Built With PURPOSE, Moving With INTENT

CONTENTS

ABOUT THIS REPORT

Standing from left to right
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This Sustainability Report ("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 2025 to 31 December 2025 ("FY2025"), 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 2025, 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.

HLA is in the process of building up its reporting capacity in the view of the eventual adaptation of the IFRS Foundation's International Financial Reporting Standards Sustainability Disclosure Standards ("IFRS SDS"), in accordance with applicable rules and requirements. The IFRS SDS builds on the core pillar of the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). HLA's climate-related disclosures in this report are based on the TCFD recommendations, which will continue to form the foundational basis for the Group's transition towards the adoption of the IFRS SDS.

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 Report 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 SGXST's website and HLA's website https://www.hlasia.com.sg.

This Report is made in accordance with a resolution of the Board dated 25 March 2026.

BOARD STATEMENT

Dear Stakeholders,

HLA's five-year sustainability roadmap was first initiated in 2021 and over this five-year period, the Group has progressed from establishing governance frameworks and baseline disclosures to embedding sustainability into our business strategy, operational decision-making and organisational culture.

Despite the challenging environment, the Group's commitment to sustainability has not changed. We see it as a long-term transformation journey that we drive forward with key focused priorities, ensuring that HLA will be more resilient and future ready, anchored on long-term value creation.

OPERATING IN A COMPLEX MACRO ENVIRONMENT

Over the past five years, our sustainability journey has been through a period of heightened global uncertainty. Geopolitical tensions, inflationary pressures and evolving industrial policies continue to influence market dynamics across Asia where the HLA Group operates. Policy trajectories, economic conditions and customer-buying behaviour have influenced the sustainability outcomes in our core sectors:

- In China, regulation on emissions and energy efficiency continues to shape technological advancement towards lower-emission powertrain solutions. The adoption rates for new energy vehicles in the medium and heavy-duty segments are increasing and it is largely dependent on continuing government incentive policy to reduce the cost of life cycle ownership.
- In Singapore and Malaysia, even as the building materials sector continues to see rising expectations for low-carbon construction amidst the tightening of green procurement standards, customer adoption rates remain low. Further, the availability of alternative fuels and circular materials are also impacted due to infrastructure and regulatory constraints.

These realities have come to affect us as decarbonisation pathways are capital-intensive and ecosystem-dependent. In a sense, our role in providing a reliable, responsible and resilient supply of products and services has become more complex and more critical than ever before.

HLA'S FIVE-YEAR PROGRESS

HLA's ability to deliver strong business performance is inextricably linked with our ability to leverage automation and digitalisation for improved operational performance and reducing energy intensity to help drive down costs and emissions. We are pleased to share our progress with you.

DRIVING INNOVATION FOR A LOW-CARBON AND CIRCULAR ECONOMY

As a leading Asian multinational in powertrain solutions and building materials, we have remained committed in delivering our Environmental, Social and Governance ("ESG") targets and made advancements in developing low-carbon products and solutions as well as streamlining production processes. At the end of 2025, the Group has registered the following versus targets that were set in 2021:

- **A reduction of 43% of Group carbon emissions intensity against revenue vs. 2016 levels**, slightly below the 50% reduction target;
- **An increase of 22% in the use of alternative fuel** to replace coal used in cement kiln operations (2021 was at 14%), below the 30% replacement target; and
- **An increase of 28% in the use of recycled and alternative material inputs** in ready-mix concrete products (2021 was at 26%), below the 35% replacement target.

Setting five-year targets is inherently an exercise loaded with uncertainties, and we can sometimes over-estimate how fast the market is transitioning to a lower carbon economy. Furthermore, amidst rising geopolitical and economic pressures, it has not been easy for the Group to achieve all of our sustainability goals and facing competing demands in our businesses. In the next five-year period till 2030, we have reviewed our transitional targets such as clinker-to-cement ratio (for cement products) and revenue from lower-carbon products and recalibrated our approach as we sized our business operations and opportunities for the next phase of growth.

EMPOWERING OUR PEOPLE AND COMMUNITIES

With over 10,000 employees spanning China, Singapore and Malaysia, we have delivered significant progress on the social fronts - centred on the success of our people and our communities. Our social targets are focused on enhancing workforce representation, nurturing talent, improving community engagement, expanding supplier diversity and driving awareness and initiatives to foster inclusiveness and wellbeing. To ensure accountability, we have linked ESG performance, along with health and safety targets, to executive performance evaluation and remuneration since 2023.

As industries evolve in response to technological change and sustainability imperatives, we have also placed a greater emphasis for capability building in the past five years. In 2025, we have launched the HLA diversity, equity and inclusion ("DEI") policy across the Group to enhance the diversity at HLA and foster a culture of belonging and inclusivity in the workplace. Internally, we will continue to work towards developing a People-Oriented strategy for our culture as well as growth-oriented talent management systems.

Another highlight was the launch of *Beyond***HLA** as the Group's structured social impact platform to drive greater awareness amongst employees of HLA's impact beyond operations. Youth4Planet being the signature programme reflects HLA's belief that empowering future generations is integral to building resilient societies and sustainable cities. Employee participation in community initiatives increased steadily since 2021, clocking **39% participation** under our Singapore and Malaysia operations and over **16,605 volunteer hours** in 2025 under our China operations.

BOARD STATEMENT

BUILDING RESILIENCE FOR THE LONG-TERM

Strong governance and risk management have underpinned the Group's sustainability journey.

Since 2021, the Board has enhanced oversight of ESG matters through clearer accountabilities, more structured reporting and integration of sustainability priorities in the Group's enterprise risk management system.

Under **Occupational Health and Safety**, the Group has reinforced safety as a core value through communication from the top, improvements in safety reporting from the ground and sharing best practices across geographies. In FY2025, we had **zero fatalities** and eight loss-time injuries ("LTIs"), which was the lowest record of LTI cases reported under the Group since 2021. Safety will always be paramount at HLA. We remain resolute to strive for zero fatalities and continual improvement in safety performance.

CLIMATE GOVERNANCE AND REPORTING

The Group has continuously work to align climate reporting in this report has been aligned with the **Task Force on Climate-related Financial Disclosures ("TCFD")** framework, encompassing:

- Board and management oversight of climate matters;
- Identification and assessment of physical and transition risks across geographies;
- Integration of climate considerations into strategy and risk management; and
- Metrics and targets to track performance and inform decision-making.

Looking ahead, HLA is committed to enhancing our climate disclosures to align with the IFRS Foundations international Financial Reporting Standards Sustainability Disclosure Standards.

LEARNING FROM HARD-TO-ABATE REALITIES

We recognise that meaningful progress in our sectors, being hard-to-abate, requires time, careful investment and ecosystem collaboration with government support. Looking towards 2030, we still foresee challenges in balancing climate ambitions with economic competitiveness, energy security and cost considerations. At the same time, technologies that will significantly drive down carbon emissions are still nascent, requiring high investments. While innovation continues to advance, adoption at scale remains influenced by policy alignment, infrastructure readiness, customer demand and cost competitiveness.

Accordingly, HLA has adopted a phased approach—prioritising operational improvements, capability building and market readiness in the initial phase, while preparing for more transformative solutions as enabling conditions mature.

POSITIONING FOR 2030

The work we have done in the past five years has positioned HLA well to continue building upon our robust transparency frameworks and comply with evolving regulatory disclosure requirements. Forging ahead toward **Vision 2030**, the Group will work on a refreshed set of **five key ESG focus areas.**

1. **60% reduction in Group Carbon Emissions Intensity (against revenue) vs. 2016 as the baseline year**
   Continue to drive progressive reduction through energy efficiency, alternative fuels, lower-carbon product development and growth of the business.

2. **Utilise >3 million tonnes of alternative or waste materials in our operations per year**
   Innovate our solutions to enable the scaling of alternative fuels, and circular materials through operational capability building and low-carbon product development.

3. **Strive for Zero Fatalities and reduction of Loss-Time Injury Frequency Rate by 50% vs. 2023 as the baseline year**
   Reinforcing a consistent, high-performance safety culture across all operations, with continued emphasis on improved reporting systems and leadership accountability.

4. **Build our Human Capital Framework**
   Strengthening workforce capability, leadership development and engagement to support long-term transformation.

5. **Nurture 1,000 youth by 2030**
   Collaborating with schools and potential partners to develop structured youth programmes (18 years and below) based on *Beyond***HLA** pillars and aligned with sustainability, innovation and future-ready skills.

Beyond 2025 and looking ahead, we anticipate a sustained progress towards 2030. The Group will continue to balance prudence with progress — investing in capabilities, strengthening partnerships and maintaining disciplined execution for steady growth.

We are confident that the Board and management team are well poised to steward HLA's businesses responsibly—advancing innovative urban solutions for a more sustainable world.

BOARD OF DIRECTORS
HONG LEONG ASIA LTD.
25 MARCH 2026

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 relevant to the 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 2030 VISION

VISION

Advancing innovative urban solutions for a more sustainable world

PURPOSE

Building a better world for future generations

BEYOND Hong Leong Asia

KEY PILLARS

DRIVING INNOVATION FOR A LOW-CARBON AND CIRCULAR ECONOMY

EMPOWERING OUR PEOPLE AND COMMUNITIES

BUILDING RESILIENCE FOR THE LONG-TERM

HLA GROUP MATERIAL ISSUES

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

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

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

CORE VALUES

- Keep the customer first
- Be driven to deliver
- Create an impact beyond our business
- Nurture a culture of growth

Note:

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 p11, we have renamed the topic as "Alternative Cement and Concrete Products" and "Energy Efficient Products" for the Building Materials and Powertrain Solutions businesses, respectively.

OUR APPROACH TO SUSTAINABILITY

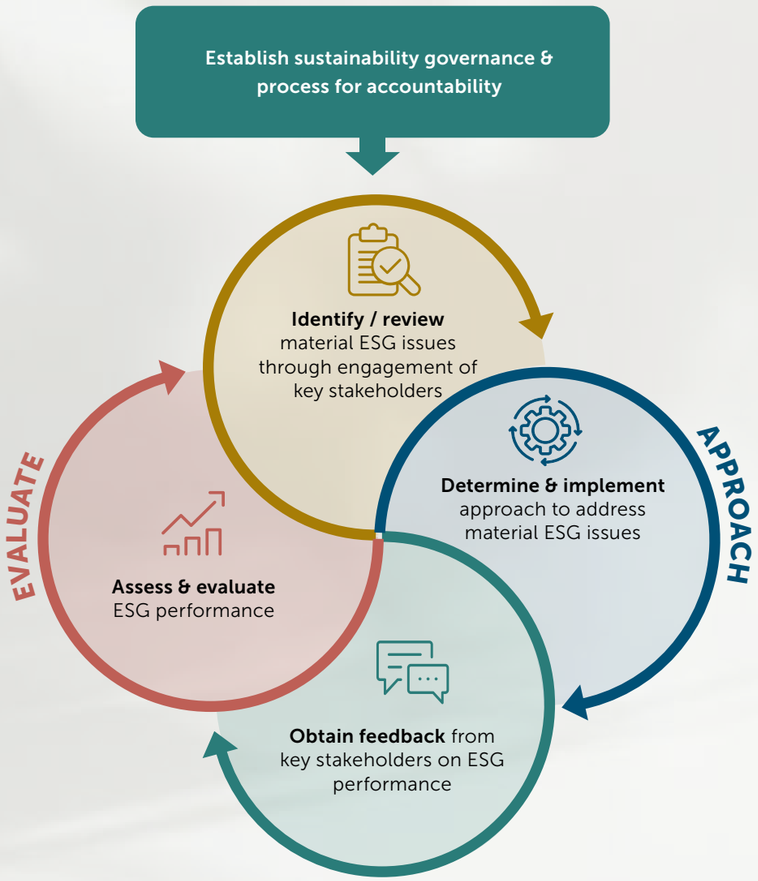
SUSTAINABILITY GOVERNANCE

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 that 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 while the CYI/GYMCL group also has an ESG Committee. Meanwhile, the HLA Sustainability Team led by the Head of Sustainability and Corporate Affairs oversees 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 reports to the Board.

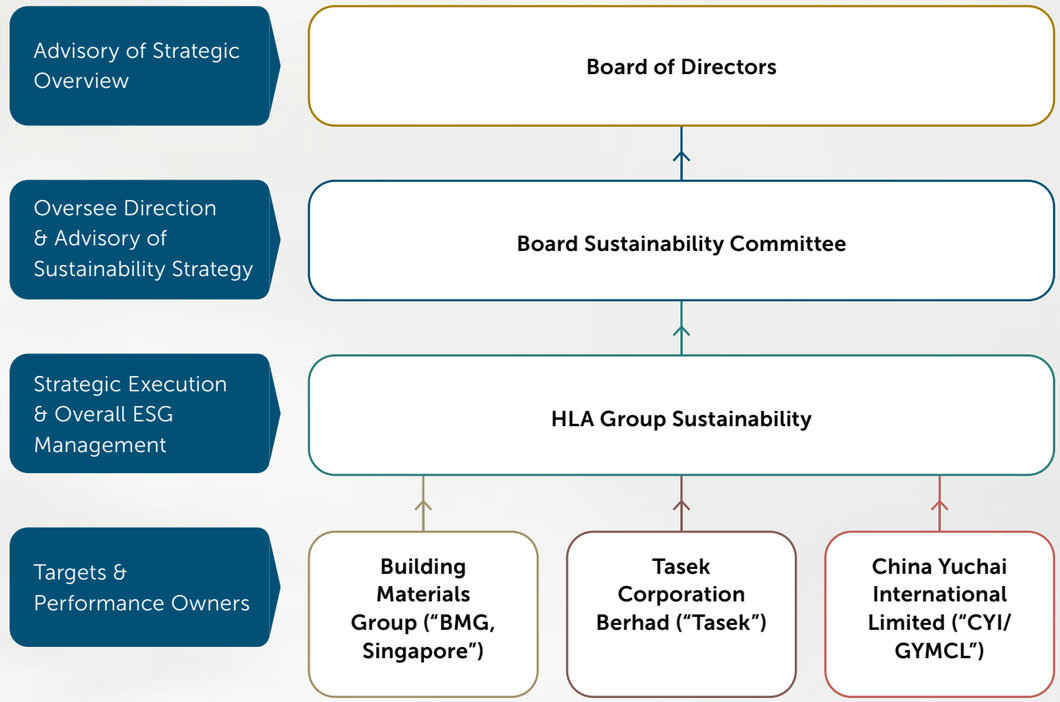
The CEO has the overall responsibility in driving ESG performance while managing the internal control and risk management framework of the Group's businesses and operations.

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 the workforce and the use of recycled and alternative materials in cement and concrete, have been implemented and cascaded down to 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 for key executives since 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 • Online Channels / Mobile Applications • 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 • Whistleblowing 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
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 • Ethical Conduct and Regulatory Compliance • Occupational Health, Safety and Welfare • Dust and Other Emissions Management	• Materiality Survey (assessed in 2021 and reviewed periodically) • Site Inspections, Site Audits, Reports Submissions • Meetings, Trainings, Seminars, Technical Committees at respective industry associations

OUR APPROACH TO SUSTAINABILITY

KEY STAKEHOLDERS	MATERIAL ESG ISSUES	ENGAGEMENT PATHWAYS
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 • Investor Conferences • Corporate Websites, Annual Reports, Financial Reports • Meetings, Presentations and Dialogues
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

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

1

IDENTIFY RELEVANT SUSTAINABILITY TOPICS

- Peer benchmarking, desktop research and collaborative working sessions with the HLA Sustainability Team were done to understand the Group's sustainability context and identify relevant sustainability topics for HLA and its businesses

2

PRIORITISE TOPICS THROUGH STAKEHOLDER ENGAGEMENT

- Interviews with key personnel from business units and online surveys for employees (364 out of 596 responses) to identify important sustainability issues
- The process was repeated with interviews and online surveys for external stakeholders including consultants, customers, authorities, suppliers, contractors etc (93 out of 269 responses)

3

VALIDATION OF MATERIAL TOPICS

- Analysis of results from the stakeholder engagement process was presented to the Group's Management Team and its business unit leaders
- Discussion and final agreement on material ESG issues for both Group and respective business unit

4

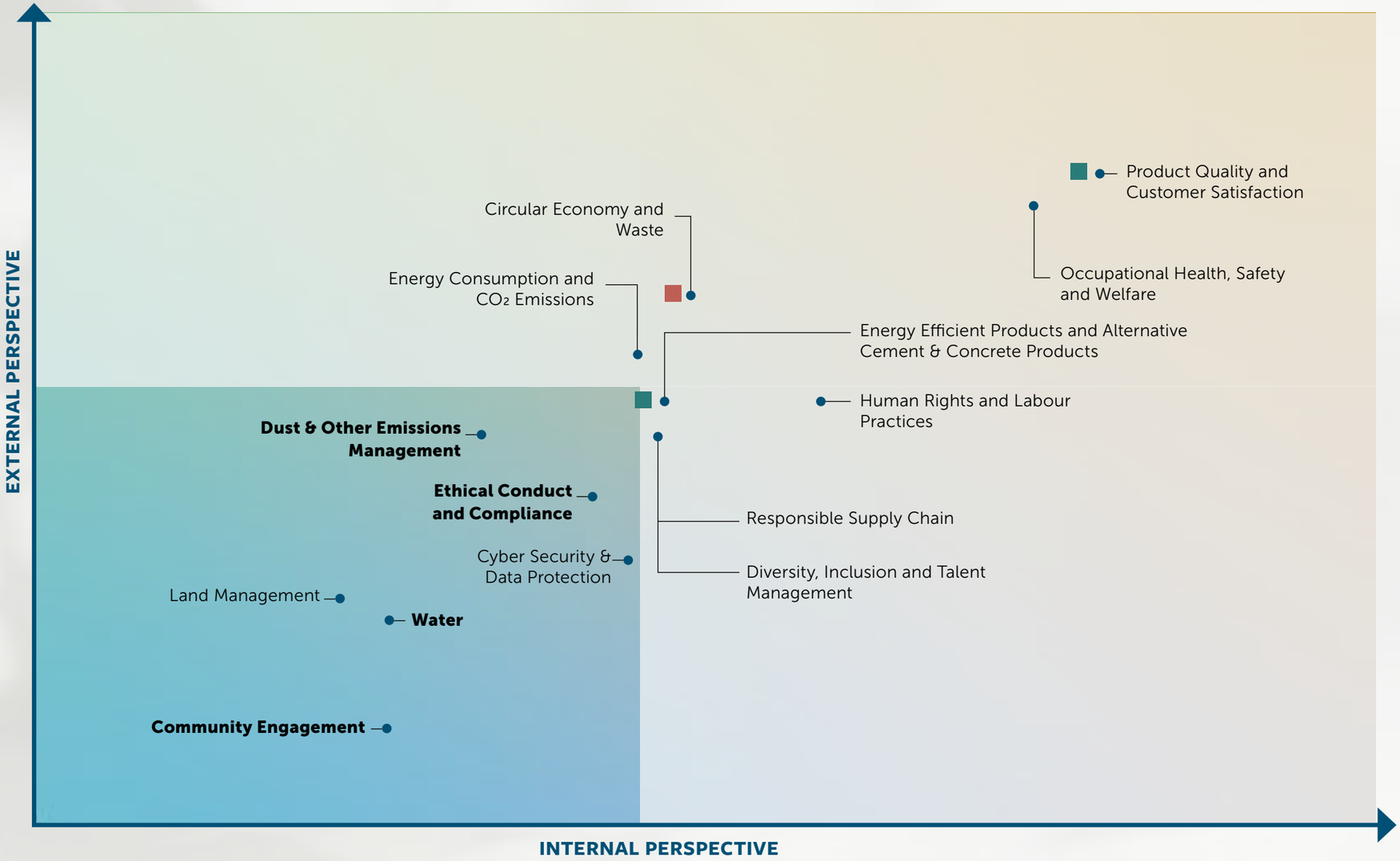
PRIORITISED MATERIAL TOPICS

- Significant sustainability issues ranked and prioritised by key personnel from business units. The prioritised issues were considered when formulating HLA's business strategy which serves as inputs for sustainability strategy and reporting purposes

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



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

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

Driving Innovation For A *LOW-CARBON AND 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	2025 PERFORMANCE	STATUS	2025 TARGET	5 YEARS PERFORMANCE REVIEW
Energy Consumption and CO_2 Emissions	Reduction in CO_2 emission intensity (t CO_2 / SGD million (Revenue)) vs 2016 baseline	43%	On Track	≥50%	Compared to 2016, absolute CO_2 emissions declined by nearly 10%. This reduction is mostly contributed by Tasek.
	Scope 3 Emissions Reporting (in alignment with TCFD reporting requirements by SGX-ST)	Scope 3 Emissions reported (FY2022 - 2025)	Target achieved	Report on a comply or explain basis by 2023	Reported well ahead of SGX Sustainability Reporting standards / regulations.
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)	9%	To Improve	≥20%	The building materials market remains dominated by price and quality particularly as governments and industry stakeholders balance climate ambitions with energy prices and rising consumer costs. The Singapore market is transitioning to lifecycle carbon assessment as per Environmental Product Declaration (EPD) certification.
	Number of new products registered under recognised Singapore and Malaysia green bodies	3 cement products & 2 concrete mix certified	Target achieved	Certification for 2 cement and 2 concrete mix under Tasek	The Malaysian market for building materials is transitioning to lifecycle carbon assessment as per EPD certification.
Energy Efficient Products (Powertrain Solutions)	Percentage of new energy products sold against overall Powertrain Solutions sales	6%	To Improve	≥20%	No major new energy vehicles infrastructure upgrade or market/ regulatory based incentives to drive commercial fleet replacement in China.
Circular Economy and Waste Management	Replacement of clinker with fly ash, limestone, ground-granulated blast furnace slag, etc.	0.89	To Improve	≤0.75	The Malaysian cement market remains dominated by CEM I cement / Ordinary Portland Cement products, coupled with a tight supply of supplementary supplementary cementitious materials.
	Percentage of recycled/alternative raw materials in total concrete volume	28%	On Track	≥35%	In Malaysia, availability of quarry dust at the right quality and price hinders the replacement of natural aggregates in concrete mix.
	Percentage of concrete waste generated from total volume (excluding sludge)	Singapore 2.7%* Malaysia 0.3%	On Track	<0.5%	1.4% reduction in concrete waste in Singapore versus 2022.
	Alternative raw materials ("ARM") used in the calcination process	48,500 MT	To Improve	>50,000 MT	On average, > 60K MT was achieved between 2022 - 2024. 2025 was a challenging year due to varied quality of ARM, some of which were not suitable to be processed by the cement plant.
	Percentage of coal substitution by alternative fuels ("AFs") in calorific value basis	22%	On Track	>30%	Highest ever achieved since 2021.
	Utilisation rate of foundry waste sand	80%	On Track	≥90%	On uptrend.
	Recycling of casting waste	100%	Target achieved	Maintain 100%	Well in place and practised.
Dust and Other Emissions	Fines / complaints on dust emissions from authorities	Zero incidence	Target achieved	Zero incidence	-
	Dust emission levels	< 27 mg/Nm³** (Building Materials) < 30mg/Nm³ (Powertrain Solutions)	Target achieved	< 50mg/Nm³ continuously (Building Materials) < 30mg/Nm³ (Powertrain Solutions)	Reported since 2022.
	SOx, NOx, VOC emissions	SOx – 2 g / t clinker NOx – 1,201 g / t clinker VOC – 55 kg / year	Target achieved	Data to be assessed / collected and reported by 2023	Reported since 2023.
Product Quality and Customer Satisfaction	Average Customer Satisfaction Score based on annual surveys / feedback	83% (Building Materials) 89% (Powertrain Solutions)	On Track	≥90% (Building Materials) ≥85% (Powertrain Solutions)	Annual survey in place and in-use.

* 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

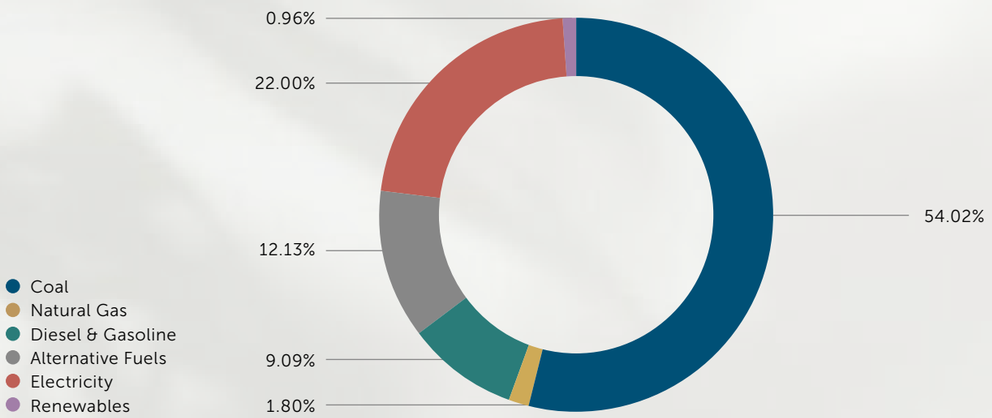
DRIVING INNOVATION FOR A LOW-CARBON & CIRCULAR ECONOMY

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 used across the Group include diesel, natural gas, alternative fuels ("AFs") and electricity. Fossil fuels contribute 77% to the total energy mix while electricity contributes 22%, followed by renewables at 1%.

2025 HLA Energy Mix



Across our operations, energy consumption is closely monitored and managed by the operations team daily, reviewed 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 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 used a considerable amount of electricity. The foundry operations constitute almost 60% of the electricity consumption. To mitigate the carbon footprint, solar panels were installed at manufacturing sites 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.

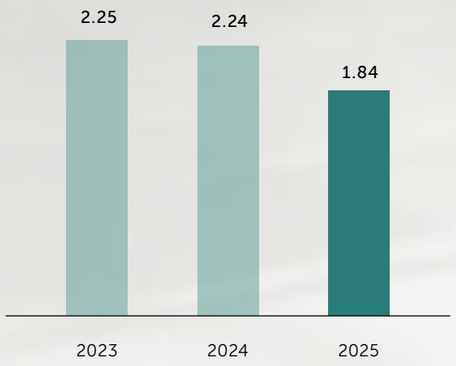
DRIVING INNOVATION FOR A LOW-CARBON & CIRCULAR ECONOMY

Group Total Energy Consumption (Fossil Fuels & Electricity) by Country

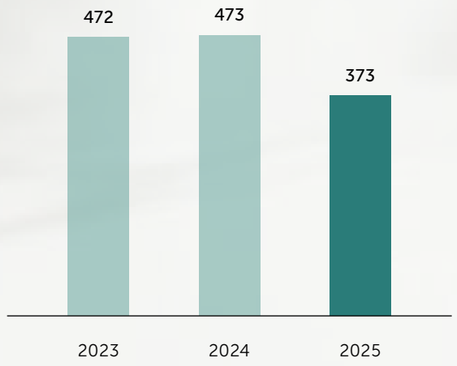
TOTAL ENERGY CONSUMPTION (FOSSIL FUELS AND ELECTRICITY)	UNIT MEASUREMENT	2021	2022	2023	2024	2025
Singapore Cement Silo Terminal / Ready-mix Concrete Batching Plants / Precast Fabrication and Assembly Facility	TJ	103*	116	121	136	137
Malaysia Cement Plant / Ready-mix Concrete Batching Plants / Precast Fabrication and Assembly Facility / Quarries	TJ	6,628*	6,365	7,848	7,646	7,095
China Engine Production Facility in Yulin, China & Bang Pakong, Thailand R&D Facility in Nanning and Wuxi, China	TJ	1,646*	1,131*	1,167*	1,700*	2,260
Total Energy Consumption	TJ	8,378**	7,613**	9,136	9,481**	9,492
Overall Energy Intensity	TJ/SGD million (revenue)	1.71	1.98	2.25	2.24	1.84

Notes:
1. (*) asterisk indicates that numbers have been updated compared to previous Sustainability Reports due to revision of density factor for natural gas.
2. (**) asterisk indicates figures will not sum exactly due to rounding off.

Group Average Energy Intensity
TJ / SGD million (revenue)



Group CO_2 Intensity
tCO_2 / SGD million (revenue)



Group CO_2 Emissions by Scope 1, Scope 2 and Total (By Country)

SCOPE 1 EMISSIONS (BY COUNTRY)	UNIT MEASUREMENT	2021	2022	2023	2024	2025
Singapore	tCO_2	6,042	6,523	6,598	7,342	7,687
China	tCO_2	50,589	38,145	39,052	43,904	59,639
Malaysia	tCO_2	1,370,936	1,290,337	1,599,039	1,599,433	1,470,477
Total	tCO_2	1,427,567	1,335,006**	1,644,689	1,650,679	1,537,803

SCOPE 2 EMISSIONS (BY COUNTRY)	UNIT MEASUREMENT	2021	2022	2023	2024	2025
Singapore	tCO_2	2,492	3,255	3,577	3,694*	3,288
China	tCO_2	130,889*	75,800*	91,986*	170,941*	228,632
Malaysia	tCO_2	134,989*	139,288	172,837*	173,852*	157,375
Total	tCO_2	268,370	218,342**	268,400	348,487	389,295

TOTAL CO_2 EMISSIONS (BY COUNTRY)	UNIT MEASUREMENT	2021	2022	2023	2024	2025
Singapore	tCO_2	8,533	9,778	10,176	11,036	10,975
China	tCO_2	181,478	113,945	131,038	214,845	288,271
Malaysia	tCO_2	1,505,925	1,429,625	1,771,876	1,773,285	1,627,852
Total	tCO_2	1,695,937**	1,553,348	1,913,089**	1,999,166	1,927,099**
CO_2 Intensity	tCO_2 / SGD million (revenue)	346	404	472	473	373

Notes:
1. All CO_2 calculation is as per 2006 IPCC Guidelines for National Greenhouse Gas Inventories, GHG Protocol and Cement Sustainability Initiative.
2. From FY2024 onwards, the scope of data under the Powertrain Solutions business in China was expanded to include key subsidiaries aligned to financial reporting.
3. (*) asterisk indicates that numbers have been updated after latest emission factors on electricity published for respective countries.
4. (**) asterisk indicates figures will not sum exactly due to rounding off.

DRIVING INNOVATION FOR A LOW-CARBON & CIRCULAR ECONOMY

PROGRESS ON 2025 TARGETS

CO_2 emission intensity of the Group's business operations was lower in 2025 compared to 2024. Group revenue increased 22% for FY2025 while the Group's CO_2 absolute emissions reported in FY2025 decreased 4% compared to FY2024. The decrease in overall CO_2 emissions was mainly contributed by lower clinker production which is carbon intensive. However, this was moderated by higher plant utilisation rates in China as the production of engines increased 29% compared to 2024.

Against the baseline year in 2016, the Group CO_2 absolute emissions (Scope I and II) decreased by close to 10%. This reduction is mostly contributed by BMU's cement operations in Malaysia under Tasek.

Group CO_2 Emissions

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2021	2022	2023	2024	2025	2025 TARGET
Energy Consumption and CO_2 Emissions	Reduction in CO_2 emission intensity (tCO_2/SGD Million (Revenue)) vs 2016 baseline	47%*	38%*	27%*	27%	43%	≥50%
	Scope 3 Emissions Reporting (in alignment with TCFD reporting requirements by SGX-ST)	NEW	TCFD Consultant selected. Data collection in progress.	Scope 3 baseline data for 2021 reported as a case study.	Scope 3 emissions reported (FY2022 -2024).	Scope 3 emissions reported (FY2022 -2025).	Report on a comply or explain basis by 2023.

Notes:
1. (*) asterisk indicates that numbers have changed compared to previous Sustainability Reports due to changes in emission factors published.
2. Revenue figures calculated exclude the Group's minority businesses.

2025 PERFORMANCE

Scope 1 emissions from the combustion of fossil fuels and calcination of limestone, which is inherent in clinker production, accounted for 80% of the Group's total carbon footprint for FY2025. Scope 2 emissions in the form of purchased electricity to power the Group's businesses including properties, operations and utilities made up 20% 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 by increasing investments to process waste materials to be utilised as lower-carbon fuel replacement. In addition, an energy audit was conducted at Tasek in Malaysia over 2022 and 2023 to identify energy efficiency improvements. Thereafter, a study was initiated in late 2024 to develop a decarbonisation roadmap for Tasek's cement plant as it is the greatest contributor to Scope 1 and 2 emissions under the Group's portfolio.

Solar panels have been commissioned at the R3 Precast's prefabrication and manufacturing facility in Singapore since mid-2023, which partially offsets the site's Scope 2 emissions. Our manufacturing sites in China have solar panels installed throughout the manufacturing plants and facilities. Feasibility studies are underway to expand the usage of solar panels.

Total energy consumption for the Group's operations in China, Singapore and Malaysia remained constant for FY2025 compared to the previous year. There was a lower energy consumption from clinker production, however this has been moderated by higher energy usage from the powertrain solutions due to higher production volumes.

CASE STUDY

Island Concrete Singapore implements Mineralised Concrete at Jurong Port ready-mix plant

Concrete as a material, can act as a carbon sink. Mineralised concrete is a term used when captured or sequestrated CO_2 is injected into fresh concrete at a mixer located within concrete ready-mix plants. Companies leading this technology include CarbonCure and since 2024, Island Concrete has partnered with them to offer reduced embodied carbon and cost-saving benefits to its customers in Singapore.

When injecting the CO_2 into fresh concrete, the CO_2 will react with the calcium in the cement to form calcium carbonate which aids to increase overall concrete strength. This enables the reduction of cement content in the concrete mix which translates to a lower embodied carbon footprint in our products.

At Island Concrete's flagship plant in Jurong port, the mineralised concrete CarbonCure system which includes valves, tank and injection systems was installed in late 2024. Thereafter, trial mixes were conducted with specific customers where changes were made to the concrete mix designs to ensure that there would be no deterioration in concrete strength or quality parameters.

Overall, the mineralisation of CO_2 in concrete resulted in lower cement consumption which generated about 570 tonnes of carbon credits which is verified and validated by VERRA, a greenhouse gas crediting programme and carbon registry[1].

Plans are underway to expand the installation of the mineralised concrete system to other Island Concrete plants in 2026.

1 https://www.carboncure.com/blog/concrete-corner/unlocking-carbon-credit-revenue-for-precast-producers/

DRIVING INNOVATION FOR A LOW-CARBON & CIRCULAR ECONOMY

CO_2 Emissions by Scope 3 (By Country)

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
- Prioritization of Scope 3 categories

Q2 - 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. The 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 FY2025 are summarised in the table below.

SCOPE 3 EMISSIONS (BY COUNTRY)	UNIT MEASUREMENT	2022	2023	2024	2025
Singapore	t CO_2e	1,243,476	1,332,570	1,714,489	1,497,379
China*	t CO_2e	416,266	454,567	518,794	655,069
Malaysia	t CO_2e	759,547**	943,012**	1,006,864**	926,321
Scope 3 Total Emissions	t CO_2e	2,419,289	2,730,149	3,240,146***	3,078,769

Notes:
1. (*) asterisk indicates that data reported only covers GYMCL's main plant in Yulin, Guangxi.
2. (**) asterisk indicates that numbers have been updated compared to previous Sustainability Reports after an internal review of calculation formulas.
3. (***) asterisk indicates figures will not sum exactly due to rounding off.

As seen in the table below, amongst the 15 categories under Scope 3 reporting, Categories 1, 3 and 11 cover almost 98% of the stated FY2025 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.

Breakdown Of Scope 3 Emissions (2025)

SCOPE 3 CATEGORIES	DETAILS	% OF TOTAL SCOPE 3 EMISSIONS
Category 1: Purchased goods & services	Purchase of raw materials including cement, aggregates, steel etc.	78.2
Category 11: Use of sold products	Diesel engines used in its lifetime	10.9
Category 3: Fuel- and energy-related activities not included in Scope 1 & Scope 2	Mainly from purchased electricity and fuels for operations	9.0
Category 4: Upstream transportation and distribution	Majority attributed to road freight	1.0
Category 10: Processing of sold products	Processing of cement into other products example precast/concrete	0.5
Category 2: Capital goods	Related to CAPEX and machinery expenses	0.3
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 use of cement and concrete causes 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-bearing 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 FY2025, 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 from 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 named as Envirocrete and Ecocrete (167 different mixes), delivering lower carbon footprint with similar performance compared to 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 include 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	2021	2022	2023	2024	2025	2025 TARGET
Alternative Cement and Concrete Products	Percentage of sales volume from innovative / certified green concrete products under Green Mark / SGBP (Singapore)	NEW	8%	12%	10%	**9%**	≥20%
	Number of new products registered under recognised Singapore and Malaysia green bodies	1 cement product	1 cement product	3 cement products & 2 concrete mix certified	ACHIEVED	**ACHIEVED**	Certification for 2 cement and 2 concrete mix under Tasek

In FY2025, the sales volume of green concrete achieved under BMG, Singapore, was 9% versus overall sales which saw a decline compared to the previous year. This can be attributed to a lack of market incentives due to the need to balance climate ambitions with economic competitiveness, energy prices and rising consumer costs. Hence, the market for building materials has transitioned to lifecycle carbon assessment with the introduction of Environmental Product Declaration ("EPD") certification in 2024 with increasing adoption by the industry in 2025. Customer choices also remain influenced by quality assurance and pricing, indicating that performance concerns and unjustified premium on green products are barriers.

We observe a similar situation in Malaysia, while customers continue to prefer CEM I / Ordinary Portland Cement products which are predominantly made up of clinker. During the year, Tasek launched a new product branded as TERRACEM® which is a CEM II cement / Portland Limestone Cement in a bid to overcome market barriers affecting the adoption of lower carbon cement products.

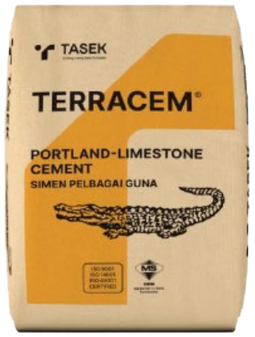
CASE STUDY

Tasek launches TERRACEM – a lower carbon footprint product

Tasek developed and launched a new product TERRACEM® which is a CEM II cement / Portland Limestone Cement with a lower carbon footprint of 0.67 kg CO_2e / t cement compared to CEM I cement / Ordinary Portland Cement ("OPC") at 0.91 kg CO_2e / t cement.

Throughout the product development process, various trials on the quality including the strength, durability, fineness and consistency were conducted to ensure it meets industry certification requirements under SIRIM MS EN 197-1:2014.

With the product launch in 4Q 2025, Tasek aims to offer a lower carbon footprint alternative to customers in the retail hardware segment where sales are currently dominated by CEM I cement / OPC.



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 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 low-carbon products and solutions, contributing to a more sustainable and circular built environment by reducing CO_2 emissions from the process of creating the final product. Technical trials are conducted to assess the performance of such products and increasingly, more innovative solutions are being tested to challenge traditional industry standards.

As for hazardous waste, these wastes are sent to an approved third-party contractor as per respective country regulations for disposal. As most of the hazardous waste are petroleum-based, such materials 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

2025 PERFORMANCE

Overall, an estimated 188,442 tonnes of waste from the Building Materials business were generated in 2025, which is 16% lower compared to 2024. Less than 1% was directed to disposal which mainly comprised domestic waste and hazardous waste. The remaining 99% that was diverted from disposal 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 1.6 million m³ of water in FY2025. Nearly 43% of this volume is consumed by the ready-mix concrete operations in both Singapore and Malaysia, followed by Tasek cement plant operations which makes up 40% and subsequently the precast operations in Singapore at 17%.

Waste Generation by Business Segment and Geographic Location

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	TYPE OF WASTE	WASTE GENERATED (TONNE)		
			2023	2024	2025
Building Materials	Singapore	Oils, lubricants, concrete sludge, domestic waste, scraps	254,192	217,949	**181,834**
	Malaysia		9,511	6,360	**6,608**
Total			263,703	224,309	**188,442**

Water Consumption by Business Segment and Geographic Location

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WATER CONSUMPTION (m³)		
		2023	2024	2025
Building Materials	Singapore	818,542**	869,504**	**841,311**
	Malaysia*	871,839	868,063	**762,180**
Total		1,690,381	1,737,567	**1,603,491**

Notes:
1. (*) asterisk indicates that water consumption data from cement operations in Malaysia is based on water pump flow and estimated running hours.
2. (**) asterisk indicates revision in numbers compared to previous Sustainability Reports due to incorrect meter readings.

Waste Directed to Disposal by Business Segment and Geographic Location

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WASTE DIRECTED TO DISPOSAL (TONNE)		
		2023	2024	2025
Building Materials	Singapore	565	431	**446**
	Malaysia	171	319	**320**
Total		736	750	**766**

Waste Diverted from Disposal by Business Segment and Geographic Location

BUSINESS SEGMENT	GEOGRAPHIC LOCATION	WASTE DIVERTED FROM DISPOSAL (TONNE)		
		2023	2024	2025
Building Materials	Singapore	253,627	217,518	**181,389**
	Malaysia	9,339	6,041	**6,287**
Total		262,966	223,559	**187,676**

DRIVING INNOVATION FOR A LOW-CARBON & CIRCULAR ECONOMY

PROGRESS ON 2025 TARGETS

On the Group's progress to drive circularity solutions, Tasek has a co-processing license that is in compliance with Malaysia's Guidelines on Environmentally Sound Co-Processing of Scheduled Wastes in Cement Industry. This license allows Tasek to offer expertise and solutions to co-process waste from other industries effectively reducing disposals to landfill. As of 2024, strategic plans were put in place to build in-depth expertise under ReGen Sustainable Solutions Sdn Bhd, a subsidiary of Tasek.

In 2023 and 2024, the use of alternative raw materials rich in alumina and silica in Tasek's cement products have surpassed the 2025 ESG Targets which is largely attributed to improved plant capability and sourcing efforts. Unfortunately, in 2025, the higher rates could not be sustained as the cement plant faced operational challenges which required a review of the raw material inputs and raw mix design to achieve operational stability. Nevertheless, annual average volume for the past three years has reached nearly 60,000mt.

In terms of coal replacement, Tasek achieved a 22% substitution rate utilising AFs that mainly include fossil-based waste like plastics and carbon black. The utilisation rate increased 4% from FY2024 due to improvements made in sourcing suitable materials. However, there has been a delay in pursuing the 30% AF replacement target as investment on AF feeding systems has not materialised yet.

Cementitious material replacement decreased 26 percentage points in FY2025 compared to FY2024, mainly attributed to supply chain disruption in 2025. This impacted the Group's clinker-to-cement ratio target which remained at 0.89 in FY2025. Since tracking this indicator from 2021, we note that the building materials industry in Malaysia remains dominated by CEM I cement / OPC. Furthermore, the industry faces challenges in the tightening supply of supplementary cementitious materials such as fly ash to replace the clinker content in cement products. Together with the Cement and Concrete Association of Malaysia, Tasek as one of the major producers in Malaysia continues to advocate, lobby and engage with key stakeholders for the shift toward blended cement production. Without market or regulatory drivers, it will be challenging to decrease the Group's C/K ratio.

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 to landfill sites.

In 2025, the replacement rate of alternative materials in concrete for Malaysia was 18% compared to 22% in 2024, primarily due to supply chain disruption. For the concrete operations in Singapore, the substitution rate was maintained at 31% which is the same as previous year's performance. The technical and sales teams are currently working on ternary blend for the concrete mixes in Singapore to further increase the usage of supplementary cementitious materials.

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%. In Singapore's ready-mix concrete operations, the concrete waste from Island Concrete is mainly generated from over-ordering by customers. During the 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 and this has helped to decrease concrete waste by 0.3% year-on-year.

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	2021	2022	2023	2024	2025	2025 TARGET
Circular Economy & Waste Management	Alternative raw materials used in the calcination process (MT)	33,665	41,572	66,434	65,426	**48,500**	>50,000
	Percentage of coal substitution by alternative fuels in calorific value basis	14%	16%	12%	18%	**22%**	>30%
	Replacement of clinker with fly ash, limestone, ground-granulated blast furnace slag, etc. in MT	0.89	0.88	0.87	0.88	**0.89**	≤0.75

*Note: Alternative raw materials include portland fly ash, ground granulated blast furnace slag, washed copper slag, recycled concrete aggregates & granite fines / quarry dust.

Substitution of Alternative Raw Materials (Ready-Mix Concrete Operations) by Country

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	COUNTRY	2021	2022	2023	2024	2025	2025 TARGET
Circular Economy & Waste Management	Percentage of recycled/alternative raw materials in total concrete volume	Singapore	28%	28%	31%	31%s	**31%**	≥35%
		Malaysia	20%	22%	18%	22%	**18%**	

*Note: 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	2021	2022	2023	2024	2025	2025 TARGET
Circular Economy & Waste Management	Percentage of concrete waste generated from total volume (excluding sludge)	Singapore*	NEW	4.1%	4.3%	3.0%	**2.7%**	<0.5%
		Malaysia	NEW	0.4%	0.5%	0.3%	**0.3%**	

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

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 dust 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 emission 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 emission according to regulatory limits.

At Tasek, dust emission limits were first introduced in 2019 in accordance with the Environmental Quality (Clean Air) Regulations 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 2025.

PROGRESS ON 2025 TARGETS

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2021	2022	2023	2024	2025	2025 TARGET
Dust and Other Emissions	Fines / complaints on dust emission from authorities	ACHIEVED	ACHIEVED	ACHIEVED	ACHIEVED	**ACHIEVED**	Zero incidence
	*Dust emission levels	NEW	<39 mg/Nm^3	<15 mg/Nm^3	<26 mg/Nm^3	**<27 mg/Nm^3**	<50mg/Nm^3 continuously
	SOx, NOx, VOC emissions	NEW	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	**SOx – 2 g / t clinker** **NOx – 1,201 g / t clinker** **VOC – 55 kg / year**	Data to be assessed / collected and reported

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

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 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. Customer feedback enables us to gauge the level and quality of 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 had a customer satisfaction score of 79% in 2025 on the manufacture, supply and delivery of precast concrete components for projects completed. The score, solicited from seven 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. The decline compared to 2024 was due to on-going concerns from customers relating to rectification works and accuracy of dimensions aligned to drawings. As for Island Concrete, the customer satisfaction score was 84% in 2025 based on 41 customers surveyed on topics ranging from sales response to enquiry, order process, product quality and delivery performance.

For the Building Materials business in Malaysia, Tasek's cement division conducted an online annual survey for its key customers in 2025. A new survey questionnaire was developed and launched in Q4 2025 which covered product quality and customer service including product performance, logistical arrangements and service levels. A customer satisfaction score of 85% was recorded based on 98 responses for 2025 compared to to 86% with 91 responses in 2024.

Tasek's concrete division similarly conducted an online customer survey which covered customer feedback on ordering, delivery, quality and service, scoring 83% from 60 customer responses. The higher score was attributed to overall improvements noted by customers in quality and service.

Customer Satisfaction Survey and Results (Building Materials)

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2022	2023	2024	2025	2025 TARGET
Product Quality and Customer Satisfaction	Average Customer Satisfaction Score based on annual surveys and/or feedback					
	R3 Precast	82%	87%	83%	**79%**	90%
	Island Concrete	81%	81%	82%	**84%**	
	Tasek Cement	78%	84%	86%	**85%**	
	Tasek Ready-Mix Concrete	86%	84%	78%	**83%**	

DRIVING INNOVATION FOR A LOW-CARBON & CIRCULAR ECONOMY

POWERTRAIN SOLUTIONS UNIT

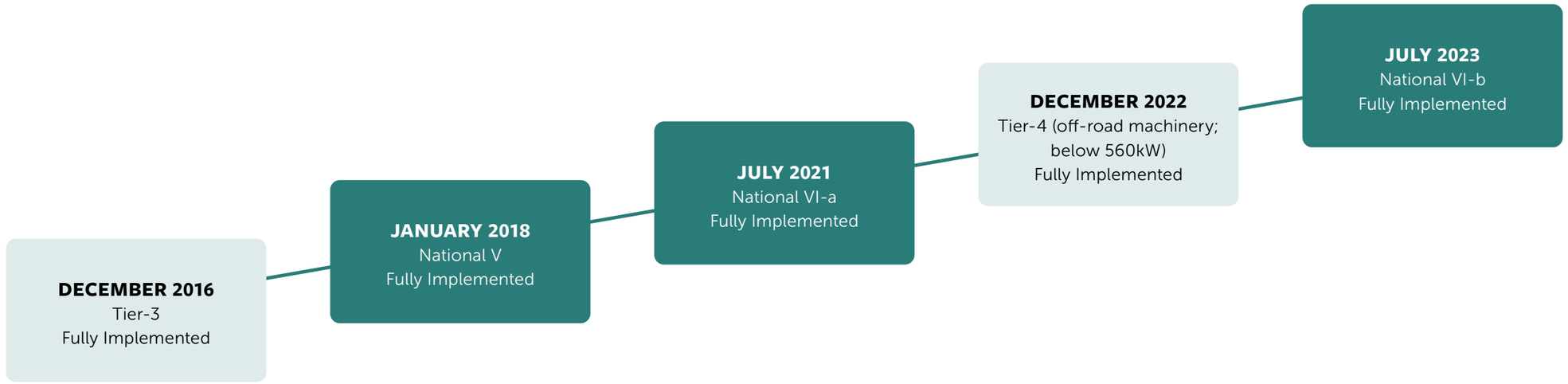
ENERGY EFFICIENT PRODUCTS

GYMCL is a leading 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 standard for on-road commercial vehicles and Tier 4 emission standards for off-road vehicles. The National VI standard was 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



- 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 main aim is 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 National 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 National 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 Tier-4 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 ready to comply with China's Stage 4 HD Vehicle Fuel Consumption standards. This was implemented on 1 July 2025 to target fuel savings of 15% above that of Stage 3 standards.

Timeline of China's fuel consumption standards for heavy-duty vehicles

2012

STAGE 1

- First Chinese HDV fuel consumption standard
- Voluntary, not mandatory
- Only 3 segments of HDV were included–trucks, coaches, tractor-trailer
- Implemented beginning of July 2012, with a 2-year transition period

2014

2015

STAGE 2

- First mandatory standard on HDV fuel consumption in China
- Increased stringency by 10.5%-14.5% for each segment
- Expanded to five segments, adding dump trucks and city buses
- Implemented beginning of July 2014, with a 1-year transition period

2019

2020

STAGE 3

- More stringent than Stage 2 by 10.7%-17.9%
- Implemented beginning of July 2019, with a 2-year transition period

2024

2025

STAGE 4

- Switched test cycle from C-WTVC to CHTC
- More stringent than Stage 3 by 12%-16%
- Introduced an official formula for converting fuel consumption to CO_2 emissions
- Introduced criteria for type-approval of new model variants
- Implemented beginning of July 2025, with a 2-year transition period

Source: /https://theicct.org/wp-content/uploads/2024/12/ID-286-%E2%80%93-China-Stage-4-HDV_final2.pdf

DRIVING INNOVATION FOR A LOW-CARBON & CIRCULAR ECONOMY

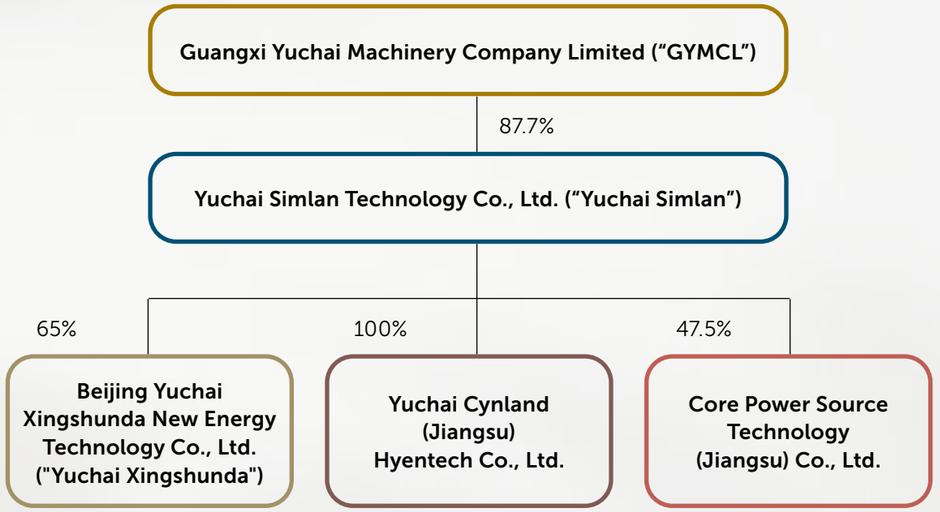
With the implementation of China's policies to reduce carbon emissions and enhance energy efficiency in the automative sector, GYMCL is advancing towards supplying new engine models for environmentally friendly new energy vehicles ("NEVs") with improved fuel efficiency. Since 2024, GYMCL has also commenced the testing and development of alternate fuel combustion engines and has since launched the hydrogen and methanol combustion engines for field trials. 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") was incorporated in August 2021. 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 2021, Yuchai Simlan formed a 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.

Structure Of New Energy Subsidiaries Under GYMCL



Notes:
1. 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. Since 2023 Yuchai Simlan produced new energy powered systems for truck, bus and off-road machinery applications.

2. Yuchai Xingshunda is a 65%-owned joint venture 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

MATERIAL ISSUES	2021	2022	2023	2024	2025
R&D expenses (RMB million) with capitalised costs	1,162	1,018	1,064	1,189	**1,526**
Patent Application*	1,275	1,042	628	575	**640**
Patent Granted**	585	803	617	604	**510**

Notes:
1. (*) Patents are applicable in China only.
2. (**) 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

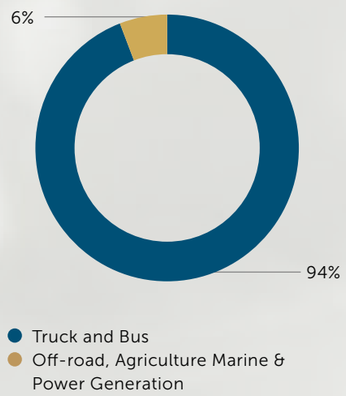
In 2025, Yuchai Simlan achieved 6% of new energy product sales against total engine sales, a significant increase of 130% compared to the previous year and recorded its best performance since tracking this indicator in 2022. Despite the overall slower uptake of new energy solutions in the market, Simlan's improved performance was mainly contributed by sales in full electric products and in particular, for the truck and bus engine segment.

New Energy Products Sold Against Overall Powertrain Solutions Sales

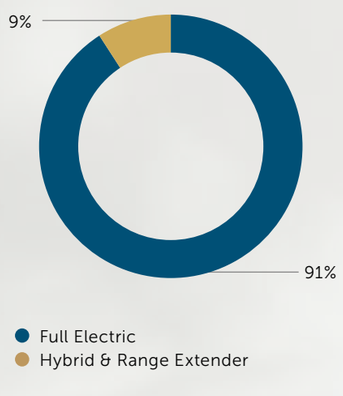
MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2021	2022	2023	2024	2025	2025 TARGET
Energy Efficient Products (Powertrain Solutions)	Percentage of new energy products sold against total Powertrain Solutions sold	NEW	2.0%	2.6%	3.4%	**6.0%**	≥20%

Note:
Majority of new energy product sales captured are from Yuchai Simlan while the rest consists of GYMCL and a key subsidiary, Guangxi Yuchai Marine and Genset Power Co., Ltd.

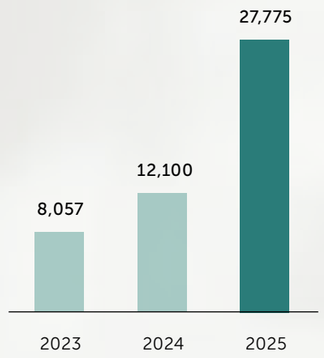
New Energy Unit Sales By Segment (2025)



New Energy Unit Sales By Product Type (2025)



New Energy Products Unit Sales (2023 - 2025)



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

CASE STUDY

Yuchai-Powered Natural Gas Buses Delivered to Mexico

In rapidly growing urban cities like Monterrey in the state of Nuevo León, Mexico, natural gas-powered buses are being favoured in urban transportation due to its cleaner emissions and quieter engines compared to diesel engines.

The total number of Yuchai natural gas engines operating in Mexico has grown to 2,400 by the end of 2025. The latest batch of 600 buses installed with Yuchai's natural gas engine model YC6GN and YC6MKN was delivered to Nuevo León, Mexico in August 2025. These are heavy duty, 6-cylinder, high reliability and low fuel consumption engines which complies with China National V emission standards or equivalent to Euro V emission standards. Its robustness makes it ideal to be applied in demanding public transport applications such as buses.

With 29 aftersales service station, a dedicated central warehousing for engine parts and a growing service network supported by professional service engineers from China across Mexico, Yuchai's natural gas bus engines is a key market leader among Mexican bus fleets.

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%.

2025 PERFORMANCE

Overall, an estimated 25,789 tonnes of waste was generated by the Powertrain Solutions business in 2025. Scrap iron fillings make up 49% of the waste followed by 13% of paper-based waste and 8% of domestic waste. Approximately 19% of the total waste, mainly domestic waste and hazardous waste, was directed to disposal. The remaining 81% which consisted of card box packaging paper and metal scraps was diverted from disposal.

We began monitoring and reporting this indicator since 2024 and will continue to improve the reporting of waste generation and disposal from operations in subsequent sustainability reports.

Waste Generation by Powertrain Solutions

TYPE OF WASTE GENERATED	AMOUNT OF WASTE GENERATED (TONNE)	
	2024	2025
Hazardous waste (paint residues, oil), industrial waste process waste (cleaning fluids, scrap tools, etc.) product & packaging waste (metal scraps, cardboard packaging paper, etc.) and domestic waste	19,175	**25,789***

Note: (*) asterisk indicates figures will not sum exactly due to rounding off.

Waste Disposal Method by Powertrain Solutions

WASTE DISPOSAL METHOD	UNITS	2024	2025
Directed to Disposal	tonne	7,080	**4,831**
Diverted from Disposal	tonne	12,095	**20,959**

Overall, the Powertrain Solutions business recorded consumption of 1,210,306 m³ of water. Nearly 68% of this volume is consumed by the main engine manufacturing sites and foundry for the engine block casting.

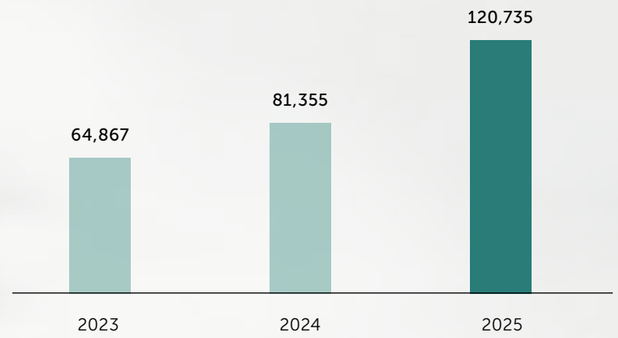
We began monitoring and reporting this indicator since 2024 and will continue to improve on the reporting of overall water consumption is subsequent sustainability reports.

Water Consumption by Powertrain Solutions

	WATER CONSUMPTION (m³)	
	2024	2025
Powertrain Solutions	975,305	**1,210,306**

In the replacement of natural sand used in the casting process with recycled sand, GYMCL achieved a replacement rate of 80% in 2025. This was recorded against a total volume of 150,751 tonnes of sand used.

Recycled Sand Utilised In Tonnes (2025)



DRIVING INNOVATION FOR A LOW-CARBON & CIRCULAR ECONOMY

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.

2025 PERFORMANCE

GYMCL did not receive any fines from authorities on emissions and complaints from the community in 2025.

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 included customer service hotlines, service management offices located across China and third-party customer satisfaction surveying bodies.

GYMCL recorded an overall customer satisfaction score of 89% in 2025.

Customer Satisfaction by Product Segment

PRODUCT SEGMENT	2022	2023	2024	2025	2025 TARGET
Commercial	82%	85%	88%	**88%**	85%
General Engine	86%	87%	92%	**90%**	
Marine	88%	85%	89%	**96%**	
Overall	84%	85%	90%	**89%**	

Empowering Our

PEOPLE AND 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	2025 PERFORMANCE	STATUS	2025 TARGET	5 YEARS PERFORMANCE REVIEW
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	41 hours / employee	✓	≥40 hours / employee / annually	Improved training programmes and development tracks for employees who are more comprehensive and aligned to training needs analysis.
	Implement a diversity, equity and inclusion policy	Launched in Nov 2025	✓	100% implemented	Rolled out with internal briefings to the businesses in late 2025.
	Update and implement clear succession planning development framework	Framework developed and shared with BUs; reviewed with BUs on successor identification for talent pipeline for critical roles	✓	100% implemented	The talent framework is being progressively adopted with 85% of critical positions reviewed and continuous evaluation of the pipeline ensuring ongoing alignment and effectiveness.
	Redesign internship and develop management trainee programmes to align to talent management programmes	Rebranded management trainee programme, led by HLA	✓	100% implemented	Internship programmes in place.
Community Engagement	Percentage of employee participation in volunteering or community engagement activities (Building Materials segment)	39%	✓	≥30%	Pillars of focus for volunteering and community engagement have been defined. Volunteering hours have improved over the years with higher employee participation.
	Volunteering hours for community engagement activities (Powertrain Solutions segment)	16,605	✓	≥6,000 hours / year	Community engagement programmes have remained consistent over the years.
	Complaints from local communities at all operational sites	Zero incidence	✓	Zero incidence	-
	All sites to establish and implement stakeholder engagement plans	100%	✓	100%	-
	Initiatives towards Sustainable Cities and Communities and/or Sustainable Construction initiatives	Youth4Planet programme in Singapore & Malaysia Collaboration with Ground-up Initiative (Singapore) and Bukit Jelutong Eco Community Park (Malaysia)	✓	Initiation & implementation of projects, partnerships, collaborations or R&D	The Group launched its signature programme, Youth4Planet and considers volunteering programmes under *Beyond***HLA** guidelines.

✓ To Improve ✓ On Track ✓ Target achieved

EMPOWERING OUR PEOPLE & COMMUNITIES

DIVERSITY, EQUITY, INCLUSION AND TALENT MANAGEMENT

Generations of employees have built their careers at HLA and have been with the Group for decades. At HLA, we value 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. As a Group, we are committed to fair employment opportunities based on meritocracy. Fair employment practices such as non-discriminatory recruitment advertisements are adopted. HLA also supports the Fair Consideration Framework by the Ministry of Manpower, Singapore with job openings made publicly accessible via MyCareersFuture, administered by Workforce Singapore. Biannual performance appraisals are also conducted to encourage feedback and continuous improvement in the workplace.

We have also adopted a Code of Business Conduct and Ethics ("COBC") to foster a fair, respectful, and equitable work environment. The COBC is shared with every new employee and reinforced annually through a refresher eLearning programme. Employees may raise concerns through the Group's whistle-blowing channel, accessible via our corporate website (www.hlasia.com.sg), ensuring grievances are reported, investigated, and appropriately addressed.

PROGRESS ON 2025 TARGETS

Diversity, Equity, Inclusion and Talent Management

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2021	2022	2023	2024	2025	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	47 hours / employee	58 hours / employee	66 hours / employee	51 hours / employee	**41 hours/ employee**	40 hours / employee annually
	Implement a diversity, equity and inclusion policy	NEW	Policy drafted	Internal review	Policy pending rollout	**Launched in Nov 2025**	100% implemented
	Update and implement clear succession planning and talent development framework	NEW	Framework being developed by Group HR	Framework being finalised by Group HR	Framework in discussion with BU	**Framework developed and shared with BUs; reviewed with BUs on successor identification for talent pipeline for critical roles**	100% implemented

At HLA, our people-oriented strategy is anchored in the belief that empowered employees are fundamental to building a resilient, future-ready organisation. As part of our commitment to employee support and inclusive culture-building, HLA conducted its first groupwide Employee Engagement Survey in 2025 – an important initiative that allowed feedback relating to the satisfaction and commitment of various employee groups across HLA.

HLA's people-oriented strategy will be guided by two key drivers:

Employee Development
Focused on building capabilities, leadership depth and a sustainable talent pipeline, the Group aims to equip the workforce with the skills and experiences needed to grow and perform in the long term.

Employee Support
Centred on belonging and well-being, initiatives are rolled out to ensure that employee voices are heard and translated into meaningful actions, backed by data insights, inclusive practices and employee-led resource groups.

Together, these drivers create an environment of autonomy and influence, enabling employee empowerment while aligning individual growth with organisational priorities. This integrated approach underpins our long-term people ambition as we progress towards 2030.

EMPOWERING OUR PEOPLE & COMMUNITIES

2025 PROGRESS: LEVERAGING OUR BREADTH AND SCALE

In 2025, HR teams across the Group worked to implement initiatives designed not only to address immediate workforce needs, but also to lay the foundation for sustainable progress in the Diversity, Equity, Inclusion ("DEI") and talent management programmes in the years ahead.

During the year, the Group continued to build our leadership pipeline and enhance leadership capability through performance appraisals and succession planning processes, enabling supervisors to guide employees on 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 allowed them to better perform or enhance their capabilities to support their career development paths. This includes workshops, talks, courses, and/or online learnings that are relevant to their job functions which are identified via the annual Training Needs Analysis assessment.

2025 PERFORMANCE

Employee Training Hours by business unit

	TRAINING HOURS			TRAINING HOURS / EMPLOYEE		
YEAR	HLA CORPORATE	BUILDING MATERIALS	POWERTRAIN SOLUTIONS	HLA CORPORATE	BUILDING MATERIALS	POWERTRAIN SOLUTIONS
2021	253	6,798	373,661	9	6	54
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
2025	354	82,780	346,441	10	59	38

In Singapore and Malaysia, the Building Materials business recorded 82,780 training hours in 2025. Within the Powertrain Solutions business in China, training sessions totalling 346,441 business hours were conducted for employees in 2025. The dip in training hours compared to 2024 for the Powertrain Solutions business was due to ongoing efforts to refine and streamline training processes. The year-on-year adjustment in training volume reflects an ongoing initiative to refine our delivery models and streamline processes, ensuring that learning remains highly targeted and operationally efficient.

On a review of the last five years, our approach has matured alongside our learning strategy, placing greater emphasis on the practical application of skills to better support employees.

To strengthen alignment between individual aspirations and organisational needs, a more structured approach is put in place where employees and managers work together to identify skills gaps, development needs, and career interests. Ongoing career conversations will be embedded as part of regular performance and development cycles, enabling clearer goal setting, meaningful feedback, and better alignment between individual contributions and business needs. Individual Development Plans will be formalised as a core talent practice, supporting employee development, career progression and long-term workforce sustainability.

During the year, leadership development strategies continued to take shape being a core component of our Employee Development strategy, supporting leaders at different stages to navigate complexity, lead with confidence and drive sustainable performance. Trainings were delivered with programmes tailored to local needs of which learning formats included facilitated workshops, scenario-based learning, coaching and mentorship as well as peer discussions.

In Singapore, 22 management and high-potential employees from Building Materials participated in a Strategic Thinking & Dynamic Management training in 2025 as future leaders to support effective decision-making and long-term business goals. Over in Malaysia, Tasek's "Rise to Lead " programme entered its second year, coaching 23 engineers or executives on leading self, communication skills and leading teams. In China, frontline and middle-level managers participated in a new training programme "Navigation Plan" to support their evolving people-leadership roles and to enhance execution effectiveness.

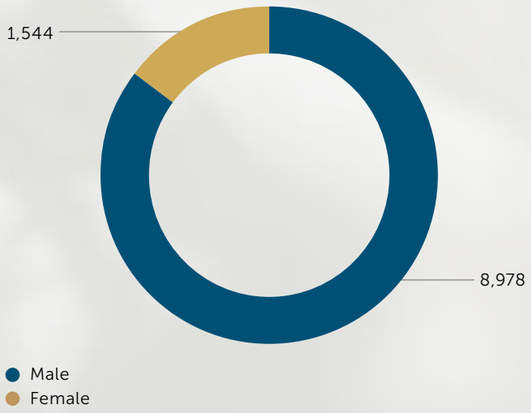
EMPOWERING OUR PEOPLE & COMMUNITIES

2025 PERFORMANCE

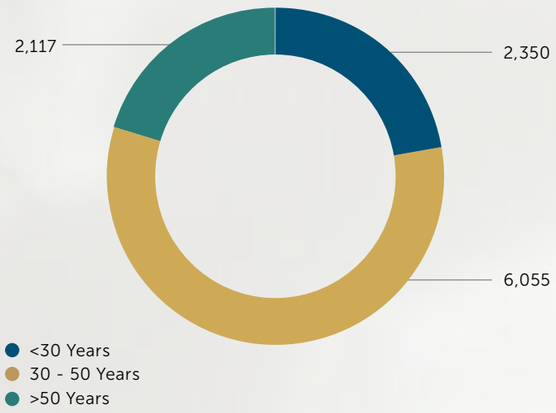
HLA has a diverse and international workforce spanning across China, Singapore, and Malaysia. As at the end of December 2025, the Group had a total of 10,522 employees. This comprised a total headcount of 1,413 employees for the Building Materials business across Singapore and Malaysia, 9,074 employees for the Powertrain Solutions business and 35 employees at HLA's corporate headquarters in Singapore. 16% of the employees from the Building Materials business in Singapore and Malaysia are unionised while all employees under Powertrain Solutions are unionised.

Across the Group, the gender ratio was approximately 85:15 between men and women, out of which 58% of the workforce were within the 30 to 50 age group, 22% of the employees were below the age of 30, with 20% above 50 years old.

Employee Profile by Gender



Employee Profile by Age Group



Hiring Rate for 2025 by Age & Gender

NEW HIRES						
	AGE GROUP			GENDER		
	<30	30-50	>50	Male	Female	Total
HLA Corporate	2	2	0	1	3	4
	50%	50%	0%	25%	75%	100%
Powertrain Solutions	537	148	22	567	140	707
	76%	21%	3%	80%	20%	100%
Building Materials	41	87	2	105	25	130
	32%	67%	1%	81%	19%	100%
Total	580	237	24	673	168	841
	69%	28%	3%	80%	20%	100%

Turnover Rate for 2025 by Age & Gender

TURNOVER						
	AGE GROUP			GENDER		
	<30	30-50	>50	Male	Female	Total
HLA Corporate	0	2	0	1	1	2
	0%	100%	0%	50%	50%	100%
Powertrain Solutions	157	170	120	336	111	447
	35%	38%	27%	75%	25%	100%
Building Materials	25	109	30	143	21	164
	15%	67%	18%	87%	13%	100%
Total	182	281	150	480	133	613
	30%	46%	24%	78%	22%	100%

EMPOWERING OUR PEOPLE & COMMUNITIES

Embedding Diversity, Equity and Inclusion

At HLA, we are committed to fostering an inclusive workplace where diversity is respected, equitable access to opportunities is upheld, and employees are supported to perform at their best. Our approach is grounded in mutual respect and fairness, reinforced by a zero-tolerance stance towards discrimination, harassment, and exclusion. These principles are embedded across our people's policies and practices, including the launch of the Group's Diversity, Equity and Inclusion (DEI) Policy during the year, which articulates the Group's commitment to workplace diversity, equal opportunity, inclusivity and respectful conduct.

To support consistent understanding and application, foundational learning initiatives such as scenario-based discussions and awareness activities were introduced to translate DEI principles into everyday workplace behaviours across the Group.

Complementing our DEI framework, HLA upholds fair and progressive employment practices aligned with TAFEP guidelines. Updates to job application forms — including the removal of non-essential personal information and clearer equal opportunity statements — strengthen transparency and fairness across the Group's hiring processes.

Talent Outreach

To ensure a sustainable talent pipeline, HLA continues to connect with early talent through industry exposure programmes and structured internships that provide meaningful workplace experience. Complementing the strategic plan of building an early talent pipeline, the Group through the building materials businesses offered internships to 27 tertiary students in 2025 in Singapore and Malaysia, focusing on developing foundational professional and technical skills, workplace readiness and an understanding of industry practices.

Other initiatives include:

HLA facilitated a cross-border exchange programme where six colleagues from Tasek in Malaysia visited the latest precast manufacturing facility of R3 Precast and Island Concrete's state-of-the art batching plant in the world's first centralised concrete manufacturing facility at Jurong Port's Ready-Mixed Concrete Ecosystem in Singapore. The visit facilitated knowledge transfer between the businesses and enhanced cross-cultural competence while fostering regional career growth of the HLA workforce.

Businesses across the Group also held regular industry visits for tertiary institutions where they operate. In 2025, R3 Precast in Senai, Malaysia hosted 60 students from Tun Hussein Onn University of Malaysia where they gained first-hand knowledge on precast manufacturing processes and industry practices.

Employee Engagement

HLA attaches the highest priority to providing an optimal workplace environment for our growing workforce regionally. To this end, we rolled out an employee engagement survey groupwide in mid-2025 as a feedback tool to actively engage employees in shaping their work environment. Overall, more than 1,000 employees in Singapore and Malaysia participated in the 2025 survey (participation rate: 82%). Based on the survey results, we support management teams or leaders with a range of measures to address individual action areas and further strengthen employee engagement together with their employees. Other feedback platforms that encourage open dialogue and participation include townhalls and LaKopi with HLA Management — to facilitate two-way communication, strengthen trust and ensure employee feedback is heard, understood and acted upon. Feedback gathered is communicated to employees and management teams among others for continuous improvements to workplace practices and employee experience.

To foster a positive workplace culture, HLA has multiple channels and platforms across the group for employee communication and engagement, such as organising activities regularly to encourage cross-function interaction and communication, promote a sense of belonging and strengthen cohesiveness amongst employees through festive celebrations, participation in sports tournaments and marathons. In 2025, HLA was recognised in The Straits Times' Singapore's Best Employers ranking for the third consecutive year. The Group also received the Bronze Award for Excellence in Workplace Culture & Engagement at the 18th Singapore HR Awards organised by Singapore Human Resources Institute. These recognitions affirm our sustained focus on employee well-being, engagement and development, reinforcing our belief that a strong internal culture drives performance, resilience and long-term value creation.

EMPOWERING OUR PEOPLE & COMMUNITIES

COMMUNITY ENGAGEMENT

Since its launch in 2023, *Beyond***HLA** is a corporate responsibility programme reflecting HLA's belief that long-term business success must go hand-in-hand with positive social and environmental outcomes. Grounded in our core value, "Create an Impact Beyond our Business", *Beyond***HLA** was designed as a sustained framework to mobilise our people, apply our capabilities responsibly and respond meaningfully to the challenges facing the communities and environments in which we operate.

*Beyond***HLA** has been anchored on a three-pillar focus that guides our programmes and partnerships:

1. **Educating Future Generations** – equipping youth (18 years and below) with the awareness, skills and confidence to shape sustainable and resilient communities.
2. **Sustainable Cities and Communities** – improving our solutions for cities through practical innovation, capability-building, and by driving awareness on inclusive development.
3. **Enabling Healthier Environments and Communities** – deepening understanding of climate change impacts on planet and people to contribute towards nature-positive actions.

PROGRESS ON 2025 TARGETS

Community Engagement

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2021	2022	2023	2024	2025	2025 TARGET
Community Engagement	Percentage of employee participation in volunteering or community engagement activities (Corporate Office and Building Materials)	NEW	12%	18%	34%	**39%**	30%
	Volunteering hours for community engagement activities (Powertrain Solutions)	N/A	10,084	20,521	**16,605**	≥6,000 hours / year
	Complaints from local communities at all operational sites	1	0	0	**0**	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% for GYMCL, BMG & Tasek**	100%
	Initiatives towards Sustainable Cities and Communities and/or Sustainable Construction	Joint venture with bus manufacturer, Beijing Xingshunda 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	**Youth4Planet programme in Singapore and Malaysia** **Collaboration with Ground-Up Initiative (Singapore) and Bukit Jelutong Eco Community Park (Malaysia)**	The Group launched its signature programme, Youth4Planet and considers volunteering programmes under *Beyond***HLA** guidelines.

EMPOWERING OUR PEOPLE & COMMUNITIES

2025 PERFORMANCE

In Singapore and Malaysia, Group efforts were focused on establishing the key pillars of the *Beyond***HLA** framework with the establishment of the Youth4Planet Challenge as the flagship CSR initiative, signifying HLA's belief in inspiring young minds in the journey towards creating positive impact within and beyond our business.

Youth4Planet: A Signature Future Cities Programme for Youth

Youth4Planet has emerged as *Beyond***HLA**'s flagship programme, reflecting our conviction that the transition to sustainable cities and communities will be shaped by informed and empowered future generations.

Through design-thinking principles, the Youth4Planet Challenge successfully introduced students to real-world urban and climate challenges, encouraging creative problem-solving, systems thinking and collaboration. Topics and concepts applied included urban design, architectural planning and sensemaking, renewable energy, resilient infrastructure and low-carbon buildings and transportation systems.

To date, the programme has impacted over 160 primary school students (same group of P5 students in 2024 who transitioned to P6 level in 2025), guiding them to explore how cities can adapt amid climate pressures.

Over 2024 and 2025, the following impact metrics were presented, with positive review of the programme as well as constructive takeaways for Xingnan Primary School to consider for implementation of sustainability projects over the longer term.

2024 (P5):

> 70%
reported that they feel inspired to think differently about how to help the environment

> 70%
said that they will apply what they have learnt in the programme in daily life

2025 (P6):

> 65%
said that they now look at buildings and transportation in real life in a new way

> 70%
said that they are able to think of new ideas that they had never thought of before

Corporate Volunteerism

- Increase in volunteer participation from HLA workforce by 27% from 2024 to 2025
- Gave students the opportunity to work alongside industry professionals in the built environment

In 2025, HLA also implemented the following initiatives with plans to scale the programme further towards 2030:

Youth4Planet Showcase
A two-week exhibit at City Square Mall showcased the two-year journey taken by students and teachers from Xingnan Primary School supported by The Possible Class and HLA.

Youth4Planet: First Step into Malaysia
After attending the Youth4Planet Challenge finale in Singapore, the HR team of Tasek launched the programme for a community school in Ipoh, Perak in December 2025. This marked an important milestone in expanding the programme's reach and adapting its learning outcomes to local community.

Looking forward, HLA will continue to strengthen its commitment to youth development by investing in partnerships and initiatives such as Youth4Planet. This includes integrating deeper learning on climate change impacts, urban resilience and nature-based solutions, while creating more structured pathways for sustained engagement beyond a single programme cycle. By doing so, we aim to equip young people with the knowledge, systems thinking and confidence needed to contribute meaningfully to the future of sustainable cities and communities.

EMPOWERING OUR PEOPLE & COMMUNITIES

As carved out in the 2025 targets and defined under the *Beyond***HLA** framework, the Group will strive to develop innovative projects to improve cities and communities where we operate.

SUSTAINABLE CITIES AND COMMUNITIES

"Back to Nature" at Bukit Jelutong Eco Community Park

Malaysia: 63 employees and 40 family members volunteered in Bukit Jelutong Eco Community Park for a programme focused on strengthening environmental stewardship and supporting the ecopark's long term sustainability through ecosystem restoration and community engagement activities.

Participants contributed to the repair and enhancement of natural habitats, including works to prevent soil erosion and safeguard the lake's aquatic ecosystem. The initiative also featured environmental and wildlife awareness sessions, which provided volunteers with deeper insight into responsible coexistence with nature. In addition, volunteers undertook park beautification efforts, such as repainting gazebos and the main entrance, constructing a new bench rest area using repurposed materials, and supporting the designation of the upgraded space as Laman Tasek.

Recycling Glass Waste at Ground-Up Initiative's ("GUI") Kampung Kampus

Singapore: 24 employees participated in a guided tour hosted by GUI where they saw firsthand the zero-energy HQ (heart quarters) in action and visited the Natural Education Farm and Learning Zone to gain insights into the workings of a circular ecosystem in a kampung environment.

Participants also tried their hand at upcycling glass bottles—cleaning and removing labels and metal parts, before crushing the glass into "sand" using a glass crushing machine, and mixing them with cement and water to form concrete slabs. By the end of the three-hour workshop, the group had upcycled 23.4kg of glass waste into 26 concrete slabs, which will be used to pave walkways at Kampung Kampus. Through the hands-on activity, participants get to reflect on their relationship with the natural and built environment.

EMPOWERING OUR PEOPLE & COMMUNITIES

ENABLING SOLUTIONS HEALTHIER ENVIRONMENT AND COMMUNITIES

Community Clean-Ups at East Coast Park

Singapore: 56 employees participated in a park clean-up at East Coast Park in partnership with social enterprise Stridy. During the session, employees gained understanding of environmental issues and waste management, translating into more sustainable habits at work and home.

Malaysia: 25 employees volunteered in Jalan Bayu Puteri 2, a mixed residential and commercial zone along the Tebrau riverbank to carry out multiple activities, including area clean-up, litter collection, and sorting waste into recyclables and non-recyclables. The area, which features public walkways and roadsides, requires routine clean-up due to littering. Participants also attended a briefing on environmental responsibility to raise awareness of sustainable practices.

Protecting the Local Ecosystem in Kinta River

Malaysia: 87 employees participated in an initiative in Kinta River to sustain river health and support biodiversity protection. In collaboration with NGO volunteers in riverine ecosystems, they helped in removing invasive fish species in the river to help protect the local ecosystem.

Our Tasek volunteers actively supported the activity from the riverbank, pulling in the catch, sorting species, and assisting with documentation to ensure the operation was conducted efficiently and responsibly. Native fishes were carefully recorded and released back into the river in accordance with proper conservation practices. Through this hands-on experience, employees gained greater awareness of the impact invasive species have on river biodiversity and the importance of maintaining ecological balance.

EMPOWERING OUR PEOPLE & COMMUNITIES

Over in China, GYMCL employees actively participated in volunteering activities focused on supporting underprivileged communities in Nabo Village, Bobai.

- Young volunteers visited the village to carry out a rural revitalisation initiative. Several service zones were set up during the event, where volunteers provided free home appliance repairs, assisted farmers with harvesting, and supported local livelihoods by purchasing produce from the villagers. They also helped with public-area disinfection and collaborated with partner enterprises to distribute chicken feed to help increase farmers' income.

  This initiative not only brought tangible benefits to the villagers but also explored a sustainable "technology + resources" support model, offering repeatable practices for rural revitalisation. It demonstrated Yuchai's commitment to fulfilling its social responsibility while addressing villagers' practical needs and improving livelihoods within the local community.

- In a separate volunteering initiative, young volunteers participated in an initiative to deliver practical support for the underprivileged children. The session enabled volunteers to extend care to disadvantaged families and promote educational development for local children.

  Prior to the visit, the volunteers worked closely with the village committee to understand the students' needs and prepared essential supplies such as rice, cooking oil, and stationery. During the session, they visited the homes of impoverished students to learn about their daily and learning challenges. Volunteers distributed the necessities and shared study methods to encourage the students to pursue education as a pathway to improving their future.

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	2025 PERFORMANCE	STATUS	2025 TARGET	5 YEARS PERFORMANCE REVIEW
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	ACHIEVED	✓	Zero incidence	-
Cybersecurity and Data Protection	Recovery plan in place with tracking of recovery KPIs (group wide)	ACHIEVED	✓	100% implemented	Improved over the years with key initiatives completed.
	To strengthen cybersecurity and data protection policies	ACHIEVED	✓	100% implemented	Improved over the years with key initiatives completed.
Responsible Supply Chain	Develop and roll out a new Supplier Code of Conduct to reflect ESG criteria	Singapore and Malaysia: 100% implemented China: remains challenging	✓	By 2023 & all new suppliers to be screened with the new criteria	The Powertrain Solutions business in China has plans to implement a similar review practice in their supply chains
	High value suppliers screened as per ESG criteria on a yearly basis	Singapore and Malaysia: 100% implemented China: remains challenging	✓	100% implemented	-
Occupational Health, Safety and Welfare	Fatalities & lost time injuries (LTI) across operational sites	Fatality – 0 LTI – 8 (LTI under Building Materials – 6) (LTI under Powertrain Solutions – 2)	✓	Zero incidence	Since 2021, the Group recorded zero fatalities and achieved the lowest cases of LTIs in 2025.
	Third-party fatality and injury from transportation of products on the road	ACHIEVED	✓	Zero incidence	-
	Operational sites to implement ISO 45001 (Building Materials)	88%	✓	100% implemented	Malaysia ready-mix concrete sites are temporary in nature with yearly permit renewals by local authorities. Hence, it is challenging to achieve certification of these sites.

✓ 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 uphold the high standards of business conduct and act responsibly with our stakeholders wherever we do business. We remain vigilant and are determined to build a disciplined and sustainable company. Together with the Group's Code of Business Conduct and Ethics ("COBC"), and Anti-Fraud, Anti-Bribery & Anti-Corruption ("FCB") policies, our corporate values define how we want to work. We are committed to be an honest, transparent and official organisation with zero tolerance 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 the COBC may result in investigation, disciplinary actions or termination of the employee, as guided by applicable labour laws. The COBC 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 Audit and Risk Committee ("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.

Policies related to conduct and whistleblowing 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 2025.

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 2025. 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 Regulatory Compliance Performance for Building Materials

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

BUILDING RESILIENCE FOR THE LONG-TERM

CYBERSECURITY & DATA PROTECTION

HLA takes on a balanced approach in managing the strategic, operational, financial and reputational consequences of business disruptions and the importance of maintaining viable capabilities of strategic business functions. Building on the momentum set in the past year, the Group continued to drive the digital transformation of our core businesses through building an integrated, networked value chain, optimising production processes through data-driven insights and scaling our capacity for innovative strength.

To meet the increasingly heightened expectations of technology from business users, the Group drives to implement digital capabilities across strategic business functions – namely supply chain, logistics, production, finance, and human resources. Some digital initiatives that have been implemented include robotic manufacturing automation, real-time delivery scheduling and data analytics in the past five years.

With the business landscape evolving in a digitalised world, individuals, employees and business partners have increasingly moved to adopt the use of professional tools on mobile devices. In tandem with this trend, the Group's Information Technology ("IT") team has developed and implemented several mobile applications in the past year to support sales, production and administration efficiency and effectiveness by integrating the mobile applications securely with business processes.

In 2025, the IT team moved office applications to a cloud-based environment to enable real-time collaboration between businesses, ensuring everyone is "on the same page" across different geographies. The launch of an integrated platform for sales, order management and logistics handling is also in the works to eliminate manual processes, allowing more orders to be processed at a much higher level of accuracy with a lean administration team.

To drive greater efficiency and operational resiliency of the businesses, managing cybersecurity risks continues to be a key priority for the Group. We constantly review and strengthen our multi-layer defence to protect HLA against new cybersecurity threats, breaches, and vulnerabilities.

As we continue on our digitalisation journey, the IT team strives to inculcate the tech-savviness of the workforce with frequent communication to employees groupwide on cybersecurity topics such as:

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

Embracing Sustainable IT

HLA is committed to having more sustainable IT systems by lowering energy consumption through regular reviews of our cloud infrastructure usage, recycling and repurposing IT infrastructure and assets at end of life while ensuring usability within the system. Online meetings, video conferencing facilities and enhancement of IT asset maintenance contracts are also put in place as part of our sustainable IT strategy to minimise our environmental impact.

HLA is committed to the proper handling of personal data in accordance with the Personal Data Protection Act 2012 to prevent unauthorised access and disclosure that may result in harm that affects 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	2021	2022	2023	2024	2025	2025 TARGET
Cybersecurity and Data Protection	Recovery plan in place with tracking of recovery KPIs	NEW	Initial review, gap analysis & development of 3-year roadmap by Group IT	3-year plan developed	Cybersecurity Incident Response Plan drafted	**ACHIEVED**	100% Implemented
	To strengthen cybersecurity and data protection policies	NEW		Policies drafted and undergoing reviews.	Policies implemented	**ACHIEVED**	100% Implemented

BUILDING RESILIENCE FOR THE LONG-TERM

As part of the Group's enterprise risk management mitigation efforts, HLA tracks the number of cybersecurity incidents that occur during the year that has significantly impacted business operations. All reported incidents are investigated thoroughly with reports submitted to HLA management team. In 2025, the Group did not record any cybersecurity breaches.

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

- Published Cyber Incident Response Plan for HLA Group in August 2025 to strengthen internal readiness for crises;
- Conducted cyber-attack scenarios during Business Continuity Planning ("BCP") exercise to assess recovery and sustainability capabilities of business operations during crises;
- Operationalised security assessment and conducted security assessments on our internal IT infrastructure;
- Contracted cyber security experts for Incident Response services to support forensic investigation; and
- Increased focus on employee's cyber security education with calibrated assessments and training;

HLA Group Cybersecurity and Data Breach Occurrences

YEAR	2021	2022	2023	2024	2025
Number of cybersecurity breaches on IT assets / network	2	0	0	0	**0**
Number of data breaches that need to be reported to Personal Data Protection Commission	0	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	2021	2022	2023	2024	2025	2025 TARGET
Responsible Supply Chain	Develop and roll out a new Supplier Code of Conduct to reflect ESG criteria	NEW	Draft policy, framework and assessment circulated for final internal review	Updated Supplier Code of Conduct launched	Singapore & Malaysia: 100% Implemented China: Under review	**Singapore & Malaysia: ACHIEVED** **China: Remains challenging**	100% Implemented
	High value suppliers screened as per ESG criteria on a yearly basis	NEW		>100 high value suppliers screened	Singapore & Malaysia: 100% Implemented China: Under review		100% Implemented

BUILDING RESILIENCE FOR THE LONG-TERM

2025 PERFORMANCE

The Building Materials business in Singapore recorded the following ratings in their supplier evaluations over the last four 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
2025	63	80	NONE

Notes:
1. All suppliers evaluated scored Good / Outstanding.
2. In 2025, evaluation was focused on top 10 suppliers for each purchasing category / segment.

Tasek's cement division recorded the following ratings in their supplier evaluations over the last four years. The two suppliers that scored D will not be part of the supply chain moving forward.

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
2025	277	90	2

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.

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 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 the necessary resources to implement performance and continuous monitoring systems including risk assessments, equipment and personal protective equipment 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 HLA 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 Corporate Affairs 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

Since the launch of HLA's 2025 Vision and ESG targets in 2021, the Group has placed greater emphasis on strengthening its foundations for OHS by setting a clear tone from the top, aligning safety expectations across businesses and streamlining incident reporting and escalation processes.

In 2022, HLA introduced a group wide OHS Policy, establishing a common safety philosophy across our manufacturing operations. This was followed by enhancements to the reporting and escalation framework for critical safety incidents in 2024 which clarified the definitions of loss-time injuries ("LTI") and scope of reporting on employees and contractors. Improvements in reporting processes introduced in 2024 may have contributed to increased reporting and visibility of incidents, particularly near-misses and minor cases.

In 2025, there were no fatalities across Singapore and Malaysia sites. However, six LTI cases were reported in 2025 involving three employees and three 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	2021	2022	2023	2024	2025	2025 TARGET
Occupational Health, Safety and Welfare	Fatalities & lost time injuries across operational sites	Fatality – 0 LTI – 9	Fatality – 0 LTI – 14	Fatality – 0 LTI – 11	Fatality – 0 LTI – 13	**FATALITY – 0** **LTI – 6**	ZERO INCIDENCE
	Third-party fatality and injury from transportation of products on the road	ACHIEVED	ACHIEVED	ACHIEVED	ACHIEVED	**ACHIEVED**	ZERO INCIDENCE
	Operational sites to implement ISO 45001 (Building Materials)	38%	38%	75%	88%	**88%**	100% IMPLEMENTED

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
2021	9	3,174,539	2.8	0	0	1,370,632	0	0
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
2025	**3**	**4,344,350**	**0.7**	**0**	**3**	**2,970,072**	**1.0**	**0**

*Note: All injuries recorded were reported to the respective authorities, as per country legislation and requirements.

BUILDING RESILIENCE FOR THE LONG-TERM

Across five years, our operations in Singapore and Malaysia tracked steady progress towards stronger safety practices. Overall, we recorded no fatalities and achieved the lowest rate of LTI incidents and injury frequency rate in 2025.

Ready-mix sites in Malaysia were not certified under ISO 45001 as the ready-mix sites are temporary in nature (< 3 years on average). The Group has since recalibrated and decided to focus on internal procedures and practices.

Apart from the improvements in safety reporting practices, overall Group performance has been enhanced through embedding safety in our culture through leadership commitment, operational discipline and reinforcement:

1. **Setting the tone from the top**
   The Group has placed greater emphasis on leadership accountability for safety outcomes. Chief Operating Officers ("COOs") of the various businesses provide periodic safety updates to the HLA Board, and leaders are expected to participate in a minimum of three safety engagement activities per year, including site visits, safety dialogues and appreciation events.

2. **Increasing leadership visibility on the ground**
   Across our businesses, COOs and safety managers have strengthened on-site engagement through regular plant surveillance, mass toolbox briefings, on-site safety observation (Visible Felt Leadership programmes and Safety Observation Tours), cross-border audits and structured safety appreciation activities. Safety key performance indicators have also been incorporated into management performance expectations to reinforce ownership at all levels.

3. **Translating Commitment into Systems and Controls**
   Since setting clear Group-level safety targets in 2021, 88% of the sites across Singapore and Malaysia have achieved ISO 45001 certification, reflecting our focus on aligning safety management standards while allowing for local regulatory and operational considerations. These systems are supported by structured hazard identification and risk assessments, preventive controls for high-risk activities and contractor safety management. Regular audits, site inspections and corrective action processes are carried out with the aim to improve consistency in addressing risks early.

4. **Recognising proactive safety practices**
   Several business units have achieved notable safety milestones and implemented targeted initiatives, including:

BUSINESS UNIT	INITIATIVE
R3 Precast, Singapore	• Achieved 1 million LTI-free hours. • Introduced cross-border safety audits between Singapore and Senai, Malaysia operations.
Island Concrete, Singapore	• Introduced defensive driving as a requirement for all concrete truck drivers. • Started collection of data to analyse driver behaviour patterns to review training plans.
Tasek's cement plant, Malaysia	• Implemented Phase I of the "Log-Out, Tag-Out, Try-Out" system to strengthen energy isolation controls for high-risk processes.
Tasek Concrete Malaysia	• Achieved 1 million LTI-free hours.

CASE STUDIES

First Cross-border Safety Workshop for Building Materials Unit

An inaugural safety workshop for building materials businesses was held on 9 December 2025. Attended by leaders from various business units, operations managers and safety leaders, the networking event aims to create a platform to:

- enable regular and educational exchange of safety practices;
- align business units to HLA Group-level responsible safety expectations; and
- identify shared priorities for improvement annually.

The workshop started with business leaders sharing their expectations and commitment on safety, followed by sharing on respective safety practices and priorities implemented on-site in Singapore and Malaysia. A deep dive discussion and reflection was also conducted to review the safety maturity, accountability, ownership and gaps in incidents reporting.

The workshop ended with all participants aligned on the importance of instilling an ingrained safety culture where safety is a proactive core value to drive long-term behavioural change and collective vigilance.

Defensive Driving for Concrete Mixer Truck Drivers

To continuously improve Island Concrete's performance in delivering safe, reliable and compliant operations, the safety team collaborated with the Singapore Traffic Police to provide a defensive driving workshop to truck drivers at all sites in April 2025.

The defensive driving workshop was designed to guide behaviour and safe aways of driving when moving around construction sites and batching plants to drive a strong and consistent safety culture - focusing on increased awareness of on-road hazards, road types and conditions and equipping drivers with the necessary defensive driving skills and techniques. It also highlights a crucial aspect for safe truck-driving – recognising and avoiding potential road situations, understanding vehicle limitations and blind spots around the concrete mixer truck.

At the end of the workshop, all drivers were issued with a certificate and a defensive driving report with an analysis on their driving profile – low, medium or high-risk driver, spurring them to continuously improve and learn best-in-class practices on driving safely.

Through the workshop, we believe that continuously learning and sharing experiences will further strengthen our collective safety culture.

A total of 49 drivers across six batching plants had attended the defensive driving workshop with 100% pass rate.

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 within the organisation. The policies are aligned with national regulations in China, governing cybersecurity, data security and personal information protection.

2025 PERFORMANCE

GYMCL did not record any incidents of cybersecurity breaches on IT assets and network and data breaches related to customer data in 2025.

RESPONSIBLE SUPPLY CHAIN

GYMCL's suppliers are required to pass the 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 requires 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.

In compliance with the Conflict Mineral Regulation, CYI conducted a Reasonable Country of Origin Inquiry ("RCOI") of GYMCL's suppliers in 2022 using Version 6.4 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 149 suppliers and all responses to the RCOI using the CMRT were received in 2024. 86% of the suppliers confirmed that the products they supplied to GYMCL in FY2024 did not contain 3TGs sourced from the Covered Countries. The RCOI for FY2025 is currently in progress and will be reported in the Sustainability Report for the financial year ending 31 December 2026.

2025 PERFORMANCE

GYMCL Supplier Assessment Performance

	2021	2022	2023	2024	2025
Suppliers assessed	397	359	325	318	316
Percentage of Suppliers meeting the requirements	98%	98%	99%	99%	99%

POWERTRAIN SOLUTIONS UNIT

OCCUPATIONAL HEALTH, SAFETY AND WELFARE

At GYMCL, safety is a priority at every stage of the manufacturing 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 its employees.

BUILDING RESILIENCE FOR THE LONG-TERM

PROGRESS ON 2025 TARGETS

Zero fatalities and two injuries were recorded in 2025 for the operations in China. The root cause analysis led to the identification of gaps and corresponding rectifications relating to safe work procedures and failure to identify on-site risks which led to an employee to slip and fall. Key areas covered the review of employee competencies in safety training as well as thorough oversight of safety officers on the ground. Gaps including improved safety mechanisms related to changes in working conditions and risk assessments have been resolved by the GYMCL management team.

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2021	2022	2023	2024	2025	2025 TARGET
Occupational Health, Safety and Welfare	Fatalities & lost time injuries across operational sites	Fatality – 0 LTI – 0	Fatality – 0 LTI – 0	Fatality – 0 LTI – 0	Fatality – 0 LTI – 5	**Fatality – 0** **LTI – 2**	Zero incidence

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
2025*	**2**	**17,470,608**	**0.1**	**0**	**0**	**4,376,208**	**0**	**0**

Notes:
1. N/A means not available.
2. (*) asterisk indicates that the data now includes key subsidiaries of GYMCL.

TASK FORCE ON 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.

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
GOVERNANCE	
a) Describe the organisation's governance around climate-related risks and opportunities	Hong Leong Asia Ltd. ("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 agenda has been supported by the Audit and Risk Committee ("ARC") with oversight over the management, monitoring and reporting of sustainability issues and ESG factors. In May 2023, the Board Sustainability Committee ("BSC"), then chaired by Ms Caroline Kwong (Independent Director) and consisting of Mr Stephen Ho (CEO and Executive Director) and Ms 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, Ms Kwek Pei Xuan conducted an induction briefing for the committee to provide a snapshot of 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 Board and senior management were highlighted. On 1 January 2025, Mr Ng Chee Khern was appointed as a member of the BSC and similarly attended induction programmes to familiarise himself with HLA's businesses, operations and sustainability agenda. At HLA's annual general meeting held on 25 April 2025, Ms Caroline Kwong retired as a Board Member, having served for a term of 9 years, and Mr Ng Chee Khern was appointed as chairman of the BSC in her place. The BSC meets twice-yearly in February and August, two weeks before Board Meetings to review and discuss the Group's sustainability performance which covers key material environmental topics including Energy & Greenhouse Gas ("GHG") Emissions and Circular Economy & Waste which were identified in the materiality assessment conducted in FY2021. In 2025, HLA's 2030 ESG targets were reviewed by management and proposed to the BSC for feedback and consideration. The BSC took the opportunity to reflect upon HLA's sustainability journey since 2021 and recognised the commitment and progress achieved despite the challenges faced, including key transitional targets (such as "low-carbon product sales and new energy powertrain solutions sales as a percentage of total sales" and "clinker-to-cement ratio") which have not been attained. The BSC discussed changes in market dynamics related to a low-carbon economy transition and anticipates a slower progress in the adoption of lower carbon products under both the powertrain solutions and building materials sectors. Beyond Singapore, Malaysia and China, government and industry stakeholders worldwide face the challenge of balancing climate ambitions with economic competitiveness, energy volatility and rising costs to end consumers. Hence, it was the BSC's recommendation to review the ESG targets for the Group's 2030 ambition in view of such market dynamics. In view of longer-term risks faced by the Group's operational context being in "hard-to-abate" sectors, Tasek's circularity strategy and decarbonisation roadmap were identified as key levers for the Group's overall environmental performance in reducing absolute carbon emissions over the long-term. As HLA undertakes a more rigorous and detailed scenario analysis to 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 6 of this Report.

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
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 as well as Management and Reporting which are supported by the individual Business Units. The Building Materials Unit, made up of the Building Materials Group, Singapore and Tasek Corporation Berhad ("TCB"), had each formed ESG Impact Working Groups in April 2022, while the Powertrain Solutions Unit under China Yuchai International Limited ("CYI") / Guangxi Yuchai Machinery Company Limited ("GYMCL") group formed an ESG Committee in June 2023. These 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 twice a year 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. Under the Powertrain Solutions Unit, 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 a Sustainability Manager, helps to govern this process through periodic working group meetings, continuous support on internal ESG training and working alongside other departments (Human Resource, Legal & Compliance, Finance and Investments) to identify gaps or potential roadblocks, and strengthen internal processes and capacity building. The Chief Executive Officer of HLA ("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 page 13 of this SR for more 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, the Management continued discussions with key management and the BSC from late 2024 and throughout 2025 to discuss and refine our 2030 ESG Roadmap and focus. Discussions focused on the key challenges behind operationalising a decarbonisation roadmap for our key sectors. As heavy decarbonisation is dependent upon technologies that are currently still nascent 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. Furthermore, we foresee challenges in the development of market incentives to promote a lower carbon economy due to the need for governments to balance climate ambitions with economic trade-offs as mentioned earlier. Hence, our 2030 ESG Roadmap is positioned to adopt a phased approach to sustain the momentum of the Group's progress by focusing on advancing circularity goals while prioritising operational improvements, capability building and market readiness to prepare for more transformative solutions as enabling conditions mature. Given the complexity surrounding a "hard-to-abate" reality under HLA's operational context, key risks are also reported and reviewed by the management under the Group's Enterprise Risk Management ("ERM") framework. At the Group level, this is listed as "Environmental, Social and Governance and Climate Risk Management" while specific transition risks are covered under the ERM risk register of our Building Materials Unit. Key controls are set up to manage each of these risks to a tolerable level accepted by the CEO and Board. Overall, specific initiatives under HLA's Sustainability and Decarbonisation Roadmaps are aimed to address these risks over the longer term. Moving ahead, we will continue to refine the data collection process with better granularity to support better decision making as well as equip ourselves with the relevant knowledge to assess and manage our prioritised set of risks and opportunities as well as to monitor emerging climate risks.

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
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 had conducted a scenario analysis which was completed in FY2023, aligned to the TCFD recommendations based on the following context. **SCENARIOS** Based on the 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 due to the financial materiality and scale of operations, covering both our Building Materials and Powertrain Solutions businesses, and they comprise Singapore, China and Malaysia. **TIME HORIZONS** 2019 was the baseline year and impacts of climate change risks to our businesses were 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 follows: **1) Policy**: The risk from emerging regulations 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**: Tthe risks of damage to brand value and loss of customer base from shifting public sentiment about climate change

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION

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 in 2023 with reference to 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 Intergovernmental Panel on Climate Change ("IPCC") reports on impacts from climate-related extreme events.

TABLE OF IDENTIFIED RISKS AND OPPORTUNITIES WITH IMPACT MATRIX

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
- 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

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

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
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/outdoor activities • Cooling cost increases become 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 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 resulting in material loss in revenue in both scenarios, and worsens in a >3 °C scenario
		Long	• Loss in 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

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION

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 RISK 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 market are limited in longer time horizons, but likely that sales 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 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
		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 is 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

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
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 million (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 for developing targets on decarbonising our value chain. Beyond 2025, the Group has finalised its 2030 ESG ambitions to include refreshed ESG targets while our decarbonisation and innovation initiatives should play a key role in addressing the various risks and opportunities that may be faced by our organisation over the long-term. For our Powertrain Solutions business, a key target is to increase the share of energy efficient and new energy products in our overall sales. This transition plan includes the shift from traditional powertrain solutions to new energy powertrain solutions such as 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 fully-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 expand and improve its portfolio of powertrain solutions. Within our Building Materials business, to address longer term risks related to emissions management, the Group's priority is to develop a decarbonisation roadmap for TCB which the HLA Sustainability Team completed together with a consultant in Q1 2025. Similar to the Powertrain Solutions business, the implementation of lower carbon products and innovative solutions to reduce operational emissions will require a longer-term strategy. Hence, the decarbonisation roadmap currently serves as a reference tool for management to discuss transition-related implications. As guided by the Group's ESG ambitions, key transitional initiatives and targets related to lower-carbon product development and circularity are already embedded within the Building Materials business and continues to be a key focus towards 2030. In particular, we have placed increasing emphasis towards the co-processing of waste to give materials a second life in our operations which includes the usage of alternative fuels to replace coal being the main source of fuel in clinker production in TCB. Developing this initiative as a key business strategy is led by the formation of a subsidiary under TCB in 2023 known as ReGen Sustainable Solutions Sdn Bhd ("ReGen"). Since 2024, ReGen focused on building internal competencies to operate a new business that will process higher volumes of industrial waste redirected from landfill to be repurposed as raw materials for cement production. ReGen aims to begin operations in late 2026 to advance the Group's circularity goals. For both the Powertrain Solutions and Building Materials business, it is expected that the pace of conversion will progress as enabling conditions develop, mainly the implementation of supporting infrastructure and regulations that discourage or ban new internal combustion engine ("ICE") vehicles and limit carbon-intensive building materials, respectively.

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
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 (2020-2030), medium (2031-2050), and long (2051-2080) terms. 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 KPIs to track progress against our 2025 ESG targets. The progress in achieving these targets is reported to the BSC on a bi-annual basis. In our 2025 performance, we have flagged key transitional targets including clinker-to-cement ratio under our Building Materials business and new energy solution sales under our Powertrain Solutions business. While all other targets are progressing positively, we anticipate falling short of these targets which are predominantly dependent on the pace with which our customers adopt lower carbon and/or more sustainable solutions in the markets we operate in. More information on our performance can be found in our Sustainability Report for FY2025. The Board recognises that amidst rising geopolitical and economic pressures, it has not been easy for the Group to achieve all sustainability goals while facing competing demands in our business. Looking towards 2030, we anticipate that governments are likely to progress at a slower rate to implement market incentives that support the transition to a lower carbon economy. In setting the next stage of HLA's ESG ambition, HLA's 2030 Vision strategy and ESG Roadmap proposals were reviewed and approved by the Board in 2025. During these discussions, we recalibrated our approach as we sized our business operations and opportunities for the next phase of growth. Currently, targets and initiatives that focus on circularity and R&D are being reviewed at the operational level with a view to updating and integrating the same into the Group's performance matrix. Concurrently, management will continue to enhance our ERM framework to assess and mitigate 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. Nevertheless, over the long term, these transition risks are still expected to have a larger impact on the business as lower-emission substitutes become more cost competitive and carbon pricing is introduced particularly in Malaysia where our cement operations reside. As such, in the coming years, we will quantify the potential financial impact of these risks on our business.

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
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 considered risk factors within our operational scopes, available financial data and other scientific research and information available. 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 the Group'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 considered 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 pricing, our modelling approach combined the Group's existing carbon emissions, projected carbon price increments and key assumptions to derive expenses relating to carbon pricing. Going forward, as data becomes more readily available, the Group intends to expand the analysis further, such as quantifying the potential impact of other climate-related risks and opportunities.

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
RISK MANAGEMENT	
b) Describe the organisation's processes for managing climate-related risks.	The results from our climate scenario analysis provide possible climate outcomes so that we can effectively manage our climate-related impacts. 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 energy 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, TCB 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 and Rigid Packaging operations in China and Precast operations in Singapore and continue to consider other operations where practicable. As we look towards the medium and long-term, potential financial impact from risks such as higher carbon pricing and energy costs remain an area of concern. In addition, transition risks such as higher risk of investment in new technology and increasingly stringent engine emission regulation are also challenges for us to address. At present, to support long-term plans to reduce our Scope 3 emissions, we have updated our supplier code of conduct in 2023 to impose stricter ESG requirements and we are actively pursuing R&D 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 and supporting the uptake of green product building materials in Singapore. In 2025, various engagements were conducted with the regulators in Malaysia by the business units via the Cement & Concrete Association of Malaysia (C&CA) in view of impending climate regulations to monitor and regulate GHG emissions designed based on a cap-and-trade system. These are shared and discussed with the Board when shaping the direction of the Group's strategy. As of 2025, HLA has refreshed its ESG roadmap and ERM risk register through internal consultations and workshops to align to the Group's key priorities updated as part of HLA's 2030 Vision strategy.

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
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 the Group and are aligned to the Group's strategic objectives and priorities. **HLA's existing ERM framework** In line with this, our ERM framework seeks to formalise and document the internal processes to identify, assess, monitor, managed 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 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. 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. "Environmental, Social and Governance & Climate Risk Management" is listed as a strategic and compliance risk at the Group level because of stricter regulatory requirements on sustainability and climate reporting and environmental management. Separately, key transitional risks are identified at the business/operational level. This is presented in the Corporate Governance section of our Annual Report for FY2025 on Page 84.

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
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 HLA's material topics, we have established key metrics to measure and monitor our environmental performance, details of which can be found in our Sustainability Report for FY2025. These metrics include, but are not limited to, the following: • Scope 1 and 2 GHG emissions (metric tonnes of CO_2 / SGD million (Revenue)) • Scope 3 GHG emissions (t CO_2e) • Fuel consumption (litres and %) • Energy consumption – Fossil fuels and electricity (TJ) • Energy intensity (TJ /SGD million (Revenue)) • Waste generated (T and %) • Waste directed to disposal (T) • Waste diverted from disposal (T) • Percentage of recycled/alternative raw materials in total concrete volume • Percentage of sales volume from innovative / certified green concrete products under Green Mark / SGBP (Singapore) • Water consumption (m^3) • SOx, NOx, VOC emissions • Dust emission levels We report on these metrics for the performance year and included 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 businesses 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 CEO and senior management, the Board reviewed and approved the final set of 2030 ESG targets in February 2026.

TCFD RECOMMENDATIONS

TCFD RECOMMENDED DISCLOSURE	DESCRIPTION
METRICS & TARGETS	
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 [and was a year where our emissions were high]. The Group's Scope 1 GHG emissions are primarily attributable to the combustion of coal and calcination of limestone in the clinker production process 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. Further details regarding Scope I and II emission can be referred to page 15 of this SR. For HLA's Scope 3 emissions, a preliminary screening exercise was conducted in FY2022 to determine which of the categories would be most dominant in terms of the Group's emissions and operations. Subsequently, in FY2022, we selected the most pertinent categories and undertook detailed emissions calculations based on the requirements of the GHG Protocol. Some Scope 3 categories were not investigated as they were not applicable to HLA's operations. Further details regarding Scope III emission can be referred to page 17 of this SR. 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 GHG emissions, volatile fuel and energy costs associated with operations and difficulties in accurate calculations of Scope 3 emissions.
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 our businesses, 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. Climate related targets can be referred to page 13 of this SR.

GRI CONTENT INDEX

Statement of use	Hong Leong Asia has reported the information cited in this GRI content index for 2025 (1 January to 31 December) with reference to the GRI Standards
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE NO.)
GRI 2: General Disclosures 2021	2-1 Organizational details	Annual Report (1, 4, 31)
	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 (54, 133)
	2-4 Restatements of information	Sustainability Report (15, 16,17, 21)
	2-5 External assurance	None
	2-6 Activities, value chain and other business relationships	Annual Report (1, 4, 5, 31-35)
	2-7 Employees	Sustainability Report (34-42)
	2-9 Governance structure and composition	Annual Report (56-57)
	2-10 Nomination and selection of the highest governance body	Annual Report (70-73)
	2-11 Chair of the highest governance body	Annual Report (69-70)
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report (57-59)
	2-13 Delegation of responsibility for managing impacts	Annual Report (56, 57, 61, 69)
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report (6)
	2-15 Conflicts of interest	Annual Report (58, 93, 94, 100, 101)
	2-16 Communication of critical concerns	Annual Report (82-90)
	2-17 Collective knowledge of the highest governance body	Annual Report (59, 66-70)
	2-18 Evaluation of the performance of the highest governance body	Annual Report (73-74)
	2-19 Remuneration policies	Annual Report (74-80)
	2-20 Process to determine remuneration	Annual Report (74-77)
	2-22 Statement on sustainable development strategy	Annual Report (40-43), Sustainability Report (3-4)
	2-23 Policy commitments	https://www.hlasia.com.sg/corporate-governance
	2-24 Embedding policy commitments	Sustainability Report (13, 24, 33-34, 37-38, 44-46, 49-50, 52)

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION (PAGE NO.)
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Annual Report (82-88, 91-92, 99-101)
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report (91, 94-96)
	2-27 Compliance with laws and regulations	Sustainability Report (22, 24, 45, 48, 52)
	2-28 Membership associations	The Cement & Concrete Association of Malaysia, China Internal Combustion Engine Industry Association, Securities Investor Association (Singapore)
	2-29 Approach to stakeholder engagement	Annual Report (36, 99), Sustainability Report (7-9)
	2-30 Collective bargaining agreements	Sustainability Report (36)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report (10)
	3-2 List of material topics	Sustainability Report (11)
	3-3 Management of material topics	Sustainability Report (13, 33, 44)
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report (54-67)
GRI 205: Anti-corruption 2017	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report (45)
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report (45)
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability Report (45)
GRI 301: Materials 2017	301-2 Recycled input materials used	Sustainability Report (22-23)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Sustainability Report (14-15)
	302-3 Energy intensity	Sustainability Report (15)
	302-4 Reduction of energy consumption	Sustainability Report (14-16)
GRI 303: Water and Effluents 2022	303-5 Water consumption	Sustainability Report (21,30)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report (15)
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report (15)
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report (17)
	305-4 GHG emissions intensity	Sustainability Report (15-16)
	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 (24)

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION (PAGE NO.)
GRI 306: Waste 2022	306-3 Waste generated	Sustainability Report (21, 23, 30)
	306-4 Waste diverted from disposal	Sustainability Report (21, 30)
	306-5 Waste directed to disposal	Sustainability Report (21, 30)
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Report (48-49, 52)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report (36)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report (49-53)
	403-9 Work-related injuries	Sustainability Report (50, 53)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report (35)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report (36), Annual Report (66-68)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report (46-47, 52)

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