

Sustainability Statement

1. About this Sustainability Statement

Sustainability continues to be at the heart of our decision-making and business management, ensuring that our business grows resiliently and achieves long-term success. As one of the leading biscuit, cracker, and cookie manufacturers in Malaysia, Hup Seng Industries Berhad (“HSIB” or “the Group”) recognizes its responsibility to deliver added value to society by practicing and promoting sustainable business practices.

We are proud to present our ninth sustainability statement (“the Statement”), covering the period from 1 January 2025 to 31 December 2025. The Statement outlines HSIB’s sustainability journey, provides a summary of our key environmental, social, and governance (“ESG”) activities and highlights, and is intended to be read alongside the FY2025 Sustainability Report (“the Report”).

The disclosures in this statement and its accompanying report have been prepared in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), guided by Bursa Malaysia’s Enhanced Sustainability Reporting Framework, Sustainability Reporting Guide and Toolkits (3rd Edition), the United Nations Sustainable Development Goals (“UN SDGs”), as well as the Global Reporting Initiative (“GRI”) Standards.

The scope of this statement covers our business operations in Malaysia, namely HSIB, Hup Seng Perusahaan Makanan (M) Sdn. Bhd., Hup Seng Hoon Yong Brothers Sdn. Bhd., and In-Comix Food Industries Sdn. Bhd.

Full details of our Sustainability Report are available on our website at www.hsib.com.my.

2. Sustainability Governance Structure



In 2025, HSIB reinforced its governance framework by integrating sustainability oversight with risk management, creating a holistic structure that strengthens accountability and embeds sustainability into core business processes. This alignment ensures that risk management supports long-term value creation while sustainability becomes a strategic priority across the Group.

The Board of Directors provides overall leadership and accountability for sustainability commitments. It oversees the integration of sustainability into corporate strategy and delegates detailed oversight to the newly formed Sustainability and Risk Management Committee (“SRMC”).

The SRMC, established by merging sustainability and risk oversight, ensures that sustainability risks and opportunities are considered alongside enterprise risks. It reviews strategy, risk assessments, and progress against commitments, reporting directly to the Board.

The Sustainability Project Committee (“SPC”) operationalizes the sustainability strategy, embeds sustainability into business processes, prepares reports, and escalates key issues to the SRMC. It ensures alignment between risk and sustainability priorities.

Meanwhile, the Risk Working Committee (“RWC”) continuously identifies, evaluates, and manages risks relevant to business objectives. It develops and monitors the risk management framework, detects emerging risks, and escalates significant issues to the SRMC.

Together, these bodies create a cohesive governance model that integrates sustainability and risk management strategically.

3. Risk Management and Sustainability

Risk management is a fundamental aspect of HSIB’s governance and forms an integral part of decision-making, protecting the Group’s value while mitigating potential negative impacts on people, society, and the environment. The Group has implemented a continuous risk management process to ensure risks are identified, assessed, prioritised, controlled, and monitored at acceptable levels.

The Board oversees management in formulating, updating, and maintaining an effective risk management framework. The Group’s Enterprise Risk Management (ERM) framework, aligned with ISO 31000, supports systematic identification, assessment, monitoring, and reporting of significant risks. The RWC plays a vital role in managing emerging risks and escalating key issues to the Board through the SRMC. A comprehensive risk register captures material risks and controls, with sustainability-related risks mapped to the overall risk profile. ESG considerations are embedded into decision-making, reinforcing resilience and stakeholder confidence.

Throughout the year, HSIB reviewed and reevaluated its risk profile against global standards and best practices, identifying principal and emerging risks and agreeing on the Group’s risk appetite.

4. Stakeholder Engagement

Stakeholders are crucial to HSIB’s growth and development. Engaging with them helps identify key sustainability issues and solutions for managing our material matters. Through regular

engagements, we gather valuable insights that shape our risk management and decision-making. We connect with stakeholders in both formal and informal settings, from meetings to ongoing dialogues, and collaborate with external partners to address issues as they arise, helping us achieve our environmental, social, and economic goals.

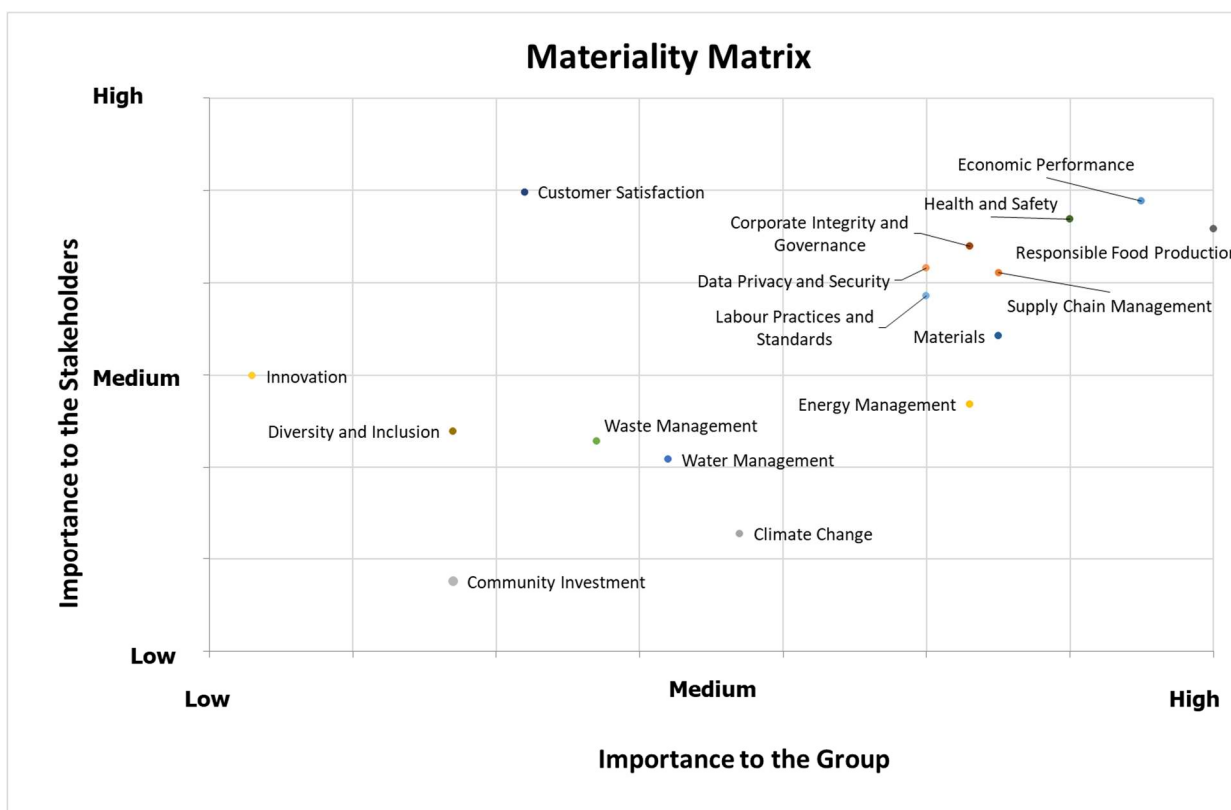
We have summarized our key stakeholders and methods of engagement in the following table:

Stakeholders	Frequency	Types of Engagement	Focus
Customers	<ul style="list-style-type: none"> • Throughout the year • As needed 	<ul style="list-style-type: none"> • Feedback surveys • Social media channels (e.g. Facebook and Instagram) • Corporate website 	<ul style="list-style-type: none"> • Safe, nutritious and quality products • Regulatory compliance • Third party food certification • Customer satisfaction
Suppliers	<ul style="list-style-type: none"> • Annually • As needed 	<ul style="list-style-type: none"> • Interviews • Face-to-face interactions • Supplier performance evaluation 	<ul style="list-style-type: none"> • Regulatory compliance • Business continuity • Fair pricing • Responsive and timely communication
Employees	<ul style="list-style-type: none"> • Annually • As needed 	<ul style="list-style-type: none"> • Learning and development programs • Employee performance appraisal • Team building activities • Sports and social events 	<ul style="list-style-type: none"> • Respect for human rights • Safe and healthy workplace • Job security and supportive welfare • Equal opportunity and career development
Shareholders	<ul style="list-style-type: none"> • Quarterly • Annually • As needed 	<ul style="list-style-type: none"> • Financial results • Press releases • Corporate website • Annual General Meeting 	<ul style="list-style-type: none"> • Financial performance • Good corporate governance
Regulators	<ul style="list-style-type: none"> • Throughout the year • As needed 	<ul style="list-style-type: none"> • Statutory submissions • Site visits and conferences • Audits and assessments 	<ul style="list-style-type: none"> • Ethical business practices • Product quality and safety • Halal certification • Occupational health and safety • GHG and other emissions • Effluent and waste
Media	<ul style="list-style-type: none"> • Throughout the year • As needed 	<ul style="list-style-type: none"> • Media interviews • Press releases • Advertisements 	<ul style="list-style-type: none"> • Business strategy and business growth • New product launches • Product quality and safety • Regulatory compliance
Non-Governmental Organisations	<ul style="list-style-type: none"> • As needed 	<ul style="list-style-type: none"> • Corporate social responsibility activities 	<ul style="list-style-type: none"> • Ethical business practices • Good corporate governance
Community	<ul style="list-style-type: none"> • Throughout the year 	<ul style="list-style-type: none"> • Social media channels (e.g. Facebook and Instagram) • Corporate website • Community events 	<ul style="list-style-type: none"> • Direct and indirect economic contribution • Responsible environmental management and contribution to society

Stakeholders	Frequency	Types of Engagement	Focus
Consumers	<ul style="list-style-type: none"> Throughout the year 	<ul style="list-style-type: none"> Social media channels (e.g. Facebook and Instagram) Corporate website Product campaigns 	<ul style="list-style-type: none"> Brand awareness Consumers preferences and market trends
Industry and Trade Associations	<ul style="list-style-type: none"> As needed 	<ul style="list-style-type: none"> Association meetings Trainings Exhibitions 	<ul style="list-style-type: none"> Industry trends and standards Knowledge and information sharing
Academia	<ul style="list-style-type: none"> As needed 	<ul style="list-style-type: none"> Corporate website 	<ul style="list-style-type: none"> Knowledge and information sharing

5. Materiality Assessment

Identifying the Group’s ESG matters that have material impact is key to formulating and implementing sustainable strategies. The materiality matrix was developed based on the importance of material sustainability issues to key stakeholders and to the business operations. The matrix is as follows:



Our materiality assessment was guided by Bursa Securities’s Sustainability Reporting Guide (3rd Edition), Bursa Securities’s Toolkit and reference made to our risk management framework to ensure that our economic, environmental, social and governance risk profile remains relevant.

In FY2025, we conducted a review of its materiality matrix as part of its commitment to ensure that sustainability priorities remained relevant and aligned with the evolving landscape of challenges and opportunities. As a result, we confirmed that no changes were required to the existing materiality topics. This reaffirmation underscored the continued relevance of the identified priorities, which were detailed further in the report.

Materiality Topic	Why Material to HSIB and Our Stakeholders	Potential Risk	Potential Opportunity	Corresponding UN SDG
Economic Performance	Strong economic growth creates long-term value for both the company and stakeholders.	Economic stagnation limits development and reduces employment opportunities.	Contributes to local economic growth and job creation.	SDG 8 : Decent Work & Economic Growth SDG 11 : Sustainable Cities & Communities SDG 12 : Responsible Consumption & Production
Responsible Food Production	Responsible production ensures food safety, environmental balance, and community support.	Inefficient processes can impact quality, safety, and cost control.	Mitigates climate change, reduces costs, ensures quality products, and enhances reputation.	SDG 2 : Zero Hunger SDG 3 : Good Health & Well Being SDG 12 : Responsible Consumption & Production
Customer Satisfaction	Satisfied customers are key to reputation and loyalty, driving long-term value.	Dissatisfied customers may harm sales and reputation.	Builds brand reputation through loyalty, enhancing long-term value.	SDG 12 : Responsible Consumption & Production
Supply Chain Management	Reliable supply chains ensure smooth procurement and distribution.	Disruptions may increase production costs.	A well-managed supply chain supports sustainable growth.	SDG 12 : Responsible Consumption & Production
Innovation	Innovation drives new ideas, products, and business growth.	Investment in innovation may not yield expected returns or meet business objectives.	Expands market share, boosts sales, and improves operational efficiency through new products and streamlined processes.	SDG 9 : Industry, Innovation & Infrastructure
Energy Management	Efficient energy use reduces operational and environmental costs.	High investment costs may not yield cost savings or environmental benefits.	Reduces operational costs and minimizes environmental impact.	SDG 7 : Affordable & Clean Energy SDG 12 : Responsible Consumption & Production SDG 13 : Climate Action
Climate Change	Supporting global climate agendas enhances competitive edge through low-carbon operations.	Delaying the transition to low-carbon practices may result in missed opportunities.	Improves competitive advantage by capturing opportunities in the low-carbon economy.	SDG 9 : Industry, Innovation & Infrastructure SDG 13 : Climate Action
Materials	Sourcing quality raw materials influences product quality, production costs, and carbon emissions.	Supply disruptions and price volatility can affect quality, cost, and sustainability.	Sustainable sourcing reduces emissions, ensures quality, and supports the local economy.	SDG 12 : Responsible Consumption & Production

Materiality Topic	Why Material to HSIB and Our Stakeholders	Potential Risk	Potential Opportunity	Corresponding UN SDG
Waste Management	Efficient waste management ensures long-term sustainability and resource use efficiency.	Irresponsible production may lead to negative environmental impact and legal issues.	Minimizes environmental impact and reduces waste management costs.	<u>SDG 12</u> : Responsible Consumption & Production
Water Management	Proper water management reduces operational costs and protects the environment.	Inefficient water use may lead to scarcity, fines, and environmental damage.	Reduces operating costs and ensures sustainability.	<u>SDG 12</u> : Responsible Consumption & Production
Health and Safety	A safe working environment improves workforce productivity.	Poor safety practices lead to inefficiency, legal issues, and brand damage.	Enhances productivity, regulatory compliance, and employee retention.	<u>SDG 3</u> : Good Health & Well Being <u>SDG 4</u> : Quality Education <u>SDG 8</u> : Decent Work & Economic Growth
Labour Practices & Standards	Compliance ensures a well-managed, effective workforce, enhancing recruitment and sustainable operations.	Non-compliance can lead to fines, lawsuits, demotivated staff, and loss of investor confidence.	Attracts skilled talent, enhances reputation, and promotes continuous innovation.	<u>SDG 4</u> : Quality Education <u>SDG 8</u> : Decent Work & Economic Growth
Diversity and Inclusion	Diversity fosters innovation and a strong company culture.	Lack of diversity can hinder innovation and harm the company's reputation.	Strengthens diverse culture, drives innovation, and fosters customer loyalty.	<u>SDG 5</u> : Gender Equality <u>SDG 8</u> : Decent Work & Economic Growth <u>SDG 10</u> : Reduced Inequalities
Community Investment	Investments in local communities enhance socio-economic development.	Deprived communities hinder local economic development.	Empowered communities support business opportunities and local growth.	<u>SDG 11</u> : Sustainable Cities & Communities
Corporate Integrity & Governance	Good governance strengthens long-term value creation and reputation.	Non-compliance with governance leads to fraud, financial losses, and reputation damage.	Demonstrates transparency, boosting stakeholder confidence.	<u>SDG 16</u> : Peace, Justice & Strong Institutions
Data Privacy and Security	Ensures stakeholder confidence and prevents misuse of personal data.	Leaking confidential data violates compliance and harms reputation and finances.	Builds stakeholder confidence and strengthens trust.	<u>SDG 16</u> : Peace, Justice & Strong Institutions

6. Economic

i. Economic Performance

The implementation of various measures by the Malaysian Government to support domestic consumption — including the disbursement of financial assistance programmes, subsidy initiatives, the increase in the minimum wage to RM1,700, and the phased adjustments to the civil service salary structure — contributed to improved disposable income among low- to middle-income groups. These measures, in turn, supported domestic consumption, particularly within the essential goods and fast-moving consumer goods segments.

During the financial year, the domestic market continued to face heightened competition arising from the increasing presence of imported biscuit brands, particularly from China and Indonesia. These brands intensified competitive pressures through price competitiveness, broader product offerings, and strong supply chain capabilities. Nevertheless, the Group continues to maintain a competitive position, supported by its long-established brand heritage, strong consumer trust and familiarity, Halal certification, and sustained emphasis on product quality and food safety standards.

Against this backdrop, the Group recorded stable to modest growth in the domestic market, with revenue increasing by 1.4% compared to FY2024.

In contrast, revenue from export markets declined by approximately 6.3%, mainly due to foreign exchange fluctuations and continued volatility in the Myanmar market.

Overall, the Group generated revenue of RM394.7 million for FY2025, representing a marginal decrease of 0.2% compared to FY2024, primarily attributable to the weaker performance in export markets.

ii. Responsible Food Production

As a food and beverage processing company, we firmly believe that food safety and quality are non-negotiable requisites as our customers are our primary stakeholders. Providing quality products and earning our customers' loyalty means sustaining the continuous growth of HSIB.

In order to achieve this, we must consistently enhance the quality and nutritional value of our products by adhering to both local and international standards as follow:

Hup Seng Perusahaan Makanan (M) Sdn. Bhd.	In-Comix Food Industries Sdn. Bhd.
1. FSSC 22000 (V6) Food Safety Management System Certification	1. GMP (Good Manufacturing Practice) Certification
2. ISO 22000:2018 Food Safety Management System Certification	2. HACCP (Hazard Analysis and Critical Control Point) Certification
3. ISO 9001:2015 Quality Management System Certification	3. MeSTI (Food Safety is Responsibility of the Industry) Certification

4. HACCP (Hazard Analysis and Critical Control Point) Certification	
5. GMP (Good Manufacturing Practice) Certification	
6. MeSTI (Food Safety is the Responsibility of the Industry) Certification	

We only manufacture, import and distribute products which have been certified Halal by the Department of Islamic Development Malaysia (JAKIM) and the relevant recognised Islamic authorities. This commitment allows our Muslim consumers to enjoy our products with confidence, knowing their religious practices are respected.

As official recognition of the quality excellence of our products, "Hup Seng Cream Crackers" received the Gold Medal every year from 1994 to 2003, followed by the Grand Gold Award from 2004 to 2019, and the Gold Quality Award from 2020 to 2025. In 2018, it earned the "25 Years Trophy" and was honored with the "International High Quality Trophy" in 2017, 2020, and 2023 by Monde Selection, Belgium.

The Group has always kept abreast of worldwide health concerns. As part of our continuous effort to produce healthier products, our research and development department is currently focused on using only ingredients that are free of partially hydrogenated oils (PHOs), including new and alternative ingredients.

Moreover, to assist consumers in making informed decisions, our product labeling is clear, accurate, and includes details on ingredients, nutritional information, storage instructions, and expiration dates in five languages: Malay, English, Chinese, French, and Arabic. The Halal logo is also prominently displayed to help Muslim consumers easily identify suitable products.

iii. Customer Satisfaction

We prioritize positive customer experiences by actively listening to feedback and engaging with customers through digital platforms like Facebook and Instagram. This helps increase brand visibility and provides valuable insights into customer preferences and market trends.

The results of the customer satisfaction survey we received showed an increase in the customer satisfaction score in FY2025.

	2024	2025
Customer Satisfaction Score (%)	80.9	84.4

iv. Supply Chain Management

We have supported local economic growth by partnering with businesses that meet our standards in the communities where we operate.

	FY2023	FY2024	FY2025
Proportion of spending on local suppliers (%)	92.8	97.6	97.1

7. Environment

HSIB recognises that our operations have impacts on the environment and thus supports pollutions prevention and environmental protection in all our business operations.

As part of our commitment to the environment, we adhere to a formal set of policies that provide guidance on environmental issues as well as all applicable regulations, including:

1. Environmental Quality (Scheduled Waste) Regulations 2005
2. Environmental Quality (Clean Air) Regulations 2014
3. Environmental Quality (Industrial Effluent) Regulations 2009
4. Other relevant local government regulations

We are proud to report zero incidents of non-compliance with environmental regulations over the last three financial years.

i. Energy Management

We strive to use the most efficient mix of energy sources to reduce our operating costs, improve energy efficiency, and contribute to tackling global warming.

Our Electrical Energy Management (“EEM”) committee is responsible for reviewing and recommending energy-saving measures. By promoting a culture of conservation and sustainability, the committee helps not only to reduce our environmental impact but also to enhance operational efficiency. We make it a practice to turn off the lights in our office buildings during lunch breaks, as well as invest in eco-friendly, energy-saving lamps and light fixtures to reduce heat generation and energy consumption. We also reward employees for their innovative ideas on energy conservation.

	FY2023	FY2024	FY2025
Energy consumption within the Group (mil kWh)	33	37	39
Energy intensity (kWh per tonne)	1,021	977	1,015

Our energy consumption is comprised of electricity, natural gas, liquefied petroleum gas (“LPG”), diesel and gasoline consumed by the Group and energy intensity are based on total production of biscuits and beverages.

In 2025, the solar energy system generated a total of 1,068,262 kWh of electricity, which covers 13% of total electricity consumption of our factory sites.

ii. Climate Change

We acknowledge that our business operations produce greenhouse gas emissions that contribute to climate change, and we are committed to improving energy efficiency to ensure responsible energy consumption and sustainable production.

We strive to manage our emissions by continuously monitoring and tracking them, while also identifying opportunities for improvement.

	FY2023	FY2024	FY2025
Scope 1 emissions (tonne CO ₂ e)	5,317	5,993	6,688
Scope 2 emissions (tonne CO ₂ e)	4,884	5,736	5,578
Scope 3 emissions (tonne CO ₂ e)	2,840	2,263	2,083

Scope 1 refers to direct emissions such as fuel used in production and company-owned vehicles. Scope 2 refers to indirect emissions from purchased electricity and Scope 3 refers to indirect emissions from business travel and employee commuting.

In FY2025, with the implementation of the solar energy system, we avoided 827 tonne CO₂e by utilizing electricity generated by the solar system.

iii. **Materials**

To effectively manage waste, we focus on collaborating with our suppliers to ensure raw materials and packaging meet our purchasing policy and high-quality standards. We track, measure, and monitor losses during manufacturing processes, identifying key waste categories and streams. Additionally, we reduce and recycle generated waste through careful planning and continuous monitoring. Besides the above, we have developed applications that enable the storage and monitoring of data on a digital platform, eliminating the need for paper-based records and procedures.

	FY2023	FY2024	FY2025
Materials used by weight (thousand tonne)	35	40	41

iv . **Waste Management**

Furthermore, we explore how waste from our operations can be minimized and put to alternative uses. By adopting this approach, we aim to not only reduce the environmental impact of our operations but also to enhance resource efficiency.

Waste Management (tonne)	FY2023	FY2024	FY2025
Waste diverted from disposal (food)	238	223	223
Waste diverted from disposal (non-food)	537	584	560
Total waste diverted from disposal	775	807	784

The food waste diverted from disposal includes biscuit scraps and oil scraps, which is repurposed as animal feed and biodiesel. Non-food waste, such as metal scraps and plastic scraps, is recycled by the waste collectors.

Through effective waste management practices, we can significantly reduce our environmental footprint, which can lead to potential cost savings for the Group. This involves continuously exploring innovative ways to repurpose waste materials and implement sustainable solutions across our value chain.

v. **Water Management**

We ensure that wastewater generated from our facilities are treated and meets all regulatory requirements prior to its discharge into the environment. Our wastewater treatment system removes contaminants from wastewater and converts it into an effluent that can be returned

to the water cycle. Furthermore, we engage an independent testing laboratory, accredited by the Department of Standards Malaysia, to monitor our industrial effluent discharge on a monthly basis.

For the past three financial years, we have not exceeded the acceptable conditions for discharge of industrial effluent set out in standard B.

	FY2023	FY2024	FY2025
Water consumption within the Group (m ³)	37,206	61,354	57,909

In FY2025, a total of 743 m³ of rainwater has been utilised in both manufacturing sites and workers' hostel for non-portable use such as cleaning.

8. Social

i. Health and Safety

Given the importance of occupational health and safety ("OHS"), we adopt a zero-tolerance approach to OHS violations and adhere to the Occupational Safety and Health (Amendment) Act 2022, along with other applicable regulations.

Our OHS policy is continuously reviewed and strengthened to ensure the health and safety of all employees, both full-time and part-time. This is achieved through daily workplace inspections, regular on-the-job training, safety awareness briefings, induction training for new employees, specialized skill training for machine and forklift operators, and quarterly committee meetings, given the labour intensity and machinery complexity in our industry. The OHS committee also provides employees with a platform to identify potential improvements, offer feedback to management, and encourage them to take responsibility for their work environment.

In FY2025, a total of 827 employees underwent health and safety training, and we observed a 25% reduction in LTIR compared to FY2024.

	FY2023	FY2024	FY2025
Number of work-related fatalities	NIL	NIL	NIL
Number of accident cases	4	4	3
Lost time incident rate ("LTIR") (Rate per millionth man hours)	1.39	1.33	0.99
Number of employees trained on health and safety standards	754	865	827
Employees trained on health and safety standards (%)	60.8	67.0	63.6

ii. Labour Practices and Standards

The Group provide comprehensive training and development opportunities for all employees. The training topics focus on health and safety, labour practices, corporate integrity and governance, data privacy and security, responsible food production, sustainability / ESG, etc.

	FY2023	FY2024	FY2025
Total hours of training by employee category			
Management	1,527	2,553	2,366
Executive	2,434	4,203	3,583
Non-executive/Technical staff	3,352	6,107	3,492
General workers	6,856	6,876	7,224
Total training hours	14,169	19,739	16,665
Average hours of training per year per employee	11.4	15.3	12.8

Total number of employee turnover by employee category

To remain competitive with our peers and aligned with prevailing local market rates, we regularly review our compensation packages and ensure fair remuneration and working conditions for all employees. The benefits provided to all full-time employees include medical coverage, maternity leave, parental leave, long-service awards, and more.

	FY2023	FY2024	FY2025
Management	2	5	2
Executive	3	1	1
Non-executive/Technical Staff	64	57	29
General Workers	137	142	139

HSIB is committed in ensuring compliance to labour standards while also respect and promote human rights of all employees, irrespective of their nationality, are safeguarded. There have been no complaints or incidents of violations of human rights or labor laws and standards in the past three financial years.

iii. Diversity and Inclusion

We are committed to fostering a work environment that values equality, openness, and freedom from bias and discrimination. To further enrich the organisation, we strive to attract and retain a diverse group of talent, regardless of gender, age, ethnicity, disabilities, skills, experience, or cultural background.

As of 31 December 2025, we employ 1,300 people, with 77.38% being permanent employees and the rest consisting of contractors or temporary staff. We have made steady progress in achieving gender equality, with women representing over 38.62% of our workforce. Our team includes individuals under the age of 30, who contribute fresh perspectives and help ensure a strong talent pipeline for future leadership roles. Additionally, a significant portion of our employees are between the ages of 30 and 50, providing valuable on-the-job training and mentorship to younger colleagues. The remainder of our workforce is over 50 years old, contributing stability and a clear sense of direction to the Group.

Percentage of employees by gender and age group, for each employee category

	FY2023	FY2024	FY2025
<i>Age Group by Employee Category</i>			
Management Under 30	NIL	NIL	NIL
Management Between 30-50	13.64%	12.20%	14.63%
Management Above 50	86.36%	87.80%	85.37%
Executive Under 30	NIL	NIL	5.56%
Executive Between 30-50	56.92%	54.69%	40.28%
Executive Above 50	43.08%	45.31%	54.17%
Non-executive/Technical Staff Under 30	10.93%	12.04%	9.40%
Non-executive/Technical Staff Between 30-50	56.62%	55.84%	55.64%
Non-executive/Technical Staff Above 50	32.45%	32.12%	34.96%
General Workers Under 30	45.18%	45.66%	38.65%
General Workers Between 30-50	37.83%	35.89%	41.26%
General Workers Above 50	16.99%	18.44%	20.09%
<i>Gender Group by Employee Category</i>			
Management Male	65.91%	65.85%	63.41%
Management Female	34.09%	34.15%	36.59%
Executive Male	50.77%	45.31%	47.22%
Executive Female	49.23%	54.69%	52.78%
Non-executive/Technical Staff Male	37.09%	42.34%	41.35%
Non-executive/Technical Staff Female	62.91%	57.66%	58.65%
General Workers Male	72.89%	69.59%	68.19%
General Workers Female	27.11%	30.41%	31.81%

Percentage of directors by gender and age group

	FY2023	FY2024	FY2025
<i>By gender</i>			
Male	75.00%	75.00%	75.00%
Female	25.00%	25.00%	25.00%
<i>By age</i>			
Under 30	6.25%	NIL	NIL
Between 30-50	25.00%	18.75%	18.75%
Above 50	68.75%	81.25%	81.25%

Percentage of employees that are contractors or temporary staff

	FY2023	FY2024	FY2025
Permanent	78.08%	81.02%	77.38%
Contractors or Temporary Employees	21.92%	18.98%	22.62%

iv. **Community Investment**

Over the years, we have collaborated with non-governmental organisations, government agencies, and educational institutions to support community-based programs and initiatives, such as food donations and fundraising campaigns. Furthermore, we have contributed to local economic growth by creating employment opportunities in the communities where we operate.

In FY2025, we invested RM151,945 in corporate social responsibility activities across 363 organisations.

	FY2023	FY2024	FY2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer			
Amount invested in the communities (RM)	127,419	140,061	151,945
Number of beneficiaries	373	389	363
Number of new local hires	176	256	186

9. Corporate Integrity and Governance

HSIB's Board believes that only through good corporate governance, corporate accountability can be enhanced and, thus, long-term shareholders' values realised. Practising good governance meant setting the direction and environment for all stakeholders to play a role.

i. **Anti-Bribery and Anti-Corruption**

We are committed to conducting business with integrity and complying with the Malaysia Anti-Corruption Commission Act. We have also established an anti-bribery and anti-corruption ("ABAC") committee and policy, along with a code of conduct and whistleblowing policy, to help our employees understand their roles and responsibilities.

As of 31 December 2025, all our directors and employees have read, acknowledged, and agreed to comply with our ABAC policy. We are pleased to report that there have been no incidents of corruption, discrimination, harassment, human rights violations, forced labour, or child labour in the past three financial years.

	FY2023	FY2024	FY2025
Percentage of employees who have received training on anti-corruption by employee category			
Management	95.45%	97.62%	97.56%
Executive	96.92%	100.00%	97.22%
Non-executive/Technical Staff	98.34%	98.91%	95.49%
General Workers	95.66%	96.71%	94.03%
Percentage of operations assessed for corruption-related risks	NIL	100%	100%
Confirmed incidents of corruption and action taken	NIL	NIL	NIL

ii. Data Privacy and Security

We have established various internal controls and IT policies to safeguard our systems and data. These include the System Requisition Policy to manage user access rights and application system maintenance, the Computer System Security Policy to strengthen password security and system data backup procedures, and the Backup Data Encryption Policy to protect sensitive data like financial records. We also have an IT Disaster Recovery Plan in place, outlining procedures to ensure data integrity, system uptime, and business continuity in the event of an emergency.

Additionally, we conducted Cybersecurity Awareness Training for all our system and email users, covering essential topics such as understanding company policies, password management, safe internet use, and sensitive data protection. This training educates employees on secure practices, including data classification, processing, storage, and disposal. In FY2025, a total of 201 participants completed the training.

Over the past three financial years, we have not received any substantiated complaints regarding breaches of customer privacy or loss of customer data. We do not disclose or use personal customer information for any purposes other than those agreed upon.