmental, social and governance ("ESG") risks and opportunities. The Board of Directors ("The Board") has overall responsibility over HLA's climate-related risks and opportunities while also ensuring transparency and visibility into HLA's risk management practices. The Board provides guidance on the Group's business strategy and operational matters to be consistent with the Group's efforts to mitigate climate-related risks and pursuit of climate-related opportunities.

Since 2016, this has been supported by the Audit & Risk Committee ("ARC") with oversight over the management, monitoring and reporting of sustainability issues and ESG factors. The ARC also reviews and evaluates internal controls, processes and performance annually and ensures that all requirements for sustainability compliance are met before reporting to the Board on a bi-annual basis. In May 2023, the Board Sustainability Committee ("BSC"), chaired by Caroline Kwong (Independent Director) and consisting of Stephen Ho (CEO and Executive Director) and Kwek Pei Xuan (Head of Sustainability and Corporate Affairs and Executive Director) was formalised and transitioned to take over these responsibilities. As part of the transition, HLA's Head of Sustainability and Corporate Affairs, Kwek Pei Xuan conducted an induction briefing for the BSC to provide a snapshot on the Group's progress towards its 2025 ESG targets as well as priorities over the coming years. Climate risk was discussed as a key priority under which, the development of a decarbonisation roadmap and capacity building on climate reporting for the HLA Board and senior management were highlighted.

The Board currently considers Energy and Greenhouse Gas ("GHG ") Emissions, Circular Economy and Waste as key material topics of our sustainability framework which were identified in the materiality assessment conducted in FY2021. The HLA Sustainability Team continues to provide progress updates on these key material topics twice a year at Board Meetings which take place in February and August. Since February 2024 onwards, the BSC would meet two weeks before these Board Meetings to review and discuss on the Group's sustainability performance including our key environmental topics. As HLA undertakes a more rigorous and detailed scenario analysis which would establish the financial implications of climate-related risks and opportunities for the Business Units, an extended integration of climate-related issues into HLA's strategy, performance objectives and oversight over major capital expenditures, acquisitions, and divestitures will be conducted.

For information on the Board's oversight of climate-related risks and opportunities, please refer to the Sustainability Governance Structure on page 7 of this Report.

TCFD Recommendations

GOVERNANCE

b) Describe management's role in assessing and managing climate-related risks and opportunities

We have an established reporting and internal escalation process for managing the Group's overall Sustainability Strategic Direction, Management and Reporting, supported by the individual Business Units. The Building Materials Unit, made up of the Building Materials Group, Singapore and Tasek Corporation Berhad had formed Environmental, Social and Governance ("ESG") Impact Working Groups in April 2022, while China Yuchai International Limited ("CYI") / Guangxi Yuchai Machinery Company Limited ("GYMCL") group formed an ESG Committee in June 2023. The respective working groups, chaired by the respective heads of the business units are tasked to develop action plans to drive performance towards the Group's 2025 ESG targets. The ESG Impact Working Groups meet quarterly with the HLA Sustainability Team to update on the progress of targets and status of actions and/or projects. Under the Building Materials Unit, key focus areas include pushing for green product certifications, developing the roadmap for increasing the use of alternative fuels in our cement plant in Malaysia and the implementation of Environmental Product Declaration at our ready-mix concrete operations in Singapore. At GYMCL, the ESG Committee meets periodically to review progress on targets and data accuracy. Once a year, the HLA Sustainability Team visits the operations in China which is organised by the GYMCL ESG Committee for in-depth discussions with respective heads of departments to review progress on targets and learn about new projects/initiatives.

The HLA Sustainability Team, which is led by the Head of Sustainability and Corporate Affairs and the Sustainability Manager, helps to govern this process through quarterly working group meetings, continuous support on internal ESG training and working alongside other departments (HR, Legal & Compliance and Finance) to identify gaps or potential roadblocks, and strengthen internal processes and capacity building. The Chief Executive Officer ("CEO") oversees the overall effectiveness of this process as part of managing the internal control and risk management framework of the Group's businesses and operations. This progress is monitored on a bi-annual basis by the BSC and the Board through Key Performance Indicators ("KPIs") of the Group's 2025 ESG Roadmap and includes a carbon intensity reduction target (refer to section on Metrics and Targets on page 74 for details).

The 2025 ESG Roadmap was a first step by HLA Management to prepare the organisation towards a clearer ESG data collection and performance management system. Implemented within HLA after conducting a materiality reassessment in 2021, this has led to improved internal processes including updates to the Group's balanced scorecard system to include ESG KPIs. During this period, we also built internal capacity to better understand and prioritise climate risks across the business. Looking beyond 2025, HLA Management had begun discussions in late 2024 to formulate and discuss our 2030 ESG Roadmap and focus. A key consideration discussed included challenges behind operationalising a decarbonisation roadmap for our key sectors. As heavy decarbonisation is dependent upon technologies that are currently still immature such as carbon capture, utilisation and storage systems, the challenges include aligning to changes in regulatory policies and complexity in the technical execution of implementing such technologies. Hence, the target-setting exercise for our 2030 ESG Roadmap is expected to continue positioning ongoing initiatives as crucial to driving early-stage transition such as increasing our usage of alternative fuels while emphasising the need for innovative partnerships and increased stakeholder collaboration to solve industry challenges.

The Board and HLA Management continue to undergo capacity building and training on climate-related risks and opportunities to understand the scenario analysis undertaken on our two main Business Units. Moving ahead, we will continue to equip ourselves with the relevant skills to assess and manage our prioritised set of risks and opportunities as well as monitor emerging climate risks that may be relevant to our context.

TCFD Recommendations

STRATEGY

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

To improve our understanding of climate-related risks in the short, medium and long-term, we have conducted a scenario analysis which was completed in FY2023, aligned to the TCFD recommendations based on the following context.

SCENARIOS

Based on TCFD recommendation to use a set of scenarios that covers both favourable and unfavourable outcomes; the following scenarios were developed:

1) **The orderly scenario (favourable) - 1.5°C warming scenario** that assumes climate policies are introduced and rapid decarbonisation is undertaken

[Aligned to Network for Greening the Financial System ("NGFS") Net-Zero by 2050, International Energy Agenda ("IEA") Net-Zero Emissions 2050 & Representative Concentration Pathway ("RCP") 2.6]

2) **The hot house scenario (unfavourable) - >3°C warming scenario** that assumes climate policies and action are limited and insufficient for the impacts of climate change

[Aligned to Network for Greening the Financial System ("NGFS") Current Policies, International Energy Agenda ("IEA") STEPS & Representative Concentration Pathway ("RCP") 8.5]

COUNTRIES

The operational regions selected for the scenario exercises were based on financial materiality and scale of operations, covering both our Building Materials and Powertrain Solutions units and they comprise Singapore, China and Malaysia.

TIME HORIZONS

2019 was chosen as the baseline year and impacts of climate change risks to our businesses was assessed across the short (2020 – 2030), medium (2030 – 2050) and long (2050 – 2080) term. The study also identifies risks that may become more significant only in the medium or longer timeframe, for 2050 and beyond, such as physical risks.

TYPES OF RISKS ASSESSED

The TCFD recommendations cover two main types of risks – transition risk and physical risk.

Transition risks are particularly relevant for resource-intensive organisations with higher GHG emissions within their value chains, where policy actions, technology, or market changes lead to direct pressure on emissions reductions, energy efficiency, subsidies or taxes. The TCFD has identified four main types of transition risks as per below.

1) **Policy**: the risk from emerging regulation aimed at addressing climate change or litigation risk
2) **Technology**: the risk from emerging technologies aimed at supporting the global low-carbon transition
3) **Market**: the risk from shifting supply and demand curves as economies react to climate change
4) **Reputational**: the risks of damage to brand value and loss of customer base from shifting public sentiment about climate change

TCFD Recommendations

STRATEGY

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Physical risks relate to impacts from climate-related extreme events, such as heatwaves, droughts, floods, cyclones, and wildfires, which can cause damage to properties and loss of lives and livelihood. These are expected to be more pronounced in higher warming scenarios, and significant differences in physical risks compared to present-day may become more pronounced only in the medium to longer term.

Based on the above, a screening exercise was undertaken based on qualitative research to identify key climate risks and opportunities as well as develop impact pathways for both the Building Materials and Powertrain Solutions businesses, respectively. The impact pathway mapping exercise establishes the causal links between changes in climate and weather patterns, related national and global policies, and the impacts on our businesses in terms of costs, revenue, and asset values. This included references to identified climate risks by TCFD, recent international net-zero plans and commitments to mitigate climate change, as well as IPCC reports on impacts from climate-related extreme events.

LEGEND

POTENTIAL IMPACT

- Mild risk – no/low indication of need for mitigation or adaptation actions at present
- Moderate risk – possible need for mitigation or adaptation actions; management to be kept aware of developments
- High risk – may be a significant risk during the time horizon evaluated; to put in place mitigation or adaptation actions
- Mild opportunity – possible opportunity to leverage in the future; management to be kept aware of developments
- Major opportunity – likely opportunity to leverage; management to discuss possible actions to take

TABLE OF IDENTIFIED RISKS AND OPPORTUNITIES WITH IMPACT MATRIX

TYPE OF RISKS	RISK DESCRIPTION	POTENTIAL IMPACT	TIME HORIZON
Physical Risk	Floods	High risk	Short to medium-term
	Heatwaves/High temperatures	High risk	Short to medium-term
	Diseases	Moderate risk	Medium to long-term
	Rising sea level	High risk	Medium to long-term
	Tropical cyclones/monsoons	Mild risk	Short to medium-term
Transition Risks	Carbon pricing	High risk	Short to long-term
	Risk of investment in new tech	High risk	Short, medium and long-term
	Low-carbon economy transition policies and regulations	Moderate risk	Short, medium and long-term
	Emission reporting regulations	Moderate risk	Short to long-term
	Shifting customer behaviour	Moderate risk	Short, medium and long-term
	Substitution of products	Mild risk	Short term
	Increased cost of raw materials	Moderate risk	Short, medium and long-term
	Stringent engine emission regulation	High risk (Powertrain solutions only)	Short, medium and long-term
	EV subsidies and incentives	Mild risk (Powertrain solutions only)	Short, medium and long-term
Opportunities	Growth of sustainable building material markets	Major opportunity (Building Materials only)	Short to medium-term
	Shifting customer behaviour	Major opportunity	Short to medium-term
	Sustainable financing	Mild opportunity	Short to long-term
	Use of carbon capture technology	Mild opportunity	Medium to long-term
	Use of lower-emission sources of energy	Mild opportunity	Short to long-term
	Growth of electric vehicle markets and green transport	Major opportunity (Powertrain solutions only)	Medium to long-term
	Growth of Hydrogen Economy	Major opportunity	Medium to long-term

TCFD Recommendations

STRATEGY

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

TABLE OF PRIORITISED RISKS WITH POTENTIAL IMPACT

RISK DESCRIPTION	POTENTIAL IMPACTS	TIME HORIZON	POTENTIAL FINANCIAL RISK AND IMPACT
Implementation / increase in **Carbon Pricing / Tax** in a bid to move towards a low-carbon economy	Potentially material increase in indirect financial costs due to carbon pricing / tax	Short	• Costs are significant and material in both scenarios but more so in a 1.5 °C scenario due to more ambitious carbon tax regimes • Indirect costs of carbon can be passed on - Scope 1 and 2 related carbon costs may increase
		Medium	• While Malaysia and China have no carbon tax, using proxies for similar markets, increase in carbon costs is projected to be significant and material, especially under a 1.5 °C scenario • Costs are minimal in Singapore due to limited carbon footprint
		Long	• Scope 1 and 2 related carbon costs will continue to significantly rise, particularly for Malaysia and China especially in a 1.5 °C scenario where carbon price is high
Heatwaves/High Temperatures affecting labour productivity and cooling costs	Potentially material increase in spend on cost of cooling	Short	• Moderate cooling consumption increase expected in both scenarios • Energy price expected to be higher in a >3 °C scenario, leading to a material increase in cooling costs.
		Medium	• Higher risk of material costs due to loss in productivity of workers in >3 °C scenarios compared to a 1.5 °C scenario. Higher impact anticipated in building materials due to higher on-site/out-door activities • Cooling cost increases becomes material in both scenarios, due to higher cooling demand and electricity prices
		Long	• Increase in cost of cooling in a >3 °C scenario leading to material losses, as heatwaves frequency and intensity increase • Loss in productivity from chronic heat continues to increase at a faster rate in >3 °C scenarios compared to 1.5 °C scenario leading to material costs
Increasingly Stringent Regulations around Powertrain Solutions Emissions	Increased costs needed to ensure compliance to regulations	Short	• Incremental retrofit costs are likely to be significant in both scenarios due to future China VII regulations.
		Medium	• Limited research on how regulations are expected to change in the longer term • Compliance costs expected to increase in a 1.5 °C scenario
		Long	• Adoption of alternative powertrains expected to grow exponentially in a 1.5 °C scenario, increasing pressure to revenues from current internal combustion engine ("ICE") product lines
More Frequent or Intense Floods (River and Flash Floods) and **Rising Sea Levels**	Potentially material loss of revenue and increased insurance costs	Short	• River flooding causing potentially material risk to China and mild risk to Malaysia / Singapore in both scenarios
		Medium	• Majority of costs expected to come from river floods in both scenarios and insurance costs for flooding likely to increase, adding to potential loss of revenue • Increase in severity of river floods in China results in material loss of revenue in both scenarios, but worsens in a >3 °C scenario
		Long	• Loss of revenue is expected to be material in a >3 °C scenario • In the 1.5 °C scenario, the potential revenue loss is small

TCFD Recommendations

STRATEGY

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

TABLE OF PRIORITISED OPPORTUNITIES WITH POTENTIAL IMPACT

RISK DESCRIPTION	POTENTIAL IMPACTS	TIME HORIZON	POTENTIAL FINANCIAL OPPORTUNITY AND IMPACT
Use of **Lower-Emission Sources of Energy**	Reduction in operating costs from energy savings. Increase in capex investment/ expenditure to achieve retrofits.	Short	• Energy savings likely greater in Malaysia and China than Singapore due to greater access to land for renewable energy development. • Savings are likely higher in a 1.5 °C scenario where government likely to support renewables through subsidies, tax credits, etc.
		Medium	• Singapore energy import policy expected to mature and result in cheaper renewable energy costs. • Potential cost savings continue to grow in both scenarios given the improvement in technology of renewables.
		Long	• Potential savings likely higher in a >3 °C scenario as greater use of renewable energy ensures greater resiliency to more extreme weather events.
Growing Product Market for Sustainable Building Materials	Increase in revenues from sustainable building materials	Short	• Moderate revenue opportunity in a 1.5 °C scenario due to increasingly stringent green building regulations.
		Medium	• Large potential revenue opportunity as sustainable building materials projected to take up most of the market under the 1.5 °C scenario. • Minor revenue opportunity assumed in a >3 °C scenario due to lack of government incentives and policies to drive green building adoption.
		Long	• Projections on sustainable building materials market are limited in longer time horizons, but likely that sales will moderate for the 1.5 °C scenario as the sector matures.
Increase in revenues from alternative powertrains and lower-emission engines	Increased costs needed to ensure compliance to regulations	Short	• Potential revenue gain is significant in a >3 °C scenario but less than a 1.5 °C scenario due to limited penetration of alternative powertrains in heavy-duty segment.
		Medium	• Studies project saturation of the alternative powertrains market, leading to revenue moderating in the 1.5 °C scenario. • Revenue gain is more restrained in >3 °C scenario, compared to the short- and medium-term horizons, as alternative powertrains penetration is limited.
		Long	• Studies project saturation of the alternative powertrain market, leading to revenue moderating in the 1.5 °C scenario. • Revenue gain is more restrained in >3 °C scenario, compared to the short- and medium-term horizons, as alternative powertrain penetration is limited.
Growth of the Hydrogen Economy	Increase in revenue from lower-emission products	Short	• Moderate revenue opportunity due to growing viability of hydrogen fuel cells. However, capacity and maturity for green hydrogen in cement/concrete production likely limited.
		Medium	• Projected maturity of hydrogen cells by this time horizon might further incentivise adoption. • As green hydrogen matures, the cost-effectiveness for lower-emission concrete increases.
		Long	• While projections on hydrogen economy are limited for the longer term, sales from lower-emission products are likely to increase in a 1.5 °C scenario, as uptake of hydrogen technology increases as development matures. • Revenue gain from lower-emissions products is likely comparatively more restrained in a >3 °C scenario.

TCFD Recommendations

STRATEGY

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We will be placing greater emphasis on the sustainability ambitions within the Group in order to embed strategic initiatives and changes to meet future challenges. For instance, our carbon emission targets comprise a 50% reduction in Scope 1 and 2 emission intensity (metric tonnes of CO_2/SGD Revenue) by 2025 from a baseline year of 2016. Furthermore, since 2023, we have established a Scope 3 carbon inventory which not only meets SGX-ST reporting requirements, but also acts as a baseline to develop targets on decarbonising our value chain.

Looking ahead beyond 2025, the Group has begun to prepare its 2030 ESG ambitions to include refreshed ESG targets while our decarbonisation initiatives should play a key role in addressing the various risks and opportunities that may be faced by our organisation. The established decarbonisation plan is primarily based on a transition to low-carbon vehicles and building materials.

For our Powertrain Solutions unit, a key target is to increase the share of energy efficient and new energy products in our overall sales volume within China and its export markets. This transition plan includes the shift from traditional Powertrain Solutions to electric, hybrid, and hydrogen fuel cells. The research and development (R&D) of such products has been prioritised since 2016 when its New Energy Power department was established. Being predominantly a manufacturer of medium-duty and heavy-duty engines, there is a greater emphasis on hydrogen fuel-cell solutions as this segment operates with heavier loads and longer distances where full-electric products are unlikely to be the best solution. Currently we are behind our target for new energy product sales as the market is still developing and the entire transport ecosystem has not shifted. Nonetheless, the business continues to invest in R&D, partnerships and new geographical markets to prepare its portfolio of solutions.

For our Building Materials unit, a key target has been to increase the usage of alternative fuels to replace coal for firing our operations in Tasek Cement, a process that contributes to around 30% of the Group's overall Scope 1 and 2 emissions. It is also our priority to increase the share of green and sustainable building materials in our overall sales volume. However, similar to the Powertrain Solutions unit, the market for such products is still developing with limited market-based incentives to shift to such products. Hence, the Group's priority is to develop a decarbonisation roadmap for Tasek Cement which the HLA Sustainability Team kickstarted in Q3 2024 together with an external consultant. Moreover, increasing emphasis would be placed on circularity through the use of recycled and alternative raw materials in the production process. This is led by the formation of a subsidiary under Tasek Corporation Berhad in 2023 now known as ReGen Sustainable Solutions Sdn Bhd ("ReGen"). In 2024, greater focus was placed on building internal competencies to operate a new business that will process greater volume of industrial waste redirected from landfill to be repurposed as raw materials for cement production. ReGen aims to begin operations in late 2025 and will also be a key priority under the Group's 2030 ambitions.

For both the Building Materials and Powertrain Solutions business, it is expected that the pace of conversion will accelerate over time due to the maturation of supporting infrastructure and regulations that discourage or ban new ICE vehicles and limit carbon-intensive building materials.

TCFD Recommendations

STRATEGY

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We conducted a qualitative scenario analysis to determine our level of resilience against climate risks in the short (2030), medium (2050), and long term (2080).

Overall, in the short term, it is expected that our assets are not particularly vulnerable to physical risks, but would be more affected by transition risks. For instance, increases in carbon pricing, stricter product regulations and changing customer behaviour or not preparing for the change in market demand ahead of time would potentially make our products less competitive.

During this period, to tackle the challenges that climate risks pose to our business, we have developed key performance indicators to track progress against our 2025 ESG targets. The progress in achieving these targets is reported to the BSC on a bi-annual basis. More information on this can be found in our FY2024 Sustainability Report.

While most targets are on track, we anticipate falling slightly short on some of our climate targets which are predominantly dependent on the pace with which our customers adopt greener and/or more sustainable solutions in the markets we operate in. In particular, we have flagged our targets of a 0.75 clinker-to-cement ratio under our cement operations and energy efficient product sales under our Powertrain Solutions unit as urgent areas of improvement in our FY2024 Sustainability Report.

In the medium to long term, these transition risks would have a larger impact on the business as lower-emission substitutes become cost competitive and carbon prices rise. As such, in the coming years, we will look into quantifying the potential financial impact of these risks on our business. Steps are also being taken to explore strategies that may help transform the business and mitigate against these risks. These steps include decarbonisation of operations, transition towards alternative and renewable energy sources, research and development strategies, building a climate resilient network and enhancing our enterprise risk management framework to include climate risks. These are crucial steps to address the climate risks. Notwithstanding our preparation, unfortunately, both the Building Materials and Powertrain Solutions businesses are hard-to-abate sectors in which technological development of decarbonisation and/or product solutions are still immature and cost of implementing these solutions remain high.

As we continue to work with our Business Units to attain our 2025 climate targets, we have held sustainability and strategy workshops over the course of 2024 to develop refreshed climate targets supported by decarbonisation pathways under each core sector. This has led to the planning of HLA's 2030 ESG Roadmap of which the most immediate priority is finalising the decarbonisation roadmap strategy for Tasek Cement due to it being the most significant contributor of Scope 1 and 2 emissions under the Group's portfolio.

TCFD Recommendations

RISK MANAGEMENT

a) Describe the organisation's processes for identifying and assessing climate-related risks.

We have in place a sustainability framework which articulates our sustainability priorities. As a first step to identify and assess climate-related risks, interviews were conducted to engage the leaders in our various Business Units to better understand what they perceive as risks to our core business operations.

Subsequently, we undertook a climate risk screening and scenario analysis to identify, assess and manage our climate-related risks. The climate risk screening and climate scenario analysis undertaken sought to identify and assess the most pertinent physical (chronic and acute) risks and transition climate risks applicable to our operations. This aids in minimising climate-related uncertainties associated with our business operations and mitigates any potential adverse costs to our businesses. The climate risk scenario analysis was performed at a country-level and regional-level where appropriate.

The risk screening undertaken involved screening our Group's key operations, identifying the material climate risks and opportunities across Singapore, Malaysia and China and determining what physical and transition risks applied. This enabled us to pinpoint quantifiable risks and determine the assumptions necessary for the scenario analysis.

Subsequently, a climate scenario analysis was performed on selected risks. The modelling approach for each physical and transition risk took into account risk factors within our operational scopes, available financial data and other scientific research and information available. The specific financial impact on our business is informed by the impact pathway mapping, which outlined the possible business impact to the Group.

To model the impact of higher mean temperatures on our operations, factors that were considered included higher cooling demand, percentage of energy use for space cooling based on country-level studies, projected electricity prices and the assumed percentage of electricity for cooling, to calculate the additional electricity costs for potential cooling requirements.

In the assessment of decreased labour productivity due to rising heat, we used HLA's cost of labour and the potential loss of productivity to estimate the additional financial cost to our business.

For business losses arising from flash floods and river floods, we took into account factors such as annual estimated GDP loss caused by flash floods and river floods and increases in likelihood and severity of flash floods and river floods, to model the revenue loss under each time horizon and scenario.

On the other hand, for the transition risk of increased carbon prices, our modelling approach combined HLA's existing carbon emissions, projected carbon price increments and key assumptions to derive expenses relating to carbon pricing.

The significance of these climate-related risks and impacts informed by the climate scenario analysis was previously outlined in the Strategy section.

Going forward, as data becomes more readily available, HLA intends to expand the analysis further in future years, such as quantifying the potential impact of other climate-related risks and opportunities.

TCFD Recommendations

RISK MANAGEMENT

b) Describe the organisation's processes for managing climate-related risks.

The results from our climate scenario analysis serve to inform possible climate outcomes so that we can effectively manage our climate-related impacts. This pertains to both risks and opportunities that may arise from climate-related changes. Going forward, we will utilise these results to refine our overarching business strategy, as well as incorporate them into our Business Units' operational strategies to promote economic growth and enhance sustainability.

Short-term climate-related risks that we have prioritised include potential material increases in carbon pricing as well as cooling costs due to rising global temperatures. These risks are addressed through initiatives and measures aimed at decarbonising our operations. At present, we are focused on lowering energy consumption across our business to reduce Scope 1 and 2 emissions. For example, Tasek Cement in Malaysia has taken steps to use alternative fuels to replace coal and substituting clinker with materials such as pulverised fly ash and ground-granulated blast furnace slag. This reduces the carbon intensity of cement production. We have also installed solar panels in our Powertrain Solutions operations in China and Precast operations in Singapore and continue to consider other operations where possible.

As we look towards the medium and long-term, potential financial impact from risks such as higher carbon pricing and cooling costs remain a priority while transition risks such as higher risk of investment in new technology and increasingly stringent engine emission regulation become greater priority areas. At present, to support long-term plans to reduce our Scope 3 emissions, we have updated our supplier code of conduct which was rolled out in 2023 to impose stricter ESG requirements and are actively pursuing research and development into greener products across our core businesses.

In 2024, we saw a greater increase in stakeholder engagement efforts by our Business Units with policymakers who have consulted key industry players in hard-to-abate sectors on their feedback to smoothen the transition towards low-energy transportation and a greener built environment. Discussions include developing a clearer pathway for hydrogen fuel-cell development in China, supporting the uptake of green product building materials in Singapore and Malaysia and implementing carbon capture infrastructure in Malaysia.

These are shared and discussed with the Board when shaping the direction of the Group's strategy. In the long run, we strive to develop a clear carbon reduction pathway for our businesses.

TCFD Recommendations

RISK MANAGEMENT

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

The Group's approach to risk management is to proactively identify, evaluate and manage significant risks inherent in the business to ensure responsible and informed risk taking. Risk management activities serve to protect the interests of our Board and shareholders and are aligned to the Group's strategic objectives and priorities.

HLA's existing Enterprise Risk Management ("ERM") framework

In line with this, our ERM framework seeks to formalise and document the internal processes to identify, assess, monitor, manage and evaluate significant strategic, financial, operational, compliance and IT risks to our business.

The Board determines the Group's levels of risk tolerance and risk policies, and oversees management in the design, implementation and monitoring of the risk management and internal control systems. At both corporate and Business Unit levels, the risk committees, consisting of cross functional personnel, implement and maintain risk management policies and initiatives across the Group. The risk management processes at the key business units are driven by their respective risk management committees, with regular reporting to the corporate risk management committee (comprising members of the Management and headed by the CEO), who in turn reports to the ARC on a half-yearly basis.

Additionally, we also place strong emphasis on creating climate risk awareness, promoting accountability and setting the appropriate tone at the top. Risk management training is conducted to communicate and enhance the Group's risk culture, with a risk management oversight and reporting structure in place to enable Management to effectively carry out their roles and responsibilities under the ERM framework.

The Group adopts a bottom-up approach, complemented by a top-down review in managing risks. A key focus is on the integration of risk management process into organisational processes at the business unit level. Each business unit is responsible for establishing and maintaining an effective risk management structure in their respective business units. Information on key risks from the business units are brought to the attention of senior management for evaluation through the annual business planning and budgeting process and monitored through monthly management meetings. Risks are actively monitored and risk mitigation plans considered as part of the decision-making process during weekly operational meetings. Key issues identified are escalated in a timely manner to the corporate level for further deliberation and resolution.

On an ongoing basis, Management reviews the Group's business operations to identify key risk areas and risk mitigating strategies to ensure that risks are adequately managed within the Group's risk tolerance limits. Key risk indicators are identified for each key risk to monitor the Group's risk exposure with risk mitigation plans formulated for when key risk indicators are triggered. An annual group wide risk review is carried out internally by the risk management committees across the business units in the Group. Key results from the review by the business units are presented to the corporate risk management committee for review and approval.

TCFD Recommendations

RISK MANAGEMENT

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

We have progressively integrated climate risks into the Group's risk management framework across key Business Units and geographies which involves the assessment of climate risks and mitigation or adaptation responses that would reduce and respond to the identified climate risks. Timely updates and recommendations on climate risk management are shared with the BSC ahead of ERM updates to the ARC.

At present, "Environmental Sustainability" has been identified as a strategic risk as a result of stricter regulatory requirements on sustainability reporting and environmental management. This is presented in the Corporate Governance section of our FY2024 Annual Report on Page 81.

METRICS & TARGETS

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We have been committed to providing performance against ESG-related metrics since the start of our sustainability reporting journey. Based on our material topics, we have established key metrics to measure and monitor our environmental performance, the details of which can be found in our FY2024 Sustainability Report. These metrics include, but are not limited to, the following:

1. Scope 1 and 2 GHG emissions (t CO_2 / million (SGD Revenue))
2. Scope 3 GHG emissions (t CO_2 e)
3. Fuel consumption (litres and %)
4. Energy consumption – Fossil fuels and electricity (TJ)
5. Energy intensity (TJ/million (SGD Revenue))
6. Waste generated (T and %)
7. Waste directed to disposal (T)
8. Waste diverted from disposal (T)
9. Percentage of recycled/alternative raw materials in total concrete volume
10. Percentage of sales volume from innovative / certified green concrete products under Green Mark / SGBP (Singapore)
11. Water consumption (m^3)
12. SOx, NOx, VOC emissions
13. Dust emission levels

TCFD Recommendations

METRICS & TARGETS

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We report on these metrics for the performance year and also include historical data to provide insights into our performance trends over time. Environmental data for our operations are prepared in accordance with the Global Reporting Initiative disclosure standards.

On 31 July 2024, the HLA Sustainability Team organised an ESG workshop for leaders across the Building Materials and Powertrain Solutions business to set the tone for developing the Group's 2030 ESG Roadmap aligned to a refreshed 2030 Vision strategy. The HLA Sustainability Team consolidated feedback from the guided discussions and drafted the 2030 ESG targets which were reviewed and updated by the respective Chief Operating Officers of each Business Unit. Following further discussions with the HLA CEO and senior management, we aim to have the Board review and approve the final set of 2030 ESG targets by mid-2025.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, GHG emissions, and the related risks.

We calculate our emissions according to the GHG Protocol Corporate Standard. In 2023, a detailed review of the Group's GHG Inventory was conducted and included a more robust assessment of its Scope 3 emissions. This was done in accordance with the GHG Protocol Corporate Standard.

2016 was established as the baseline year for absolute targets as this represents a business-as-usual scenario.

The Group's Scope 1 emissions are primarily from the combustion of fossil fuels and calcination of limestone while Scope 2 emissions result from electricity consumption across our operations. These emissions are contributed by our cement plant operations in Malaysia where we see a concentrated risk under our Group's portfolio. This may include being most impacted by carbon pricing policies as well as loss of market share and revenue for not being able to transition our products and operational strategies in time.

TABLE OF SCOPE 1 AND 2 EMISSIONS

EMISSIONS (tCO_2e)	FY 2022	FY 2023	FY 2024
Direct (Scope 1) GHG Emissions	1,335,005	1,644,689	1,650,679**
Indirect (Scope 2) GHG Emissions	230,590*	265,242*	345,757**
Total Scope 1 and 2 emissions	1,565,595	1,909,931	1,996,436

* Numbers have been updated after latest emission factors on electricity published for respective countries.
** Scope of data under the Powertrain Solutions business in China have been expanded to include key subsidiaries from FY2024 onwards.

TCFD Recommendations

METRICS & TARGETS

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, GHG emissions, and the related risks.

For HLA's Scope 3 emissions, a preliminary screening exercise was conducted to determine which of the categories would be most dominant in terms of the Group's emissions and operations. Subsequently, in FY2022, we then selected the most pertinent categories and undertook detailed emissions calculations based on the requirements stated by the GHG Protocol. Some Scope 3 categories were not investigated as they are not applicable to HLA's operations. The 3-year baseline emission data from 2021 is still being validated for accuracy. Hence, we have presented a breakdown of the Group's Scope 3 emissions profile below:

BREAKDOWN OF SCOPE 3 EMISSIONS (FY2024)

SCOPE 3 CATEGORIES	DETAILS	% OF TOTAL SCOPE 3 EMISSIONS
Category 1: Purchased goods & services	Purchase of raw materials including cement, aggregates, steel etc.	82.0
Category 11: Use of sold products	Diesel engines used in its lifetime	7.4
Category 3: Fuel- and energy-related activities not included in Scope 1 & Scope 2	Mainly from purchased electricity and fuels for operations	8.3
Category 4: Upstream transportation and distribution	Majority attributed to road freight	1.5
Category 10: Processing of sold products	Processing of cement into other products example precast/concrete	0.6
Category 2: Capital goods	Related to CAPEX and machinery expenses	0.1
Category 5: Waste generated in operations	Landfilling of waste materials generated from operations	0.1

As governments around the world make greater efforts to decarbonise their economies, potential risks related to GHG emissions could adversely affect HLA's operations. These risks include, but are not limited to, stricter requirements aimed at reducing diesel and petrol use, regulations that limit emissions, volatile fuel and energy costs associated with operations and difficulties in accurate calculations of Scope 3 emissions.

For further details on our GHG emissions performance, kindly refer to our FY2024 Sustainability Report (Pages 16 to 18).

TCFD Recommendations

METRICS & TARGETS

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

HLA has set key metrics and targets across various parts of business, relating to our commitment towards a low carbon and circular economy. These targets are set to be achieved by 2025 for each of these areas and the progress of these targets are monitored and reported to the BSC on a regular basis.

The overall progress of these metrics and targets are summarised and presented in the table below found on page 14 of this report related to our environmental pillar "Driving Innovation for a Low-Carbon and Circular Economy".

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2024 Performance	STATUS	2025 TARGET
Energy Consumption and CO_2 Emissions	Reduction in CO_2 emission intensity (t CO_2 / million (SGD Revenue)) vs 2016 baseline	27%	↘	≥50%
	Scope 3 Emissions Reporting (in alignment with TCFD reporting requirements by SGX-ST)	Scope 3 Emissions reported (FY2022 to FY2024)	✓	Report on a comply or explain basis by 2023
Alternative Cement and Concrete Products (Building Materials)	Percentage of sales volume from innovative / certified green concrete products under Green Mark / SGBP (as defined below) (Singapore)	10%	✓	≥20%
	Number of new products registered under recognised Malaysia green bodies	Achieved	✓	Certification for 2 cement and 2 concrete mix under Tasek
Energy Efficient Products (Powertrain Solutions)	Percentage of new energy products sold against overall Powertrain Solutions sales	3.4%	↘	≥20%
Circular Economy and Waste Management	Replacement of clinker with fly ash, limestone, ground-granulated blast furnace slag, etc.	0.88	↘	≤0.75
	Percentage of recycled/alternative raw materials in total concrete volume	29%	✓	≥35%
	Percentage of concrete waste generated from total volume (excluding sludge)	2.4%*	✓	<0.5%
	Alternative raw materials used in the calcination process	65,426 MT	✓	>50,000 MT
	Percentage of coal substitution by alternative fuels in calorific value basis	18%	✓	>30%
	Utilisation rate of foundry waste sand	71%	✓	≥90%
	Recycling of casting waste	100%	✓	Maintain 100%
Dust and Other Emissions	Fines / complaints on dust emissions from authorities	Zero Incident	✓	Zero Incidence
	Dust emission levels	< 26 mg/Nm³** (Building Materials) < 30mg/Nm³ (Powertrain Solutions)	✓	< 50mg/Nm³ continuously (Building Materials) < 30mg/Nm³ (Powertrain Solutions)
	SOx, NOx, VOC emissions	SOx – 13 g / t clinker NOx – 1,379 g / t clinker VOC – 45 kg / year	✓	Data to be assessed / collected and reported by 2023
Product Quality and Customer Satisfaction	Average Customer Satisfaction Score based on annual surveys / feedback	82% (Building Materials) 90% (Powertrain Solutions)	✓	≥90% (Building Materials) ≥85% (Powertrain Solutions)

* Concrete waste data for Singapore includes sludges as operations faces challenges to exclude at the moment.
** Based on average external third-party measurements from both kilns.

↘ To improve ✓ On track ✓ Target achieved

GRI Content Index

Statement of use	Hong Leong Asia has reported the information cited in this GRI content index for 2024 (1 January to 31 December) with reference to the GRI Standards
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	Annual Report (1-2, 30-33)
	2-2 Entities included in the organization's sustainability reporting	Sustainability Report (2)
	2-3 Reporting period, frequency and contact point	Sustainability Report (2), Annual Report (52)
	2-4 Restatements of information	Sustainability Report (15, 17, 30-31)
	2-5 External assurance	None
	2-6 Activities, value chain and other business relationships	Annual Report (1-2, 30-33)
	2-7 Employees	Sustainability Report (39-45)
	2-9 Governance structure and composition	Annual Report (53-55)
	2-10 Nomination and selection of the highest governance body	Annual Report (67-70)
	2-11 Chair of the highest governance body	Annual Report (16-21, 53-54)
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report (55-56)
	2-13 Delegation of responsibility for managing impacts	Annual Report (55-56, 58)
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report (7), Annual Report (55-56)
	2-15 Conflicts of interest	Annual Report (55-56, 60, 84)
	2-16 Communication of critical concerns	Annual Report (47-51, 77-84)
	2-17 Collective knowledge of the highest governance body	Annual Report (16-21, 63)
	2-18 Evaluation of the performance of the highest governance body	Annual Report (61-87)
	2-19 Remuneration policies	Annual Report (71-74)
	2-20 Process to determine remuneration	Annual Report (71-74)

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-22 Statement on sustainable development strategy	Sustainability Report (3-5)
	2-23 Policy commitments	https://www.hlasia.com.sg/corporate-governance
	2-24 Embedding policy commitments	Sustainability Report (8-12, 52, 55-56, 60-61), Annual Report (45-46)
	2-25 Processes to remediate negative impacts	Sustainability Report (48-49), Annual Report (95)
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report (61, 71, 86, 90)
	2-27 Compliance with laws and regulations	Sustainability Report (25, 52)
	2-28 Membership associations	The Cement & Concrete Association of Malaysia, China Internal Combustion Engine Industry Association
	2-29 Approach to stakeholder engagement	Sustainability Report (8-11), Annual Report (34-35, 94)
	2-30 Collective bargaining agreements	Sustainability Report (40)
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Sustainability Report (11), Annual Report (75-84)
	3-2 List of material topics	Sustainability Report (6, 12), Annual Report (79-84)
	3-3 Management of material topics	Sustainability Report (6-12, 14, 37, 51), Annual Report (75-84)
GRI 201: ECONOMIC PERFORMANCE 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report (66-70)
GRI 205: ANTI-CORRUPTION 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report (52)
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report (52)
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability Report (52)
GRI 301: MATERIALS 2016	301-2 Recycled input materials used	Sustainability Report (23-24)

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Sustainability Report (15-17)
	302-3 Energy intensity	Sustainability Report (17)
	302-4 Reduction of energy consumption	Sustainability Report (15-16)
GRI 303: WATER AND EFFLUENTS 2018	303-5 Water consumption	Sustainability Report (22, 34)
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report (17)
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report (17)
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report (18)
	305-4 GHG emissions intensity	Sustainability Report (16-17)
	305-5 Reduction of GHG emissions	Sustainability Report (15-16)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustainability Report (25)
GRI 306: WASTE 2020	306-3 Waste generated	Sustainability Report (22, 33)
	306-4 Waste diverted from disposal	Sustainability Report (22, 34)
	306-5 Waste directed to disposal	Sustainability Report (22, 34)
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Report (55-56, 60)
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Sustainability Report (41)
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Sustainability Report (56-58, 61)
	403-9 Work-related injuries	Sustainability Report (59, 61)

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Sustainability Report (38-39)
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Sustainability Report (40), Annual Report (62-65)
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report (53-54, 60)

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