

# SUSTAINABILITY STATEMENT

## ABOUT THIS SUSTAINABILITY STATEMENT

The Board of Directors (the "Board") of Dayang Enterprise Holdings Berhad ("Dayang" or the "Company") presents this Sustainability Statement ("Statement") for the financial year ended 31 December 2024 ("FY2024"). This Statement discloses the sustainability strategies, priorities, progress, and performance of Dayang and its subsidiaries ("Dayang Group" or the "Group") during FY2024.

## Sustainability Scope and Reporting Period

The scope of this Statement encompasses all wholly-owned business segments of the Group, namely the Topside Maintenance Services and Marine Offshore Support Services. The sustainability performance of the Group's subsidiary, Perdana Petroleum Berhad ("PPB"), which is also a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), is not consolidated in this Statement and they are reported in the PPB's Annual Report and Sustainability Statement.

Data presented in this Statement covers the reporting period from 1 January 2024 to 31 December 2024, unless stated otherwise. This Statement has been prepared in adherence to the Main Market Listing Requirements ("MMLR") of Bursa Securities and has taken into account the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits published by Bursa Securities.

## Assurance

This Statement has not been subjected to internal reviews by the internal auditor nor has it been subjected to external, independent assurance.

## Feedback

We value stakeholders' feedback on this Statement. Any feedback or enquiries regarding this Statement can be channelled to [zaim.husni@desb.net](mailto:zaim.husni@desb.net).

## OUR VALUE CHAIN

Dayang is one of the earliest and most experienced providers of integrated services to the oil and gas industry, offering services in maintenance, fabrication operations, hook-up and commissioning, and chartering of marine vessels.



# SUSTAINABILITY STATEMENT



## OUR VALUE CHAIN (CONT'D)

The Group operates mainly in two segments and the four business operations are categorised as follows:

### TOPSIDE MAINTENANCE SERVICES



#### Provision of Maintenance Services

Dayang Enterprise Sdn Bhd ("DESB") undertakes the overall provision of maintenance services, which focuses on the following areas:

- Maintenance of topside structures
- Maintenance of pipes and valves
- Electrical and instrumentation maintenance

Maintenance services are provided either on a routine or scheduled basis, or in the event of a breakdown or emergency, in which case maintenance works are carried out due to fault or failure.



#### Fabrication Operations

Fabrication generally involves the value-added process of constructing structures and piping from various raw materials, primarily metal. Dayang offers engineering and fabrication services to meet the needs of its customers, including onshore fabrication of products such as pipe and valve systems, skids, and other steel structures such as handrails and helideck extensions. Dayang has fabrication yards and warehouses located in Labuan, Kemaman, and Bintulu.



#### Hook-Up & Commissioning

In addition, Dayang provides hook-up and commissioning for steel structures and electrical and instrumentation services as part of its supporting products and services to the oil and gas industry. The tasks related to hook-up and commissioning of electrical and instrumentation include electrical engineering, system design, equipment and system procurement, wiring, panel installation, and testing and commissioning.

### MARINE OFFSHORE SUPPORT SERVICES



#### Charter of Marine Vessels

Dayang possesses seven marine vessels, consisting of six maintenance/work vessels and one landing craft ("LCT") used for offshore marine support services, as well as marine crew and catering services (except LCT) to facilitate the provision of its supporting services.

Its subsidiary PPB owns fourteen vessels consisting of eight Anchor Handling Tug Supply Vessels ("AHTS"), five maintenance/ work vessels, and one workboat ("WB"), providing offshore marine support services for the upstream oil and gas industry.



# SUSTAINABILITY STATEMENT

## OUR VALUE CHAIN (CONT'D)

We acknowledge our responsibility to operate sustainably and safeguard the long-term interests of the people and environment we work with. Thus, business sustainability, in the environmental, social, and governance aspects ("ESG"), is integral to Dayang's corporate success. Doing business responsibly and sustainably means creating shared values with our clients, employees, shareholders, business partners, and the greater environment and community.

### Vision

To be a profitable leader in providing value-added services in a timely manner through an efficient and integrated approach.






### Mission

- To create and develop critical path resources of the Group to achieve our objectives.
- To maximise shareholder value.
- To be a responsible corporate citizen.



In the pursuit of long-term value creation, Dayang is guided by its Sustainability Policy, which focuses beyond financial performance and compliance. We adopt ethical business standards, anti-corruption and anti-bribery, commit to minimising pollution, and strive to safeguard the safety of those who work with us.

<b>Compliance and Ethics</b>  <ul style="list-style-type: none"><li>• Complying with all applicable legal and regulatory requirements, covering but not limited to environmental and social laws and regulations.</li><li>• Conducting business ethically and with integrity.</li><li>• Zero tolerance against bribery and corruption.</li></ul>	<b>Environment</b>  <ul style="list-style-type: none"><li>• Zero spillage or pollution incidents that result in fines or penalties.</li><li>• Minimise the negative environmental and social impacts caused by waste generated.</li><li>• Incorporating climate-related considerations in its long-term business strategies and incorporate alignment with the Recommendations and the Task Force on Climate-related Financial Disclosures.</li><li>• Seeking to account for and address its Scope 1 and Scope 2 emissions.</li></ul>	<b>People</b>  <ul style="list-style-type: none"><li>• Safeguarding the safety and health of all people.</li><li>• Embracing diversity and being an equal opportunity employer and not discriminating against anyone on the basis of race, religion, gender, age, sexual orientation, disabilities, or nationality.</li><li>• Respecting the freedom of association and right to collective bargaining of all its employees and workers.</li><li>• Fostering a culture of continuous learning and growth.</li></ul>
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The Sustainability Policy is available on our corporate website at [www.desb.net](http://www.desb.net).

Guided by the Sustainability Policy, the Group has established an ESG Management Framework to provide guidance to our employees regarding their responsibilities, processes for managing sustainability-related issues, indicators, and performance, as well as engaging with relevant stakeholders.

# SUSTAINABILITY STATEMENT

## United Nations Sustainable Development Goals ("UN SDGs")

In addition to acting responsibly, Dayang Group also acknowledges the role it plays in global development and progress. In this regard, we look into the United Nations ("UN") 2030 Agenda for Sustainable Development and consider how we are able to contribute to the UN's 17 Sustainable Development Goals ("SDGs").

The SDGs that are relevant to our business operations are summarised as follows:

3



### Good Health and Well Being

Ensure healthy lives and promote well-being for all at all ages.

4



### Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

5



### Gender Equality

Achieve gender equality and empower all women and girls.

8



### Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

10



### Reduced Inequalities

Reduce inequality within and among countries.

11



### Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

12



### Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

13



### Climate Action

Take urgent action to combat climate change and its impacts.

16



### Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE STRUCTURE



The Board holds ultimate responsibility for the Group's sustainability, including ensuring the business strategic plans align with long-term value creation, encompassing the establishment of sustainability strategies, priorities, and targets. In this regard, the Board reviews the Group's Material Sustainability Matters ("MSMs"), as assessed by the Management, and the initiatives, progress, and performance of the relevant MSMs.

The Board ensures that the Group's governance structure is appropriate to manage business sustainability. The Board also reviews the overall engagement with stakeholders to ensure the Group has effective engagement channels with stakeholders, including channels to communicate key sustainability strategies, initiatives, targets, and performance to stakeholders. As appropriate, stakeholders' views and interests are considered or incorporated in business decisions.

The Board is supported by the Corporate Sustainability Committee ("CSC"), which oversees the Group's overall sustainability matters and their performance, ensuring the management of sustainability matters aligns with the Group's Vision, Mission, strategic direction, as well as long-term value creation goals. The CSC is tasked with reviewing the Group's sustainability strategies, initiatives, and key performance indicators ("KPIs") before presenting recommendations to the Board.

The Management, including the heads of department and function, is led by the Managing Director and Deputy Managing Director. The Management is responsible for performing materiality assessment to determine the Group's MSMs and overseeing their management via the sustainability management process. Management also ensures risks and opportunities relevant to the MSMs are considered and managed through the Group's risk management process. The implementation of sustainability-related strategies and the achievement of sustainability targets are also the responsibility of the Management.


# SUSTAINABILITY STATEMENT

## STAKEHOLDER ENGAGEMENT

It is important to understand our stakeholders and incorporate their interests, as relevant, in the way we do business. Such an approach allows us to align the Group's long-term interest better and develop longer-term business sustainability.



We have established various engagement channels suited for different engagement objectives, including to communicate relevant information and to obtain feedback.

The table below summarises our key stakeholders, the engagement methods employed, the frequency, and the key topics discussed.

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objectives
 Customer	Monthly meeting and Annual Management Review Meeting	Monthly	<p>Monthly Meeting to discuss quality/operation issues, including changes in the quality system or procedure, if any</p> <p>Management Review Meeting to review the previous year's quality performance and achievement, including revising and amending any procedure, policy, and objective, if any</p>
	System Audit – HSE/Operation/ Tendering/QAQC/ HRA/Inventory/ Manpower/ Procurement Audit	Annually	<p>We have implemented internal and external audits to ensure ongoing monitoring of the delivery of our safety and quality of our operation:</p> <ul style="list-style-type: none"> <li>For Internal Audit - one cycle per year is conducted by the internal auditor, planned by the QAQC Dept</li> <li>For External Audit - one cycle per year, which will be conducted by SIRIM QAS International</li> </ul>
	DESB Marine Services Sdn Bhd ("DMSSB"): International Safety Management ("ISM") DOC Audit – Operation/ HSSE/Shipboard Management/ Procurement/Vessel Maintenance/Human Resource ("HR") (Ship Crew)	Annually	<p>We have implemented internal and external audits to monitor the ongoing delivery of our safety and quality of our services:</p> <ul style="list-style-type: none"> <li>For Internal Audit – a minimum of one cycle per calendar year is conducted by the internal auditor, planned by the Designated Person Ashore ("DPA")/ Company Safety Officer ("CSO").</li> <li>For External Audit - one cycle per year, which will be conducted by the Malaysia Marine Department ("MMD")</li> </ul>




# SUSTAINABILITY STATEMENT

## STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objectives
 Employee	Meeting with the management & employees, both office & marine crew - employees will raise issues	Monthly	Sharing & bonding with the management & employee (Formal or Informal)  Safety connect session – monthly OSH Meeting
	DMSSB: Management Visit	Annually	Senior Management to lead the site visit (onboard) and engagement with the frontliner
	Cost Optimisation - Meeting and discussion	Monthly	Cost efficiency
	Brand Value – Meeting and KPIs	Monthly – Project Team (Once a year for Turnaround)	Minimise operation/project downtime and improve turnaround time
	Diesel Usage and Schedule Waste Management	Monthly	To monitor the diesel consumption and scheduled waste disposal and comply with MARPOL 73/78 and Department of Environment (“DOE”) requirements  Environmental Regulatory Compliance Monitoring Meeting
	Accident Rate – Meeting and engagement	Monthly	Zero accident tolerances  Monthly OSH Meeting
 Suppliers/ Subcontractors & Business Partners	Anti-Bribery and Corruption Policies and Procedures (“ABC Policy”)	Quarterly	Ensure the bidders are required to comply with the ABC Policy and HSSE requirements  Sub-Contractor Engagement  Vendor Questionnaire included Anti-Bribery and Corruption Declaration during the pre-assessment stage
	HSSE Requirement	Quarterly	HSSE Policies and Procedures  Sub-Contractor Engagement
	Invitation to bid	As and when required	Invite at least 3 bidders (based on the client’s requirement) and award to the technically acceptable and commercially lowest bidder

# SUSTAINABILITY STATEMENT

## STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objectives
 <b>Suppliers/ Subcontractors &amp; Business Partners</b>	Establish a Price Agreement ("PA") for cost optimisation	Yearly	Invite at least 3 bidders (based on the client's requirement) and award to the technically acceptable and commercially lowest bidder
	Perform Technical Evaluation	As and when required	Project Management Team to monitor and ensure the delivery of safe and quality work to clients
	Quarterly assessment of Contractors/ Subcontractors	Quarterly	Sub-Contractor Engagement  Regular meetings with suppliers/contractors, if there are any issues
	Audit/Site Visit on Contractor/ Subcontractor	Annually	Audit and site visit on Contractor/ Subcontractor to assess their capabilities and ensure compliance  Sub-Contractor Audit (QHSSE Audit)
 <b>Regulators</b>	Compliance with local authorities' requirements	Ongoing	Comply with all the authorities' requirements <ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Labour law</li> <li>• Environmental management and compliance</li> <li>• Occupational Health and Safety</li> <li>• Maritime Rules &amp; Regulations (Marine Offshore Division)</li> </ul>
 <b>Community</b>	Community development programs	As and when required	We care about our society and communities

## OUR MATERIALITY ASSESSMENT PROCESS

We identified and determined the Group's MSMs through a materiality process, prioritising sustainability matters with greater significance to the Group and its diverse stakeholders. The Management team performed a materiality assessment, considering the Group's businesses, business strategies, and short and long-term objectives, amongst others.



# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

Dayang adopts a definition for “materiality” that is largely in line with the MMLR, where a MSM is one that reflects the Group’s significant economic, environmental, and social impacts or substantively influences the assessments or decisions of stakeholders. The assessment has also considered the common sustainability matters stipulated in the MMLR.

During the assessment, Management has also taken into consideration the topics or issues concerning stakeholders which were raised during the Group’s ongoing engagement with stakeholders.

The MSMs identified are further analysed to consider the risks and opportunities, enabling more effective management and resource allocation for the Group to prioritise the management of MSMs. Associated risks are also incorporated into the Group’s risk management process for ongoing and periodic monitoring, together with the Group’s overall risk management processes.

During the year, the Management conducted a review of the materiality assessment and determined that the 15 previously identified sustainability matters continued to be relevant to the Group’s operations and operating environment. During the assessment, Dayang identified that the:

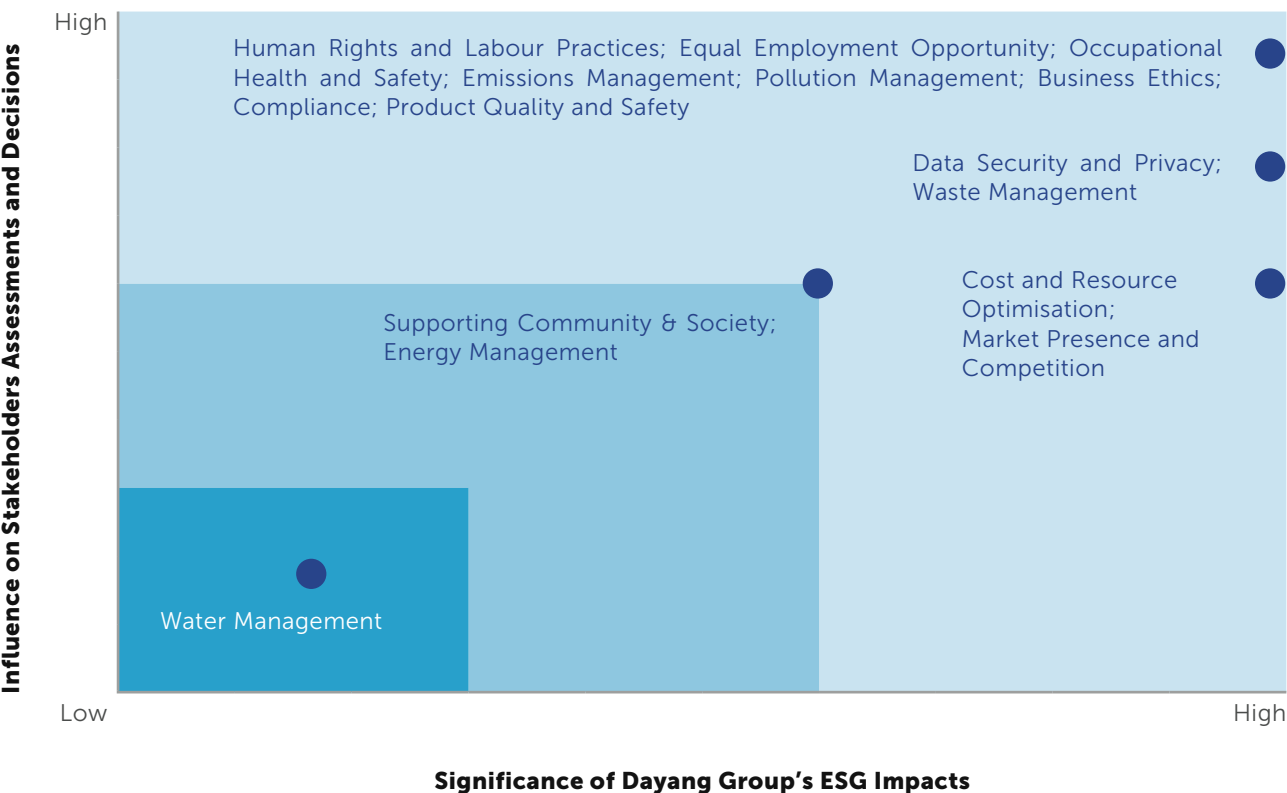
“Business Ethics”, “Equal Employment Opportunity”, “Emissions Management”, as well as “Pollution Management” have **increased**



“Product Quality” was **renamed to “Product Quality and Safety”**



The materiality matrix for FY2024 is illustrated as follows:



# SUSTAINABILITY STATEMENT



## BUSINESS ETHICS

The Group's long-term sustainability depends on how we – and those working on our behalf – do business. Dayang Group is committed to upholding business ethics and integrity and complying with applicable laws and regulations, and delivering our legal obligations towards relevant stakeholders.

The Board, as the highest governance body responsible for setting corporate culture, sets the tone and expectations for ethical business practices in our operations and among our employees. We require all employees to uphold high standards of integrity by strictly following the General Code of Conduct and Discipline. The Group adopts a strict stance against all types of abusive or coercive behaviours, including verbal or physical violence and sexual harassment. In FY2024, the Board established a Conflict of Interest ("COI") Policy to enhance the quality of conflict-of-interest disclosures, including for Directors, Key Senior Management, employees, and legal representatives of the Group, strengthen governance practices, and ensure accountability in managing conflicts-of-interest across Dayang Group.

All new employees are introduced to the General Code of Conduct and Discipline alongside other key policies of the Group. They are required to read, understand the code and provide acknowledgement to adhere to the code.

## Compliance

We are committed to adhering to all applicable legal and regulatory requirements, including those concerning environmental, occupational health and safety, and labour practices. Relevant policies are developed to communicate to stakeholders the Group's stance in relation to specific topics, such as policies relating to safety and environmental protection. Key compliance matters are also managed and monitored via established processes or management systems.

A review of any cases of non-compliance is included in Management's monthly business management reports to ensure timely reporting and management of non-compliance cases. Action plans will also be followed-through to ensure the relevant issues or causes are addressed.

From time to time, gap assessment reviews are conducted against new or updated laws and regulations for the Group's operations to remain compliant. This year, Dayang Group reviewed its practices against the latest amendments to the relevant laws and regulations governing employment practices and ensured compliance with the applicable regulatory requirements.

Where necessary, training is provided to employees to heighten their awareness, knowledge, and ongoing compliance with the latest laws and regulations.

# SUSTAINABILITY STATEMENT

## Data Security and Privacy

The Group maintains and regularly reviews its cybersecurity system to safeguard the integrity of the Group's information and sensitive data, protecting against potential cyber threats. We comply with the Personal Data Protection Act 2010 ("PDPA") in relation to the collection and handling of personal data.

We keep ourselves up-to-date with the latest technological changes and emerging cyber threats to prevent and safeguard our systems. Various security measures are undertaken for our IT system and communication channels, including Multi-Factor Authentication ("MFA"), password complexity requirements, firewall, and others. System updates are also regularly carried out to keep them up-to-date. Data backups are conducted daily.

It is also crucial to ensure our employees adopt good IT security practices. The Group communicates and raises awareness among employees on proper IT usage and the prevention of cyberattacks. Cybersecurity training and programmes also form part of the induction process for new hires and are continually updated to address emerging threats.

Regular IT audits are also conducted by the Quality Assurance/ Quality Control ("QAQC") Department, internal audit, and external entities such as SIRIM for ISO9001 compliance.

We are pleased to announce that there were no cases of PDPA issues or substantiated complaints concerning breaches of customer privacy and losses of customer data or cybersecurity.

	FY2023	FY2024
Cases of PDPA issues (number)	0	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data (number)	0	0

## Anti-Bribery and Corruption Policies and Procedures

Dayang Group adopts a zero-tolerance stance against all forms of bribery and corruption, whether active or passive. The Company has established an Anti-Bribery and Corruption Policy ("ABC Policy") to formalise this anti-corruption stance. The ABC Policy also serves as a communication tool and is available on the Company's corporate website.

The ABC Policy applies to all Directors and employees of the Group. Business Associates providing services to and on behalf of the Group are also expected to comply with the policy.

The ABC Policy provides guidance in relation to higher-risk transactions such as gifts, entertainment, hospitality, and charitable donations, amongst others. Facilitation payment is considered a bribe and is strictly prohibited.

We manage corruption and bribery through a risk-based approach, where corruption and bribery risk is considered in our annual risk management process. The Group has an Anti-Bribery and Corruption Compliance Committee ("ABCC") whose responsibilities include reviewing and monitoring the Group's corruption risks, measures, and relevant performance. All operations of the Group have been considered in the corruption risk assessment.

	FY2023	FY2024
Operations assessed for bribery and corruption-related risk (%)	100%	100%

The Group communicates sufficiently with employees, through reminders, announcements, and training, to ensure they are aware of the ABC Policy. All newly joined employees are briefed on the ABC Policy and they are required to sign an acknowledgement of their understanding and commitment to the policy.

During FY2024, approximately 23% of our employees have received training on anti-corruption. In addition, these employees may have also attended anti-corruption training in previous years. All Senior Management and Middle Management personnel have been communicated on the Group's ABC Policy.

# SUSTAINABILITY STATEMENT

## Anti-Bribery and Corruption Policies and Procedures (cont'd)

Employees who have received training on anti-bribery and corruption <sup>1</sup>	FY2023	FY2024
Senior Management	6 (38%)	0 (0%)
Middle Management	14 (37%)	0 (0%)
Executive	108 (50%)	170 (28%)
Non-Executive	23 (47%)	8 (7%)
Total	151 (47%)	178 (23%)

<sup>1</sup> Measured based on anti-corruption training provided during the financial year under review. For FY2023, the Group covers all permanent employees in the reporting scope. For 2024, the Group includes all office-based employees, including permanent and contract-based employee categories. Contract-based crew staff is not included due to their short-term contract nature.

The Group also communicates its ABC Policy to its business associates, emphasising to stakeholders the importance of adherence to ethical standards and fostering a culture of integrity within our industry and the broader business ecosystem. This proactive communication strategy is aimed at promoting a shared commitment to ethical conduct and minimising the risk of illicit practices through the spreading of awareness.

### Whistleblowing Policy

Dayang Group has established a Whistleblowing Policy that puts in place a whistleblowing channel. The whistleblowing channel provides an avenue for all employees and stakeholders to report in good faith any concerns, including improper conduct, criminal offences, unsafe work practices, abuse of power, corruption, and others.

The Whistleblowing Policy safeguards the confidentiality of the whistleblower's identity to enable reports to be made without fear. Whistleblowers will be protected from retaliation within the Group as a direct consequence of making such reports.

The whistleblowing channel also provides an avenue to report to the Audit Committee Chairman, who is independent from the Management. This provides greater objectivity to the reporting and case handling procedures.

The ABC Policy and Whistleblowing Policy are publicly available on the corporate website.

During the financial year under review, there were zero bribery and corruption incidents reported.

	FY2023	FY2024
Incidents of bribery and corruption (number)	0	0

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

### Market Presence and Competition and Cost and Resource Optimisation

Dayang Group offers a range of services, including maintenance, fabrication operations, hook-up and commissioning, and chartering of marine vessels, as well as vessel technical specifications. This integrated diversification forms an integral part of our sustainable business model.

The oil and gas industry continues to face challenges, including increasingly competitive markets, fluctuating oil prices, geopolitical tensions, political instability, climate change, and increasingly demanding compliance requirements. Against such a challenging landscape, our focus includes maintaining relevance in the market and ensuring the operational efficiency of our operations, amongst others.

We continuously aim to increase our competitiveness through distinctive service quality for customers and generating shareholders' value via cost optimisation. We have well-implemented, efficient, and proactive maintenance strategies to keep us competitive and efficient. These measures help us to reduce inefficient operations, minimise environmental impacts, and optimise resource consumption, and this also supports our endeavour towards sustainable and responsible operations.

# SUSTAINABILITY STATEMENT

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT (CONT'D)

### Market Presence and Competition and Cost and Resource Optimisation (cont'd)

In addition to operational efficiency focuses, other business management initiatives include resource allocation plans, cost optimisation analysis, and collaboration with business stakeholders such as customers and service providers to identify streamlining opportunities and develop solutions to enhance our business. We actively seek synergistic opportunities that create better value and growth opportunities for the Group.

For detailed information regarding the Group's performance, please refer to the Management Discussion and Analysis and Financial Highlights section of this Annual Report for FY2024.

### Products and Services Quality

Dayang Group's products and services are guided by quality objectives, which set out the quality standards expected of our products and services. Our commitment to quality extends throughout our organisation, from the project management of our project teams to the products and services we deliver to our customers. Overall quality of products and services is safeguarded by the Project Management Teams, which are responsible for monitoring and ensuring the delivery of safe and quality work to our customers.

DESB holds certification for its Quality Management System in accordance with MS ISO 9001:2015. The system has undergone maintenance and ongoing improvement through the Group's internal audit programs and annual SIRIM audit assessment.

We continue to be recognised by our customers and the industry, as demonstrated via the following:

- Certificate of Appreciation for industry survey for review of petroleum regulations (Safety measures) (Transportation of petroleum through pipelines) 1985 by Jabatan Keselamatan dan Kesihatan Pekerjaan (Kementerian Sumber Manusia) and Pengarah Bahagian Keselamatan Petroleum JKKP Malaysia;
- Commemoration of Sarawak Vendors in OGSE Industry 2024 Participation on 1st July 2024;
- Certificate of the Best Overall Vessel Operator Award from Shell Malaysia to DESB Marine Services Sdn Bhd at Marine Business Partner Engagement 2024;
- Certificate from Shell Malaysia to Dayang Enterprise Sdn Bhd at Shell Malaysia Safety Awards 2023 in recognition of the outstanding achievement in the category of SAFETY AWARD-FINALIST UPSTREAM CATEGORY;
- Certificate from Shell Malaysia for the achievement of Timi Project Goal Zero for the SK318 project;
- Certificate of Appreciation to Dayang Enterprise Sdn Bhd as an employer carnival MYFUTUREJOBS in conjunction with the national training week ("NTW") WP Labuan 2024 from Kementerian Sumber Manusia (PERKESO);
- HSE Acknowledgement from JX Nippon Oil & Gas Exploration (M) Ltd to Dayang Enterprise Sdn Bhd contributed towards maintaining ZERO Lost Time Incidents ("LTI") throughout the contract duration, cultivating a proactive safety culture that has resulted in a safer working environment, and demonstrating active participation in UCUX submissions on 23 September 2024;
- Recognition of achieving 2024 HSE Performance Excellence as Best Contractor Award from JX Nippon Oil & Gas Exploration (M) Ltd to Dayang Enterprise Sdn Bhd at HSE Forum 2024;
- 18PH3 project received a Quality+ Certificate of Appreciation from PETRONAS, being the First Petronas Project excelled in Creating New Ways of Working ("NWOW"). The award was presented on 27th November 2024;
- DESB proudly received the prestigious Outstanding Industry Partnership Award 2024 from UTM at the UTM Strategic Partner Appreciation Ceremony and held on 24th November 2024 at the Opero Hotel, Johor Bahru;
- 15th October 2024, at Hotel Permai, Kuala Terengganu, DESB was awarded a Certificate of Appreciation for securing 3rd place in the 2024 Best OSH Practices Competition at the JKKP Terengganu state level;
- The Head of QHSE at Dayang Enterprise Sdn Bhd, was honoured with the prestigious Best Quality Personality Award at the PETRONAS MOGSC QWG #14 event on 28th November 2024;
- D18PH3 project achieved First Oil from D18JT-D platform via well 406-B on 18th November 2024, increasing oil production by 1800 BOPD. Achieved two days ahead of schedule with 790k Safe Manhours and zero LTI;
- On 9th December 2024, we celebrated a key achievement with the successful RFSU for additional well 508L at Bokor E Platform, Sarawak after mothballing for four(4) years; and
- Recognition of Excellence in Collaboration Execution from Hibiscus Petroleum at Hibiscus Malaysia Operated Asset Sabah Integrated Wells Campaign 2024.
- Recognition of QHSE Excellence and Outstanding Efforts for achieving incident free operation of D21 Phase 3 Well Campaign 2024 from ROC Oil to Dayang Enterprise Sdn Bhd on 16th May 2024



# SUSTAINABILITY STATEMENT

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT (CONT'D)

### Market Presence and Competition and Cost and Resource Optimisation (cont'd)

#### Products and Services Quality (cont'd)

The Management conducts monthly meetings to monitor business progress and performance, including addressing any quality and operational issues. Management Review Meetings are further held periodically with Senior Management to monitor key quality performance and achievements. These processes enable the Management to keep a close eye on key business performance indicators, including safety matters, enabling the Corporate Health, Safety, Security and Environment ("HSSE") Department and the QAQC Department to identify potential amendments or enhancements to policies, procedures, and objectives. The QAQC Department is also responsible for auditing the operational units to ensure adherence to ISO Standards.

For further details regarding the quality management system, please refer to the Statement of Risk Management and Internal Control of the Annual Report FY2024.

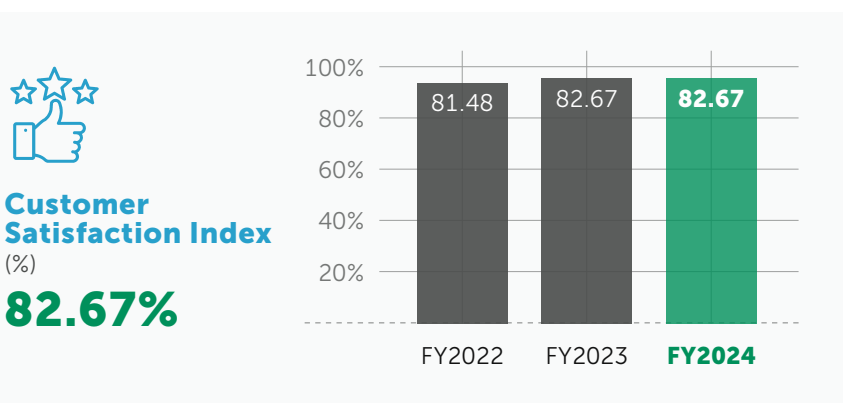
We further utilise internal and external audits to provide independent assurance on the quality and safety of our operations. Annual audits, planned together with the QAQC Department, are carried out by the Group's internal auditors to assess the adequacy and effectiveness of the Group's risk management and internal control system. The operations are also subject to an annual external audit conducted by SIRIM QAS International.

#### Customer Satisfaction

We engage with customers via various approaches to obtain their feedback and understand their concerns regarding our products, services, and operations. A Quality Project Plan is implemented not only to invite constructive views but also to oversee and monitor customer satisfaction.

We measure the "Customer Satisfaction Index" every year via the Group's "Customer Survey Feedback" tool. Customers are invited to provide their scoring, comments, and views regarding our products and services. The feedback is valuable as it provides insight into where our strengths are and also helps us to identify areas for improvement.

We recorded an average Customer Satisfaction Index of 82.67% for FY2024.



#### Suppliers and Service Providers

We also place a strong emphasis on fair and proper business practices in all dealings with stakeholders, including governmental authorities, customers, suppliers, vendors, agents, representatives, contractors, subcontractors, and competitors. We expect stakeholders to adhere to applicable laws and regulations governing free and fair competition within the industry and in our supply chain.

As part of our commitment, all our new suppliers are required to complete a Vendor/Subcontractor Pre-Assessment Sheet and the ABC Declaration form, which is included in the Vendor/Subcontractor questionnaire. The assessment forms part of our evaluation and review process, ensuring our suppliers adhere to the Group's ethical and standards and requirements, as well as meeting our business requirements. We also have regular meetings with contractors and subcontractors to keep all parties of the project updated with the latest progress, including any challenges or risks affecting project progress, in addition to facilitating proactive problem resolution.

# SUSTAINABILITY STATEMENT

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT (CONT'D)

### Market Presence and Competition and Cost and Resource Optimisation (cont'd)

#### Supporting the Local Economy

During the financial year under review, all of the Group's goods and services were procured from local suppliers or service providers.

	FY2023	FY2024
Local Procurement <sup>2</sup>	99%	100%

<sup>2</sup> Local procurement refers to procurement sourced from entities registered in Malaysia.

## EQUAL AND SUSTAINABLE WORKPLACE

### Equal Employment Opportunity

Employees are key human capital for Dayang Group. We believe in equality and diversity, and we strongly advocate for the respect of fundamental human rights of all people. We embrace diversity, non-discrimination, fair treatment, and equal opportunities within our workforce. We aim to cultivate an inclusive organisational culture, nurturing a healthy, secure, and motivated workforce.

Due to the nature of Dayang's business, we rely on contract-based crew staff with whom we have short-term contract arrangements. To better reflect the Group's operation in a more meaningful manner, this year we revised how we present our employee data, reporting contract-based crew staff and office-based employees (which include permanent and contract-based employees) separately. We have also restated FY2023 figures to reflect this new presentation.

The average number of full-time contract-based crews in FY2024 has increased compared to FY2023. The increase is driven by greater projects obtained during the year, requiring additional contract-based crews to support our projects and ensure timely delivery.

	FY2023	FY2024
Average full-time contract-based crews <sup>3</sup>	2,068	2,482

<sup>3</sup> Full-time contract-based crews = total monthly full-time contract-based crews / 12

### DESB Marine Services Sdn Bhd ("DMSSB")

As part of our commitment to responsible governance and sustainable development, DMSSB upholds strong labour practices that safeguard the welfare of our marine crew. While a significant portion of our workforce operates under contract-based arrangements, we ensure all personnel are engaged under a structured compensation framework that is both competitive and compliant with Malaysian labour laws, International Maritime Standards, STCW Code, and the Maritime Labour Convention ("MLC"), 2006.

In alignment with the United Nations Sustainable Development Goal 8 (Decent Work and Economic Growth) and guided by Bursa Malaysia's Sustainability Reporting Framework, we maintain fair wage practices through a proper pay scheme system. This includes timely salary disbursements, adherence to safe working hours, provision of insurance coverage, and access to welfare support. These measures affirm our ESG commitment to 'Social Responsibility, ensuring that the rights and benefits of our crew – whether permanent or contractual – are upheld transparently and equitably.

As of 31 December 2024, Dayang employed 770 office-based employees, comprising 29% permanent employees and 71% contract-based employees. The breakdown of the Group's office-based employees, based on gender, age group, and employee categories, employment type, and turnover and new hire numbers, is as follows.

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Equal Employment Opportunity (Cont'd)

Number (%) of employees (office-based employees)	As at 31 Dec 2024				
	Gender		Age		
	Male	Female	<30	30 - 50	>50
<b>Board of Directors</b>	6 (67%)	3 (33%)	0 (0%)	0 (0%)	9 (100%)
<b>Employees Category</b>					
Senior Management	12 (75%)	4 (25%)	0 (0%)	2 (12%)	14 (88%)
Middle Management	23 (88%)	3 (12%)	0 (0%)	13 (50%)	13 (50%)
Executive	391 (64%)	216 (36%)	122 (20%)	406 (67%)	79 (13%)
Non-Executive	58 (48%)	63 (52%)	44 (36%)	59 (49%)	18 (15%)
<b>Total</b>	<b>484 (63%)</b>	<b>286 (37%)</b>	<b>166 (22%)</b>	<b>480 (62%)</b>	<b>124 (16%)</b>

Number of new hires and employee turnover (office-based employees)	31 Dec 2024	
	New hires number	Turnover number
<b>Employees Category</b>		
Senior Management	0	0
Middle Management	2	7
Executive	140	140
Non-Executive	26	27
<b>Total</b>	<b>168</b>	<b>174</b>

Number (%) of employees (office-based employees)	Full-time permanent (%)	Part-time permanent (%)	Full-time contract -based (%)	Part-time contract -based (%)
31 Dec 2023	319 (35%)	0 (0%)	587 (65%)	0 (0%)
<b>31 Dec 2024<sup>4</sup></b>	<b>227 (29%)</b>	<b>0 (0%)</b>	<b>543 (71%)</b>	<b>0 (0%)</b>

<sup>4</sup> The number of full-time permanent office-based employees as at 31 December 2023 has been restated to reflect the revised reporting scope covering only office-based employees.

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Equal Employment Opportunity (Cont'd)

Number (%) of employees (office-based employees)	As at 31 Dec 2023 <sup>5</sup>				
	Gender		Age		
	Male	Female	<30	30 - 50	>50
<b>Board of Directors</b>	8 (73%)	3 (27%)	0 (0%)	0 (0%)	11 (100%)
<b>Employees Category</b>					
Senior Management	14 (82%)	3 (18%)	0 (0%)	4 (24%)	13 (76%)
Middle Management	41 (68%)	19 (32%)	0 (0%)	31 (52%)	29 (48%)
Executive	440 (66%)	230 (34%)	157 (23%)	432 (64%)	81 (12%)
Non-Executive	83 (52%)	76 (48%)	58 (36%)	78 (49%)	23 (14%)
<b>Total</b>	<b>578 (64%)</b>	<b>328 (36%)</b>	<b>215 (24%)</b>	<b>545 (60%)</b>	<b>146 (16%)</b>

Number of new hires and employee turnover (office-based employees)	31 Dec 2023 <sup>6</sup>	
	New hires number	Turnover number
<b>Employees Category</b>		
Senior Management	0	0
Middle Management	1	0
Executive	168	146
Non-Executive	30	15
<b>Total</b>	<b>199</b>	<b>161</b>

<sup>5</sup> The total number of employees by employee category, age group, and gender as at 31 December 2023 has been restated to report only office-based employees (which include permanent and contract-based employees).

<sup>6</sup> The total number of new hires and employee turnover as at 31 December 2023 has been restated to reflect the revised reporting scope, covering only office-based employees.

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Human Rights and Labour Practices

The Group is committed to upholding human rights. Our commitment is reflected in the Group's Sustainability Policy and Human Rights Policy, designed to foster an equal and inclusive working environment throughout our operations. All our employees are required to adhere to relevant policies and procedures.

Guided by the Human Rights Policy, we embrace diversity, strive to create equal opportunity, and do not tolerate discrimination or harassment. We strive to maintain a workplace that is free from discrimination or harassment based on factors such as race, sex, ethnicity, religion, gender, age, sexual orientation, disabilities, or nationality. The basis for recruitment, hiring, placement, development, training, compensation, and advancement at our operations is justified through qualifications, performance, skills, and experience.

The Group recognises and supports the freedom of association and the rights to collective bargaining for all employees and workers. We do not prohibit or obstruct employees from exercising such a right.

We also explicitly prohibit the use of forced labour, human trafficking, and child labour in our operations. We are committed to complying with applicable laws and industry standards concerning working hours, wages, benefits, and holiday entitlements. We aim to maintain reasonable working conditions while treating every individual with utmost respect and dignity.

Occupational health and safety are among our utmost priorities for active management. Dayang has policies and management systems to support the risk identification, management, monitoring, and reporting of safety and health matters to ensure a safe working environment for all.

Due diligence is conducted to identify and mitigate any actual or potential adverse impacts on our activities or our business relationships. Recognising that human rights due diligence is an ongoing process, we emphasise specific attention at certain stages in our business activities, such as the establishment of new partnerships or our operating conditions, and additional due diligence may also be carried out, as appropriate.

### Reporting concerns or violations

Dayang Group has established relevant grievance mechanisms for employees to highlight any issues related to their employment and work conditions, including those related to human rights or employment practices, to the Human Resources Department. The mechanism aims to facilitate effective conflict resolution. Serious misconduct may be further reported via the whistleblowing mechanism. On the other hand, we also promote awareness amongst employees about their rights and knowing when to seek help or report violations. Such awareness briefings are carried out for new employees during their Human Resource Induction Session.

During the financial year under review, there were no substantiated complaints concerning human rights violations.

	FY2023	FY2024
Substantiated complaints concerning human rights violations	0	0

### Employee Engagement and Talent Development

Dayang Group maintains open and transparent communication with its employees. Employee engagement is one of the tools for building a sustainable workforce. In addition to employees' usual work, the Group carries out various engagement activities to enable employees' sense of work-life balance, sense of community, and personal and professional development. Activities such as training, town hall, and team building are carried out to strengthen team cohesion, promote cooperation and learning, stimulate creativity and innovation, cultivate skills and knowledge, and enhance alignment with the organisation's direction.

Dayang Group gave our Long Service Awards to 14 employees in FY2024.

Employee surveys are carried out from time to time to seek feedback from employees. In addition, all employees are subject to annual performance appraisals to review their performance during the year.



# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Employee Engagement and Talent Development (Cont'd)

Dayang develops the Group's human capital through empowerment and ongoing investments in the skills and competencies of its workforce through the provision of training and talent development programs. The Group's employee development strategies also incorporate succession planning, which considers the ongoing leadership and management skills required by the Group in the medium and long-term.

#### Top Side Maintenance Services

Under the Top Side Maintenance Services, our full-time contract-based crews are also required to meet all client requirements to ensure their competence when working and servicing at our client facilities. In addition to the obligatory Medical Fitness Report, the competency training completed by our crew includes, but is not limited to:

- Internal training includes a supervisory course, Bolt Flange joint integrity ("BFJI"), mercury awareness, Noise Hearing, Conversation awareness ("NHCA"), Safe handling of Chemical ("SHOC") and Hydrotest; and
- External training includes T-Bosiet, T-Foet, Basic H2S, rigging/ slinging, scaffolding, welding, fire watcher, rescue at height ("RAH"), working at height ("WAH"), blasting painting, and PTW 1 and 2.

#### Marine Offshore Support services

All marine crew under DMSSB are employed on a contract-based basis, and they are fully certified and competent, having successfully completed the required Standards of Training, Certification and Watchkeeping ("STCW") courses, as well as mandatory industry-specific and client-required training programs. This includes competencies in offshore safety, emergency preparedness, and vessel operations, ensuring full compliance with both regulatory standards and client expectations.

Our training and compliance framework ensures that every crew member deployed to our vessels is qualified, current in certifications, and fully prepared to support project execution in demanding offshore environments. We work closely with our clients to continuously align our training requirements with evolving industry standards and operational needs.

This commitment reflects our dedication to crew safety, service quality, and sustainability – supporting SDG Goal 4: Quality Education and SDG Goal 8: Decent Work and Economic Growth, while upholding the governance principles under our ESG strategy.

In FY2024, the Group provided a total of 4,313 training hours to its office-based employees, including permanent and contract-based employees. Employees are required to attend various and relevant training sessions to ensure compliance with safety regulations, operational excellence, and industry standards.

Total Hours of Training (office-based employees)	FY2023 <sup>7</sup>	FY2024
<b>Employees Category</b>		
Senior Management	0	<b>24</b>
Middle Management	198	<b>112</b>
Executive	4,874	<b>3,519</b>
Non-Executive	1,271	<b>658</b>
<b>Total</b>	<b>6,343</b>	<b>4,313</b>

The training topics provided to employees, which may be conducted internally or by external parties, are included as follows:

Enhanced COI Framework	Analysis and Case Studies on the Reporting Framework for Beneficial Ownership of Legal Persons
ESG - Role of the Accountant and Financial Reporting	Understanding Requirements of BNM & SSM on Beneficial Ownership of Legal Persons
ACCA Virtual Seminar - Post Budget 2025	ASME IX Welding Qualification Workshop
MFRS Updates 2024	IMM Certified Coating Inspector Level 1
MIA Town Hall 2024/2025	Understanding the Sarawak Labour Ordinance and Employment (Amendment) Act 2022
ACCA: Budget 2025 Highlights	IMM-JWES Welding Engineer
Sales & Service Tax ("SST") Latest Updates - Common implementation issues and health check in preparation for audit	Invoice Strategy
Understanding of New SST Imposed on Logistics, Repair or Maintenance Services	Employers' Tax Obligation
Recent Amendments to Listing Requirements: Enhanced Conflict of Interest Framework	3rd Conference QHS2E GPP
Latest Updates: Service Tax for Service Industry	

<sup>7</sup> We have restated the training data in FY2023 to reflect the revised reporting scope, covering only office-based employees. Due to the revision in reporting scope, HSSE training hours for KL office-based employees were not available for FY2023. HSSE training hours for KL office-based employees are included for FY2024 data.

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Occupational Health and Safety

The Group is committed to promoting a safe, conducive, and healthy working environment for all individuals, encompassing employees, including foreign employees, workers, and visitors, in Dayang Group's business operations and services. We also make our commitment clear through the Group's Safety and Health Policy and Sustainability Policy.

In this regard, the HSSE Department, chaired by the HSSE Manager, plays a crucial role in overseeing the overall management of health, safety, security, and environmental considerations in the Group's operations. The HSSE Department is responsible for overseeing and ensuring adherence to HSSE policies, regulations, and guidelines, promoting HSSE awareness and fostering a work culture that prioritises the overarching objective of preventing harm to individuals and safeguarding the environment in which we operate and reside.

Our HSSE practices are guided by established HSSE Guidelines, which cover the following areas:



Furthermore, HSSE at Dayang Group is managed via the HSSE Management System ("HSSE-MS"), which has undergone reviews and improvements to align with industry standards, including that of one of our key clients, Petronas. The HSSE-MS addresses the following elements.



# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Occupational Health and Safety (cont'd)

To ensure the ongoing effectiveness and efficiency of the HSSE-MS, the Management Review process requires that the HSSE policies, procedures, and other documents are reviewed by the Management at planned intervals.

HSSE at operational sites is overseen by the respective Occupational Safety and Health ("OSH") Committees, which have a balanced representation of Management-level personnel and ground-level employees to actively involve stakeholders in decision-making processes related to health and safety, thereby fostering a comprehensive and collaborative approach to maintaining a secure and compliant operational environment.

The breakdown of Dayang's OSH Committee representatives is summarised as follows:

Representatives in the OSH Committees	FY2022	FY2023	FY2024
Management	30	31	31
Employee	30	31	31

HSSE meetings and monthly OSH Committee Meetings are conducted at various levels, encompassing offshore locations, warehouse yards and offices, serving as a platform for effective communication. The meetings include as follows:

- Daily Toolbox Meeting;
- Monthly Location HSSE Meeting/LOCHSEC;
- Join meeting with the operation team from the client;
- Monthly HSSE Community Meeting;
- Quarterly Contractor Engagement; and
- Annually QHSSE Week/Day.

The Group ensures alignment with regulatory safety frameworks such as the Malaysian Occupational Safety and Health Act 1994, Environmental Quality Act 1974, regulation orders and other relevant Codes of Practice. This alignment ensures that our activities adhere to established standards and legal requirements and uphold the expected level of safety standards. Similarly, the Group's HSSE processes and controls are also subject to internal audits to assess the adequacy and effectiveness of the system.

HSSE risk areas and hazards are identified through regular HSSE risk assessments, where risk areas are analysed for their likelihood and impacts. Mitigative steps are subsequently devised to address the identified risk areas. The HSSE Department makes the effort to take effective steps to prevent potential accidents and injuries to employees' health by minimising, so far as is reasonably practicable, and in cooperation with its employees, the causes of hazards inherent in the workplace.

On the other hand, the OSH Committees of the respective sites work together with the HSSE Department to manage and monitor HSSE risks specific to their sites. The HSSE Department also serves as a centralised role to gather the experience and feedback from the various sites to standardise and develop standard operating procedures that incorporate better practices for consistent implementation throughout the Group, as appropriate.

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Occupational Health and Safety (cont'd)

We collect, analyse, and manage records related to workplace accidents, dangerous occurrences, occupational poisoning, and occupational diseases that occurred. In the event of any accident/ incident or injuries, investigations will be conducted promptly to identify root causes and implement corrective measures. The health and safety performance, investigation, and control undertaken will be reported to the HSSE Department and OSH Committees, and awareness will be shared within the operations to prevent the recurrence of similar accidents or incidents. Apart from that, our workplace is periodically inspected to assess whether any machinery, plants, equipment, substances, appliances, or processes or types of manual labour used therein pose any safety risks.

All employees receive relevant safety briefings or training to ensure that they are sufficiently equipped with HSSE knowledge and skills to carry out their work safely. SHO Continuous Education Programmes are also provided to all our employees to ensure that our employees stay abreast of industry advancements, emerging trends, and evolving best practices relating to HSSE.

During the financial year under review, there were 46 office-based employees, including permanent and contract-based employees, trained on health and safety standards.

#### Office-based employees and contract-based crews

FY2023<sup>8</sup> FY2024

#### Employees trained on health and safety standards (number)

42 46

Due to the nature of our business and to comply with legal regulations, as well as client expectations, all our full-time contract-based crews are required to attend relevant and required health and safety standards. In FY2024, HSSE training provided for employees includes the following topics:

#### H2S Safety

Tropical Basic Offshore Safety Induction and Emergency Training)

Incident investigation & Reporting

Authorised Entrant & Standby Person for Confined Space

Defensive Driving Course

Seminar Akta A1648

Road Safety Heroes "Road Traffic Safety Management"

Incident Reporting & Analysis Technique

Scheduled Waste Management Train the Trainer

Construction Work Design and Management Seminar 2024

Seminar AKKP (Pindaan) - AKJ (Pemansuhan)

OSHCOF 24: Trends and Transformation In Occupational Health

Symposium Pengurusan Air Dan Marin ke arah Kelestarian Alam Sekitar

International Fire Conference And Exhibition Malaysia

Awareness of Hearing Conservation Programme

Assistant Medical Review Officer

<sup>8</sup> The number of employees trained on health and safety standards in FY2023 has been restated to reflect the revised reporting scope, covering only office-based employees. Due to the revision in reporting scope, the number of employees trained on health and safety standards for KL office-based employees were not available for FY2023 and FY2024.

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Occupational Health and Safety (cont'd)

Dayang Group's safety performance in FY2024 is summarised as follows:

Office-based employees	FY2023	FY2024	
	Performance	Target	Performance
<b>HSSE rule breaking/violation</b> (cases)	0	0	0
<b>Work-related accident/incident</b> (cases)	3	0	9
<b>Total Recordable Case Frequency ("TRCF")/Lost Time Incident Rate ("LTIR")<sup>9</sup></b> (cases)	0.38	0.00	0.32
<b>Near miss reporting</b> (cases)			2
<b>Work-related fatalities</b> (cases)			0

<sup>9</sup> TRCF/LTIR = number of incidents/ manhours x 1,000,000

All cases that occurred in FY2024 were investigated, and appropriate controls were implemented to prevent similar incidents from recurring in our business operations.

### Supporting Community & Society

Dayang is supportive of community investments and contributions that benefit society overall, particularly in initiatives supporting vulnerable communities so that they are not left behind as society and the country progress.

We provided our support where we could, through various methods, including donating a van, sponsoring to Petronita Orchid Run & Ride 2024, making donations to the charity GALA Dinner, and contributing to the Sarawak Unity Education Fund under the MyKasih Foundation. Among others, we also donated to various recipients such as Sekolah Kebangsaan Long Bemang, Ahli Lembaga Pelawat Hospital Miri, Miri Cerebral Palsy Association, Elim Rehabilitation Centre, and Victory Home, as well as sponsoring the Miri Baby-Friendly Hospital Initiative for World Breastfeeding Week 2024.

We have a target of making at least 3 donations or contributions to society every year. In FY2024, we made about 11 contributions amounting to approximately RM 267,891 and benefiting about 260 beneficiaries. The CSR activities conducted by the Group are documented in the Annual Report FY2024.

	FY2023	FY2024
<b>Amount invested in the community<sup>10</sup></b> (RM)	22,000	267,891
<b>Estimated number of beneficiaries of the investment in communities</b> (number)	694	260

<sup>10</sup> Exclude beneficiaries that are internal to the Group



# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Supporting Community & Society (cont'd)



Beach Cleanup Event



Dayang Invitational Golf 2024



Blood Donation Day



Palliative Care 2024



Palliative Care 2024



Petronita Charity Run & Ride Event 2024

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION

The Group continues to ensure environmental compliance through its management system and performance monitoring. We remain steadfast in our commitment to comply with relevant environmental laws and regulations. Dayang Group views pollution risks seriously and has established an Environment Policy to commit to compliance and strives towards efficiently utilising materials and resources.

The Heads of Departments hold regular meetings to review business performance, which also includes a review of compliance with relevant environmental regulations. Environmental Regulatory Compliance Monitoring ("ERCM") reporting is conducted monthly to facilitate close monitoring, and it also serves as a platform to enable environmental issues to be highlighted and discussed proactively, as well as other regulatory updates. These initiatives support ongoing improvement in the Group's environmental compliance and performance. Regular internal audits are also carried out to assess the adequacy and efficiency of our internal controls in relation to environmental compliance and performance.

In addition to compliance matters, the Group also acknowledges its responsibility in addressing climate-related concerns and risks in relation to the sustainability of the Group as well as the sustainability of the environment in which it operates.

### Climate Change & Greenhouse Gas Emissions

#### Energy and Emissions Management

We continue to carry out initiatives to monitor and manage our energy consumption. We continue to take actions to save and optimise energy consumption in our offices, as well as promote an energy-saving mindset among employees.

#### DESB Marine Services Sdn Bhd ("DMSSB")

All active officers and crews underwent operational emissions mitigation training periodically. By implementing this regular training, we aim to foster a culture of environmental responsibility throughout our operations.

During periods of vessel off-hire, such as standby or maintenance, we prioritise the utilisation of electricity supplied from the shore to the greatest extent possible. This helps us reduce reliance on diesel for electricity for vessel standby and maintenance.

All our vessels comply with the Ship Energy Efficiency Management Plan ("SEEMP"), International Air Pollution Prevention, and, in addition, our workboats comply with the Fuel Oil Management Plans while in operation.

The Group consumed a total of 130,286 MWh in FY2024, comprising 127,985 MWh from fossil fuels used in Group-owned and controlled assets and vehicles, and 2,301 MWh from purchased electricity.

	FY2023	FY2024
<b>Diesel</b> (MWh)	126,782 <sup>11</sup>	<b>127,872</b>
<b>Petrol</b> (MWh)	72	<b>113</b>
<b>Electricity</b> (MWh)	2,659	<b>2,301</b>
<b>Energy consumption</b> (MWh)	<b>129,513</b>	<b>130,286</b>

<sup>11</sup> FY2023 diesel has been restated to include diesel consumption from the Equipment Rental Division, which was previously not included.

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Climate Change & Greenhouse Gas Emissions (cont'd)

#### Energy and Emissions Management (Cont'd)

The emissions reported by the Group are generally derived from its energy consumption. The Group recorded 31,602 tCO<sub>2</sub>e in Scope 1 emissions and 1,018 tCO<sub>2</sub>e in Scope 2 emissions in FY2024. This year, we are also reporting our Scope 3 Category 6 – Business Travel and Category 7 – Employee Commuting emissions, estimated at 532 tCO<sub>2</sub>e and 773 tCO<sub>2</sub>e, respectively.

During the financial year under review, the Group recorded 32,620 tCO<sub>2</sub>e of scope 1 and 2 emissions, which are mainly derived from energy use. The Group also restated FY2023's emissions data to align with updated data provided by the Malaysian Energy Commission.

#### Pollution Management

Pollution management continues to be a challenge and a focus area for our industry.

We ensure our vessels comply with the SEEMP under the International Convention for the Prevention of Pollution from Ships ("MARPOL"). We continue to take efforts to comply with the Department of Environment ("DOE") regulations governing yard operations and MARPOL requirements for marine vessels. Maintenance, testing, and repair work for vessels and machines are scheduled and carried out in time to prevent or reduce pollution arising from under-maintained equipment.

	FY2023	FY2024
<b>Scope 1 emissions<sup>12</sup></b> (tCO <sub>2</sub> e)	31,320 <sup>13</sup>	<b>31,602</b>
<b>Scope 2 emissions<sup>14</sup></b> (tCO <sub>2</sub> e)	1,282	<b>1,018</b>
<b>Total Scope 1 and 2 emissions generated</b> (tCO <sub>2</sub> e)	<b>32,602</b>	<b>32,620</b>
<b>Scope 3 emissions<sup>15</sup></b> (tCO <sub>2</sub> e)		
Category 6 Business Travel	N/A <sup>16</sup>	532
Category 7 Employee Commuting	N/A <sup>17</sup>	773

<sup>12</sup> Scope 1 GHG emissions for fuels were estimated based on the GHG Protocol's Calculation Tools, namely the Stationary Combustion Tool (version 4.2) and Transport Tool (version 2.7). Source: <https://ghgprotocol.org/calculation-tools-and-guidance>.

<sup>13</sup> FY2023 Scope 1 emissions have been restated to include diesel consumption from the Equipment Rental Division, which was previously not included.

<sup>14</sup> Estimated using:

- For FY2023: restated using (1) Peninsular's Grid Emission Factor for FY2022: 0.774 Gg CO<sub>2</sub>e/ GWh (2) Sabah's Grid Emission Factor for FY2022: 0.525 Gg CO<sub>2</sub>e/ GWh (3) Sarawak's Grid Emission Factor for FY2022: 0.199 Gg CO<sub>2</sub>e/ GWh. Source: <https://myenergystats.st.gov.my/news-resources>.
- For FY2024: estimated using (1) Peninsular's Grid Emission Factor for FY2022: 0.774 Gg CO<sub>2</sub>e/ GWh (2) Sabah's Grid Emission Factor for FY2022: 0.525 Gg CO<sub>2</sub>e/ GWh (3) Sarawak's Grid Emission Factor for FY2022: 0.199 Gg CO<sub>2</sub>e/ GWh. Source: <https://myenergystats.st.gov.my/news-resources>.

<sup>15</sup> FY2024 Scope 3 GHG emissions for Business Travel and Employee Commuting were estimated based on the GHG Protocol's Calculation Tools, namely the Stationary Combustion Tool (version 4.2) and Transport Tool (version 2.7). Source: <https://ghgprotocol.org/calculation-tools-and-guidance>.

<sup>16</sup> We began to report Scope 3 Category 6 Business Travel data in FY2024.

<sup>17</sup> We began to report Scope 3 Category 7 Employee Commuting data in FY2024.

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Climate Change & Greenhouse Gas Emissions (cont'd)

#### Pollution Management (Cont'd)

##### **Dayang Enterprise Sdn Bhd ("DESB")**

DESB carries out strategies for sustainable energy practices and emissions reduction. DESB identifies and capitalises on opportunities to transition to renewable alternatives, in line with the global trend to move towards clean and sustainable energy while reducing the carbon footprint.

From time to time, DESB considers opportunities and projects to offset or avoid emissions, such as using energy-efficient LED lighting, recycling of e-waste, and promoting energy conservation among employees. By engaging in these initiatives, DESB seeks to balance and neutralise the environmental impact of Dayang's operations, contributing to a more ecologically responsible and sustainable business model.

##### **DESB Marine Services Sdn Bhd ("DMSSB")**

DMSSB emphasises compliance with international environmental standards, particularly in the realm of air pollution prevention. The company ensures that its vessels strictly adhere to the regulations of the MARPOL 73/78 Annex VI. This international maritime agreement sets forth guidelines and measures aimed at curbing air pollution from ships by regulating emissions of pollutants such as sulphur oxides ("SOx") and nitrogen oxides ("NOx"). By adhering to MARPOL 73/78 Annex VI, DMSSB not only demonstrates its commitment to environmental responsibility but also contributes to the broader global effort to mitigate the impact of shipping activities on air quality and marine ecosystems. DMSSB also carries out various measures such as installation and proper functioning of essential equipment, including oily water separators, sewage treatment plants, garbage compactors, and more.

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Waste Management

Dayang has a Scheduled Waste Management Policy in alignment with the organisation's unwavering commitment to environmental protection and strict adherence to the Environment Quality Act 1974. Dayang is committed to minimising the negative environmental and social consequences associated with the waste generated from the Group's business activities, operations, and products.

Dayang Group places a high priority on ensuring proper waste management. We have in-house personnel certified as Competent Certified Environmental Professionals in Scheduled Waste Management ("CepSwam") to manage all scheduled waste for our operation. The CepSwam-certified personnel also oversee and implement the Group's waste management policies.

We monitor our schedule waste management via the Electronic Scheduled Waste Information System ("eSWIS"), which facilitates systematic monitoring, tracking, and documentation of scheduled waste management. The system also enables efficient management and compliance with regulations. The scheduled waste generated is collected by qualified service providers who carry out disposal in accordance with environmental standards and guidelines.

The Group has also implemented several initiatives for the storage and collection of both waste and recyclables, including having dedicated area and storage for the collection of non-hazardous material for recycling, facilitating the reduction of scheduled waste generated that is hauled and disposed of by licensed disposal companies, and designating a dedicated area where on-site sorted waste materials can be stored in separate skids for collection facilities.

Dayang Group generated 829 tonnes of waste in FY2024, comprising 570 tonnes of hazardous waste and 259 tonnes of non-hazardous waste.

	FY2024				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste					
SW104 (Used Garnet)	409.75	0.00	0.00	388.92	20.83
SW 109 (Waste containing mercury or its compound)	0.56	0.00	0.29	0.27	0.00
SW 305 (Spent lubricating oil)	2.55	0.00	0.00	2.55	0.00
SW 309 (Oil-water mixture such as ballast water)	3.60	0.00	0.00	3.60	0.00
SW 311 (Waste oil or oily sludge)	41.85	0.00	32.95	8.90	0.00
SW322 (Waste of non-halogenated organic solvent)	0.00	0.00	0.00	0.00	0.00
SW409 (Contaminated Paint Can, Container, bags/equipment contaminated with chemicals, pesticides, minerals)	37.35	0.00	2.50	34.85	0.00
SW410 (Contaminated cotton rag, oil filter, Plastics, Paper/filters)	9.39	0.00	0.00	9.39	0.00
SW 417 (Waste of inks, paints, pigments, lacquer, dye/vanish)	56.66	0.00	0.25	56.41	0.00
SW 418 (Discarded Paint)	7.74	0.00	0.00	7.74	0.00



# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Waste Management (cont'd)

	FY2024				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste (cont'd)					
SW 422 (A mixture of scheduled and non-scheduled wastes)	0.27	0.00	0.00	0.27	0.00
SW429 Chemicals that are discarded/ off specification	0.20	0.00	0.00	0.20	0.00
Total	569.71	0.00 35.98	35.98	512.90 533.73	20.83
Non-hazardous waste					
E-Waste	0.03	0.00	0.03	0.00	0.00
Scrap Metal	258.31	258.31	0.00	0.00	0.00
Used Battery	0.26	0.26	0.00	0.00	0.00
Used Copier Toner & Drum Cartridge	0.37	0.00	0.37	0.00	0.00
Total	258.97	258.57 258.97	0.40	0.00 0.00	0.00
Total Waste Generated	828.68	258.57	36.38	512.90	20.83

	FY2023				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste <sup>18</sup>					
SW102	0.35	0.00	0.00	0.35	0.00
SW104 (Used Garnet)	266.70	0.00	0.00	245.47	21.23
SW 109 (Waste containing mercury or its compound)	0.10	0.09	0.00	0.01	0.00
SW 305 (Spent lubricating oil)	2.44	0.00	0.00	2.44	0.00
SW 309 (Oil-water mixture such as ballast water)	12.74	0.00	0.00	12.74	0.00
SW 311 (Waste oil or oily sludge)	33.89	0.00	27.33	6.56	0.00
SW322 (Waste of non-halogenated organic solvent)	2.37	0.00	0.00	0.00	2.37
SW409 (Contaminated Paint Can, Container, bags/equipment contaminated with chemicals, pesticides, minerals)	35.16	0.00	2.68	31.28	1.20
SW410 (Contaminated cotton rag, oil filter)	7.06	0.00	0.00	7.02	0.04

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Waste Management (cont'd)

	FY2023				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste (cont'd)					
SW 417 (Waste of inks, paints, pigments, lacquer, dye/vanish)	49.15	0.00	0.85	48.30	0.00
SW 418 (Discarded Paint)	13.31	0.00	0.00	13.31	0.00
SW 422 (A mixture of scheduled and non-scheduled wastes)	0.57	0.00	0.04	0.53	0.00
SW 429 Chemicals that are discarded/ off specification	0.02	0.00	0.00	0.02	0.00
Total	423.84	0.00 30.99	30.99	368.03 392.87	24.84
Non-hazardous waste					
Domestic Waste	1.20	0.00	0.00	0.00	1.20
Scrap Metal	354.56	354.56	0.00	0.00	0.00
Used Battery	1.50	1.50	0.00	0.00	0.00
Total	357.26	356.06 356.06	0.00	0.00 1.20	1.20
Total Waste Generated	781.12	356.06	30.99	368.03	26.04

<sup>18</sup> FY2023 hazardous waste has been restated to include the waste data from the marine division.

### Water Management

Dayang Group does not have a significant water-related impact on its operation, deeming water management a lower risk in relation to our business operations. Despite this, we ensure that our operations conscientiously utilise water resources in a responsible manner. We do not have any business operating in water-stressed areas.

During the financial year under review, the Group recorded 16.94 megalitres ("ML") of water consumption.

Dayang Group	FY2023	FY2024
<b>Water Consumption</b> (MI)	18.44	<b>16.94</b>

# SUSTAINABILITY STATEMENT

## PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

The performance data below, generated from the ESG Reporting Platform, highlights key indicators aligned with our Material Matters as follows:

Indicator	Measurement Unit	2023	2024
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage	38.00	0.00
Middle Management	Percentage	37.00	0.00
Executive	Percentage	50.00	28.00
Non-Executive	Percentage	47.00	7.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	22,000.00	267,891.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	694	260
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management Under 30	Percentage	0.00	0.00
Senior Management Between 30-50	Percentage	24.00 *	12.00
Senior Management Above 50	Percentage	76.00 *	88.00
Middle Management Under 30	Percentage	0.00	0.00
Middle Management Between 30-50	Percentage	52.00 *	50.00
Middle Management Above 50	Percentage	48.00 *	50.00
Executive Under 30	Percentage	23.00	20.00
Executive Between 30-50	Percentage	64.00 *	67.00
Executive Above 50	Percentage	12.00 *	13.00
Non-Executive Under 30	Percentage	36.00 *	36.00
Non-Executive Between 30-50	Percentage	49.00 *	49.00
Non-Executive Above 50	Percentage	14.00 *	15.00
Gender Group by Employee Category			
Senior Management Male	Percentage	82.00 *	75.00
Senior Management Female	Percentage	18.00 *	25.00
Middle Management Male	Percentage	68.00 *	88.00
Middle Management Female	Percentage	32.00 *	12.00
Executive Male	Percentage	66.00 *	64.00
Executive Female	Percentage	34.00 *	36.00
Non-Executive Male	Percentage	52.00 *	48.00
Non-Executive Female	Percentage	48.00 *	52.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	73.00	67.00
Female	Percentage	27.00	33.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00

# SUSTAINABILITY STATEMENT

## PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2023	2024
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	129,513.00 *	130,286.00
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.38	0.32
Bursa C5(c) Number of employees trained on health and safety standards	Number	42 *	46
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	0 *	24
Middle Management	Hours	198 *	112
Executive	Hours	4,874 *	3,519
Non-Executive	Hours	1,271 *	658
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	65.00 *	71.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	0	0
Middle Management	Number	0	7
Executive	Number	146 *	140
Non-Executive	Number	15 *	27
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	100.00
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	18.440000	16.940000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	781.12 *	828.68
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	387.05 *	294.95
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	394.07 *	533.73
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	31,320.00 *	31,602.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,282.00 *	1,018.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	1,305.00

Internal assurance    External assurance    No assurance

(\*) Restated