

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT

AT WCE HOLDINGS BERHAD, ENVIRONMENTAL STEWARDSHIP IS A CORE PILLAR OF OUR SUSTAINABILITY AGENDA. AS A HIGHWAY CONCESSIONAIRE, WE ARE ACUTELY AWARE OF THE ENVIRONMENTAL IMPLICATIONS OF INFRASTRUCTURE DEVELOPMENT AND DAILY OPERATIONS. OUR COMMITMENT IS TO DELIVER PROJECT OUTCOMES THAT PRESERVE THE ENDURING VALUE OF THE ENVIRONMENT, MINIMISE ECOLOGICAL FOOTPRINT, AND PROMOTE LONG-TERM SUSTAINABILITY.

SUSTAINABILITY STATEMENT (CONT'D)

We actively integrate resource efficiency, pollution prevention, and biodiversity conservation across the expressway network, balancing infrastructure growth with environmental responsibility.



WCE's approach to managing environmental impact is through the adoption of best practices and adherence to relevant international and local standards. We are committed to carrying out business in a community and environmentally friendly manner based on the following CARE principles:

C

Complying with all environmental and other relevant legal requirements;

A

Applying a continual improvement concept while implementing our Environmental Management System ("EMS") and monitoring its performance;

R

Reducing and preventing pollution by disposing of wastes according to regulated means, conserving natural resources and adopting environmentally friendly approaches in all activities to minimise water, air and noise pollution; and

E

Educating employees on the importance of sustainable development and pollution

From the planning and construction phase through to operations, WCE ensures compliance with the Environmental Impact Assessment ("EIA") Approval Conditions, thereby minimising long-term environmental impact. We adopt international and local environmental standards and best practices in our development and operational activities.

SUSTAINABILITY STATEMENT (CONT'D)



CLIMATE ACTION AND TACKLING CARBON FOOTPRINT

Related UNSDGs:



Why is this important?

In line with Malaysia's ambition to achieve net-zero carbon emissions by 2050, WCE recognises the importance of managing and reducing our carbon footprint as a material component of our sustainability commitment. Since FY2023, we have embarked on establishing a Greenhouse Gas ("GHG") emissions reporting and inventory system, laying the foundation for a long-term decarbonisation strategy.

Carbon dioxide is the most common GHG released through human activity, contributes significantly to global warming. While naturally occurring, its excessive concentration due to human-induced emissions is driving climate instability. As a highway operator, WCE understands its role in mitigating these impacts through proactive climate measures.

Our approach

WCE is committed to enhancing internal awareness and operational readiness for climate mitigation. We continue to engage both employees and business partners on sustainability goals, with emphasis on:



Reducing energy and water consumption;



Minimising construction waste;



Optimising the use of natural resources;



Promoting green practices across all operational sites.

Throughout FY2025, we maintained our focus on carbon emissions monitoring while advancing the development of a forward-looking GHG emissions reduction strategy, aligned with national policy and stakeholder expectations.

SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE ACTION AND TACKLING CARBON FOOTPRINT (CONT'D)

Our performance

Tackling Carbon Footprint

WCE continues its commitment to tackling climate change through systematic GHG emissions assessments across all operational and maintenance activities. Guided by the GHG Protocol, emissions are categorised under the following scopes:

Scope

1

Direct emissions from sources controlled by WCE (e.g. fuel use in company-owned vehicles and equipment);

Scope

2

Indirect emissions from purchased electricity used in toll plazas, office buildings, and RSAs;

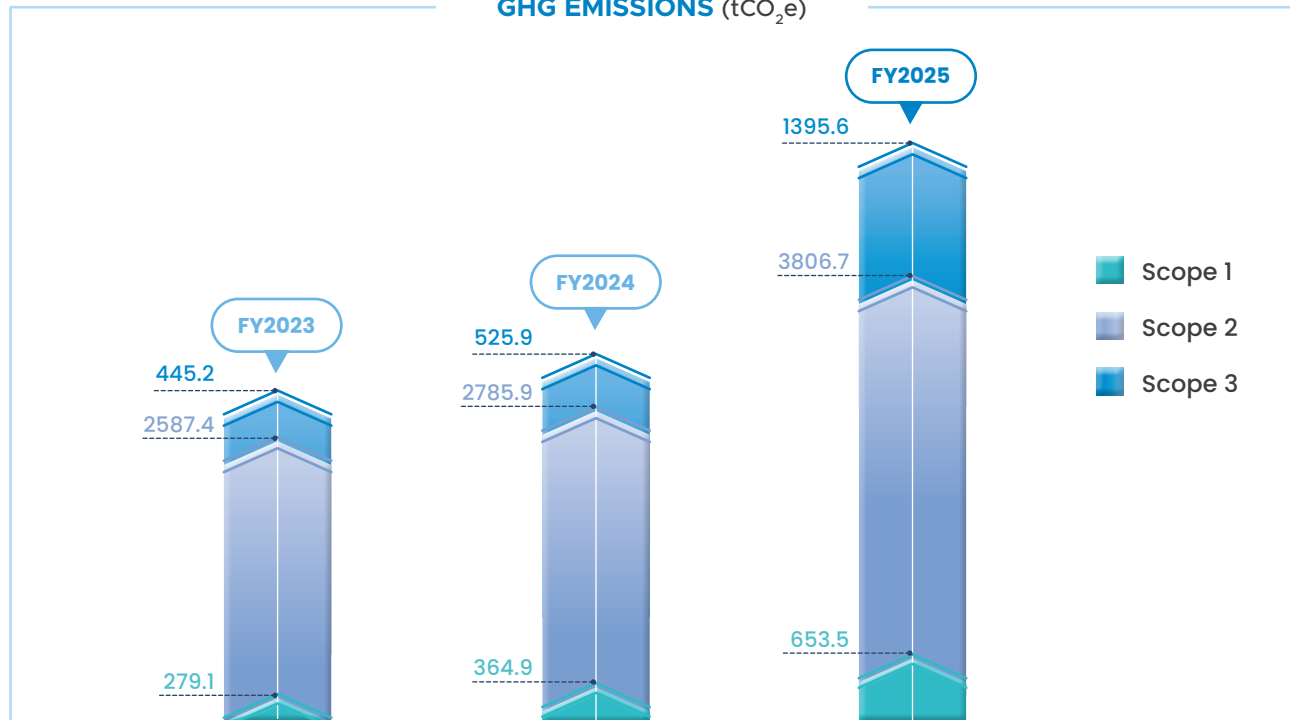
Scope

3

other indirect emissions such as employee commuting, material transportation, etc.

These assessments form the foundation for our carbon baseline, upon which mitigation targets and reduction measures will be built.

GHG EMISSIONS (tCO₂e)



Note: Emissions for FY2024 have been restated due to the expansion of the reporting boundary (inclusion of additional subsidiaries, i.e. WCE Maju Sdn Bhd and WCE Technology Sdn Bhd)

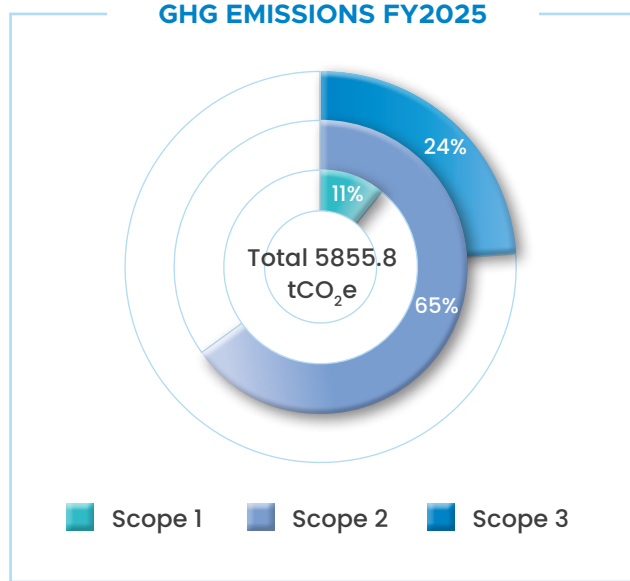
SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE ACTION AND TACKLING CARBON FOOTPRINT (CONT'D)

Our performance (CONT'D)

Tackling Carbon Footprint (CONT'D)

GHG EMISSIONS FY2025



Scope 1:

Scope 1 emissions account for 11% of WCE's total emissions. Scope 1 emissions include all emissions released by our operations from company-owned vehicles, machineries and assets:

- **Stationary combustion:** Combustion of diesel in stationary gensets.
- **Mobile combustion:** Combustion of petrol and diesel in patrol cars, motorbikes and other company-owned vehicles.
- **Fugitive emission:** Refrigerant leakage from centralised and individual air conditioning units

The emission of Scope 1 in FY2025 is 653.5 tCO₂e, an increase of 79% compared to the FY2024. The significant rise is due to the expansion of the reporting boundary following the additional sectional openings, i.e. Section 1 (Banting - SKVE) and Section 2 (SKVE-SAE).

Scope 2:

Scope 2 emissions in FY2025 account for 65% of WCE's total emissions and the emissions recorded is 3806.7 tCO₂e, an increase of 37% compared to FY2024. The rise is due to the expansion of the organisational reporting boundary and the official opening for Section 1 (Banting-SKVE) and Section 2 (SKVE-SAE).

Scope 2 emissions are mainly associated with purchased electricity consumed by offices, buildings, toll plazas, lay-bys and street lighting at the operating highway sections.

Scope 3:

Scope 3 includes all other indirect emissions generated across our value chain. In FY2025, we collated reliable data for four (4) out of fifteen (15) categories:

- **Category 1 - Purchased Goods and Services:** Purchase of goods for operation and maintenance at operating sections.
- **Category 5 - Waste Generated in Operations:** General wastes and scheduled wastes generated at operating sections and offices which are transported and disposed-off via landfilling.
- **Category 6 - Business Travel:** All land transportation resulting from business-related activities in vehicles not owned or operated by the WCE.
- **Category 7 - Employee Commuting:** Commuting of employees between their homes and their respective base worksites using vehicles not owned or operated by WCE.

SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE ACTION AND TACKLING CARBON FOOTPRINT (CONT'D)

Our performance (CONT'D)

Tackling Carbon Footprint (CONT'D)

In FY2025, Scope 3 emissions accounted for approximately 24% of WCE's total GHG emissions, amounting to 1,395.6 tCO₂e — a 165% increase compared to the FY2024. This significant rise is attributable to multiple contributing factors across key emission categories.

1. **Category 1:** Purchased Goods and Services, emissions increased in tandem with the heightened frequency of maintenance activities, particularly in operational highway sections. As the operation expands with the additional openings, procurement needs naturally grow, leading to a higher embedded carbon footprint from materials and services consumed.
2. **Category 5:** Waste Generated in Operations, the reported emissions rose due to two key reasons:
 - In Perak, waste-related emissions were previously estimated based on the volume of leach bins. From January 2025 onwards, WCE enhanced its data inventory system to reflect actual waste weights, resulting in more accurate but comparatively higher reported emissions.
 - The expansion of the reporting boundary to include newly operational sections, namely Section 1 (Banting-SKVE) and Section 2 (SKVE-SAE), further contributed to the overall increase in waste generation and associated emissions.

This increase reflects WCE's improved data transparency, growing operational footprint, and enhanced scope of GHG inventory. Moving forward, we will continue to refine our measurement approaches and mitigation strategies to manage Scope 3 emissions more effectively as part of our broader climate action roadmap.

Scope 3 emissions (tCO ₂ e)			
	FY2023	FY2024	FY2025
Category 1 – Purchasing goods and services	52.62	114.75	770.30
Category 5 – Waste generation ^(a)	176.02	188.98	333.52
Category 6 – Business Travel ^(b)	24.84	2.18	6.17
Category 7 – Employee Commuting ^(c)	191.77	219.99	285.57

(a) General waste in Perak was recorded based on the assumption of bin size (1100 litre) before January 2025

(b) Assumed all claims under the vehicles type are petrol cars

(c) Data was collected based on transportation mode and distance from home to workplace determined via a survey deployed in FY2025.

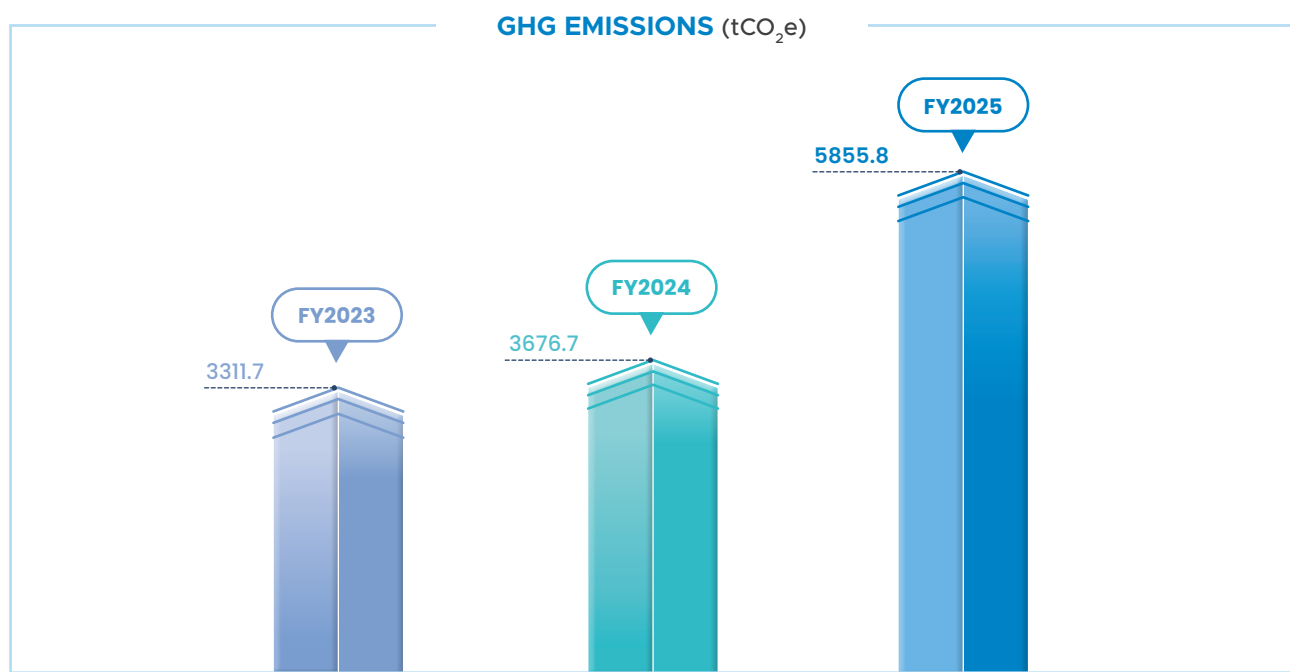
SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE ACTION AND TACKLING CARBON FOOTPRINT (CONT'D)

Our performance (CONT'D)

Tackling Carbon Footprint (CONT'D)

To determine our Scope 1, Scope 2 and Scope 3 emissions, we applied relevant emission factors from the GHG Conversion Factors for Company Reporting, published by the UK Department for Environment, Food & Rural Affairs (DEFRA) and Energy Commission of Malaysia.



Note: Emissions for FY2024 have been restated due to the expansion of the reporting boundary (inclusion of additional subsidiaries, i.e. WCE Maju Sdn Bhd and WCE Technology Sdn Bhd)

Total GHG emissions for FY2025 are 5,855.7 tCO₂e, a 59% increase from FY2024. This increase is mainly due to the opening of Section 1 (Banting – SKVE) and Section 2 (SKVE–SAE) and expanding reporting boundary which led to higher operating activities.

Emissions Avoidance in FY2025

The Group continues its efforts to reduce our carbon footprint, optimise resource efficiency, and foster sustainable practices through an emission avoidance strategy. At WCE, the emission avoidance initiatives include the use of renewable energy through the installation of rooftop solar panels across regional offices and certain operating toll plazas both in Selangor and Perak. In FY2025, solar energy generated at 517,056.3 kWh, slightly decreased by 7% from FY2024,

Additionally, we contribute to emission avoidance through waste recycling measures for both operational and office non-hazardous waste. By recycling, we divert waste from landfills and conserve resources. In FY2025, we collected 12.47 tonnes of recyclable waste, a 44% increase compared to FY2024.

SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE ACTION AND TACKLING CARBON FOOTPRINT (CONT'D)

Our performance (CONT'D)

Emissions Avoidance in FY2025 (CONT'D)

WCE unwavering dedication in minimising waste disposal is proven by our continuous effort to enhance recycling initiatives of non-hazardous waste at all operational and office sites.

The total emission avoidance from each initiative is detailed below:

INITIATIVE	Avoidance (tCO ₂ e)		
	FY2023	FY2024	FY2025
Based on 517,056 kWh solar generated (FY2024: 555,870 kWh)	410.80	433.6	403.3
Based on 12.47 tonnes waste recycling (FY2024: 8.64 ^(a) tonnes)	0.1	0.3	0.4
Total	410.90	433.9	403.7

a) The amount of recycling waste in FY2024 has been recalculated from 11.6 to 8.6 tonnes.



Rooftop solar panel installed at Selangor Regional Office and Sitiawan Toll Plaza

**TOTAL OF 517,056
KWH GENERATION
FROM ROOFTOP
SOLAR PANEL**

**2 REGIONAL OFFICES
84,717 KWH**

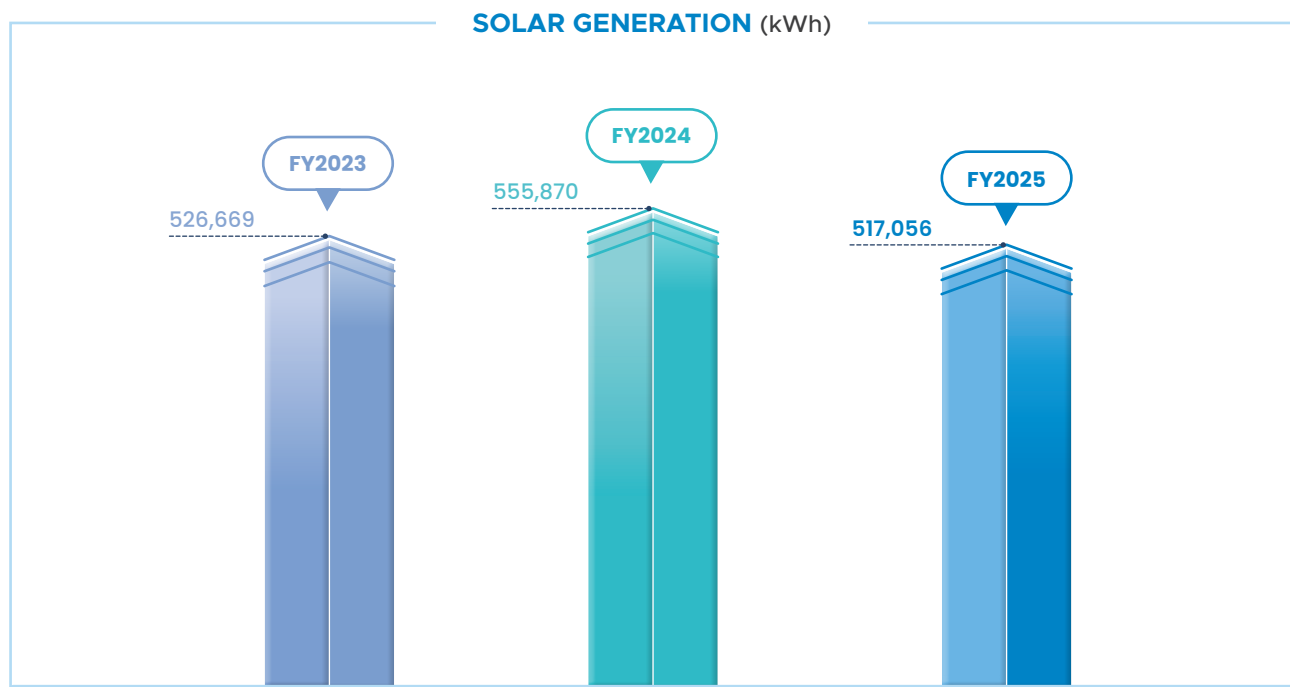
**TOLL PLAZA
432,339 KWH**

SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE ACTION AND TACKLING CARBON FOOTPRINT (CONT'D)

Our performance (CONT'D)

Emissions Avoidance in FY2025 (CONT'D)



In FY2025, we recorded a total of 517,056 kWh solar generation, a reduction of 7% compared to FY2024. Despite the reduction, 10% of our total energy consumption is from renewable energy sources. The decline in solar generation is due to several factors including fluctuating weather conditions and the natural degradation of solar system components over time.

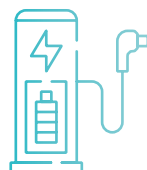
Electric Vehicles ("EV") Charging Infrastructure

As Malaysia accelerates its transition toward a low-carbon mobility future, the Group is committed to supporting the nation's net-zero emissions target by facilitating the growth of EV infrastructure along our expressway.

In alignment with this commitment, WCE is collaborating with local EV charging operator DC Handal to expand the deployment of direct current (DC) fast chargers across our highway network. Our objective is to provide reliable and accessible charging facilities at strategic locations, particularly at laybys and toll plazas, to ensure a seamless travel experience for EV users.



In FY2025, we continued to scale up our EV infrastructure rollout, further reinforcing our role in promoting clean mobility and reducing transport-related emissions. To date, EV charging stations have been successfully installed at:



- **Selangor Alignment:** SAE and Assam Jawa Toll Plazas
- **Perak Alignment:** Trong and Taiping South Toll Plazas



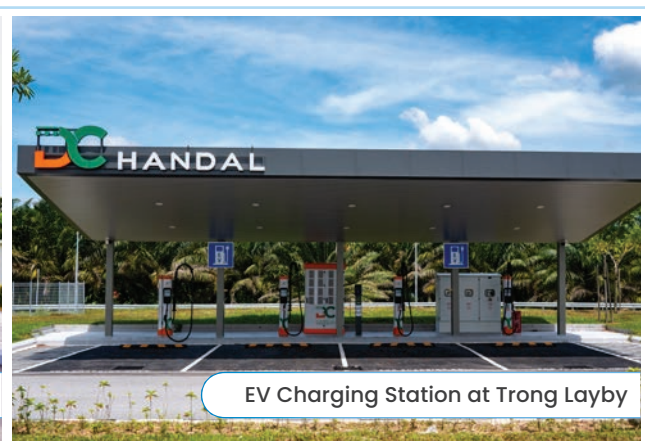
SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE ACTION AND TACKLING CARBON FOOTPRINT (CONT'D)

Our performance (CONT'D)

Electric Vehicles ("EV") Charging Infrastructure (CONT'D)

As we progress toward the full completion of the WCE alignment, we remain focused on expanding EV charging coverage across all major sections, supporting the wider adoption of electric vehicles while contributing to a more sustainable and climate-conscious transport ecosystem.



SUSTAINABILITY STATEMENT (CONT'D)



ENERGY MANAGEMENT

Related UNSDGs:



Why is this important?

The Group is dedicated to taking responsibility by lowering our carbon footprint as we recognise that our business and operations contribute adversely to climate through energy consumption and GHG emissions. We embrace on the strategic opportunities that come with transitioning to a low-carbon economy.

Our approach

The energy conservation measures in daily operations are monitored monthly under WCE Group's Environmental Management System ("EMS") objectives. We measure the reduction or minimisation of energy consumption as part of our efforts to reduce global warming. The Group is undertaking various energy-saving initiatives, including:



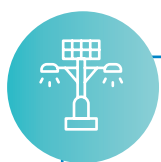
**LED
lighting**



**Procuring
energy-efficient
electrical
appliances**



**Installation of
rooftop solar
panels**



**Solarised
lighting
at RSAs**

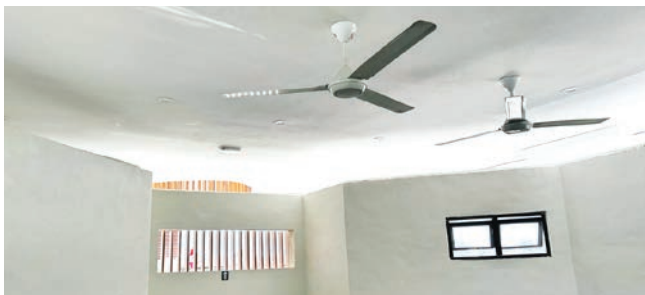


**EV charging
stations**



**Continuous
monitoring of
Greenhouse
Gases (GHG)
emissions**

66



Prayer room at lay-by was provided with **natural ventilation and lighting** to **reduce energy usage**.

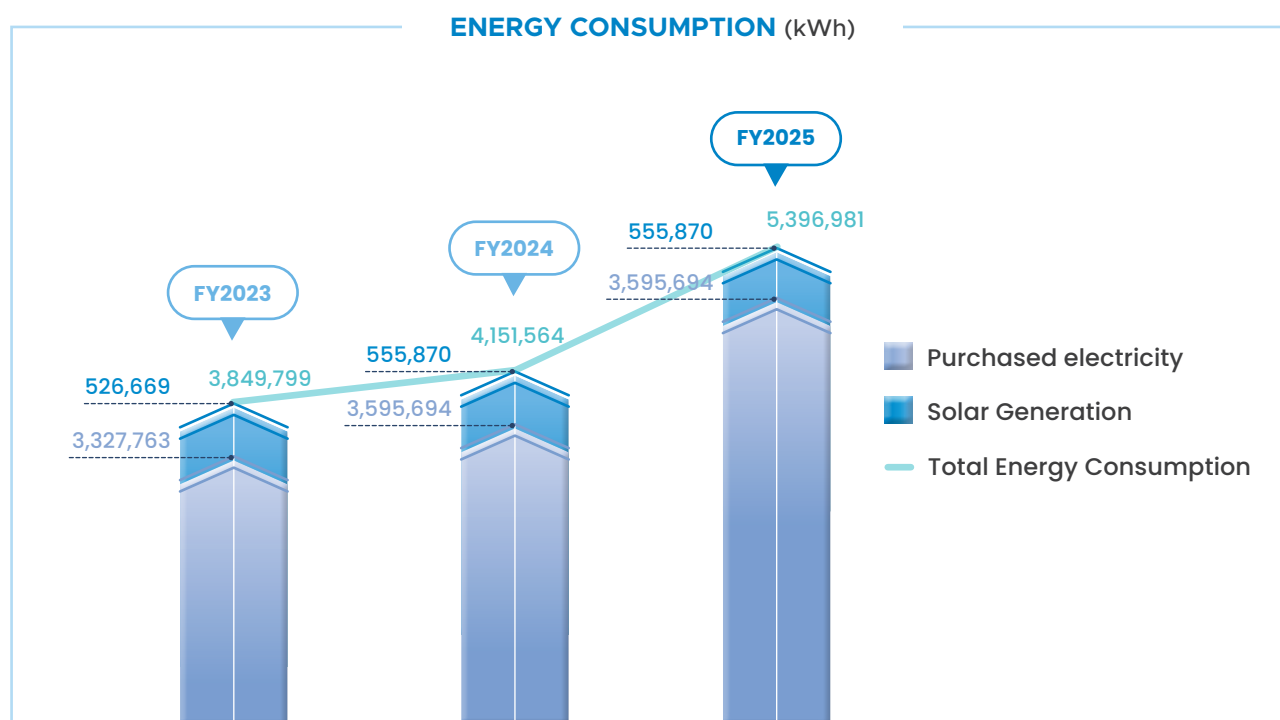
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SUSTAINABILITY STATEMENT (CONT'D)

ENERGY MANAGEMENT (CONT'D)

Our performance

The energy consumption of WCE from FY2023 to FY2025 is as follows:



In FY2025, WCE recorded a total energy consumption of 5,396,981 kWh, mainly due to increased operational activities across the expressway. Purchased electricity accounted for 90% of total energy use, amounting to the majority of consumption. This represents a 36% increase compared to FY2024, largely attributed to the opening of new highway sections, Section 1 (Banting-SKVE) and Section 2 (SKVE-SAE), which led to higher electricity demand for toll operations, lighting, and ancillary services such as lay-bys.

As part of our commitment to energy sustainability, rooftop solar installations contributed 517,056 kWh, representing 10% of total energy consumed. This marks a significant step in our transition toward renewable energy sources and in reducing dependency on grid-supplied electricity.

Year	Purchased electricity (kWh)	Solar generation (kWh)	BEI for regional offices and toll plaza (kWh/year/m2)
FY2023	1,949,044	526,669	120
FY2024	2,029,790	555,870	121
FY2025	2,666,077	517,056	112

SUSTAINABILITY STATEMENT (CONT'D)

ENERGY MANAGEMENT (CONT'D)

Our performance (CONT'D)

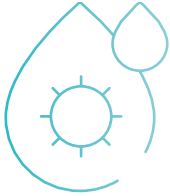
As part of our efforts to assess the Group's energy efficiency, we continue to adopt the Building Energy Index (BEI) to measure energy intensity based on building area (regional offices and toll plaza).

In FY2025, the building energy intensity for regional offices and toll plazas was reduced to 112 kWh/m²/year as compared to FY2024 (121 kWh/m²/year). This reduction marks positive progress in our energy efficiency efforts, despite an increase in purchased electricity and decline in solar generation during the year. According to the Sustainable Energy Development Authority ("SEDA"), the standard energy intensity for commercial office buildings in Malaysia is 250–300 kWh/m²/year. We are pleased to report that WCE's BEI remains well below this benchmark.

Additionally, the Group continues to pursue the SEDA GreenPASS certification in FY2025 where the baseline for energy reduction was set in year of 2020. This is an effort to showcase the Group's dedication to continue to serve as a sustainable highway. The Group is pleased to present the following certifications we have obtained.



SUSTAINABILITY STATEMENT (CONT'D)



WATER MANAGEMENT

Related UNSDGs:



Why is this important?

Water scarcity is an emerging global concern, driven by factors like climate change, pollution, and inefficient resource practices. Despite that, the Group currently faces no significant or critical issues related to water management. Nonetheless, the Group is taking proactive steps to strengthen water efficiency measures across our operations and mitigate potential long-term risk.

Our approach

WCE continues to implement various water management strategies to promote sustainable consumption. The washrooms and lavatories in WCE's offices and toll plazas are built with water-efficient fixtures such as push tap faucets and dual flush toilets. Controlled water flow would impact annual water consumption. According to the "Leadership in Energy and Environment" (LEED) rating system, water-efficient fixtures and fittings such as push taps and dual flush toilets could reduce indoor potable water consumption.

To expand the Group's water reduction efforts, rainwater harvesting systems are installed at our recently opened Sungai Nyior RSA Section 11 (Southbound-Northbound). This system helps optimise the use of rainwater and lessens the dependency on utility water supply. The harvested rainwater is utilised for non-potable usage such as cleaning and landscaping purposes. To ensure continuous efforts in water management, we plan to further expand our installation of rainwater harvesting systems at all lay-bys.

The Group recognises that extreme weather events, such as intense rainfall and flooding, may pose significant operational and financial risks in the long term. In response, WCE has adopted proactive measures to strengthen climate resilience across its expressway infrastructure. One such initiative includes the construction of detention ponds at several lay-bys and Rest & Service Areas (RSAs) to effectively manage stormwater runoff and mitigate potential future flood risks. This initiative reflects our commitment to climate adaptation and underscores our broader goal of operating a sustainable and resilient highway network.



On site detention pond at RSA Section 6
Bukit Kapar (North bound)



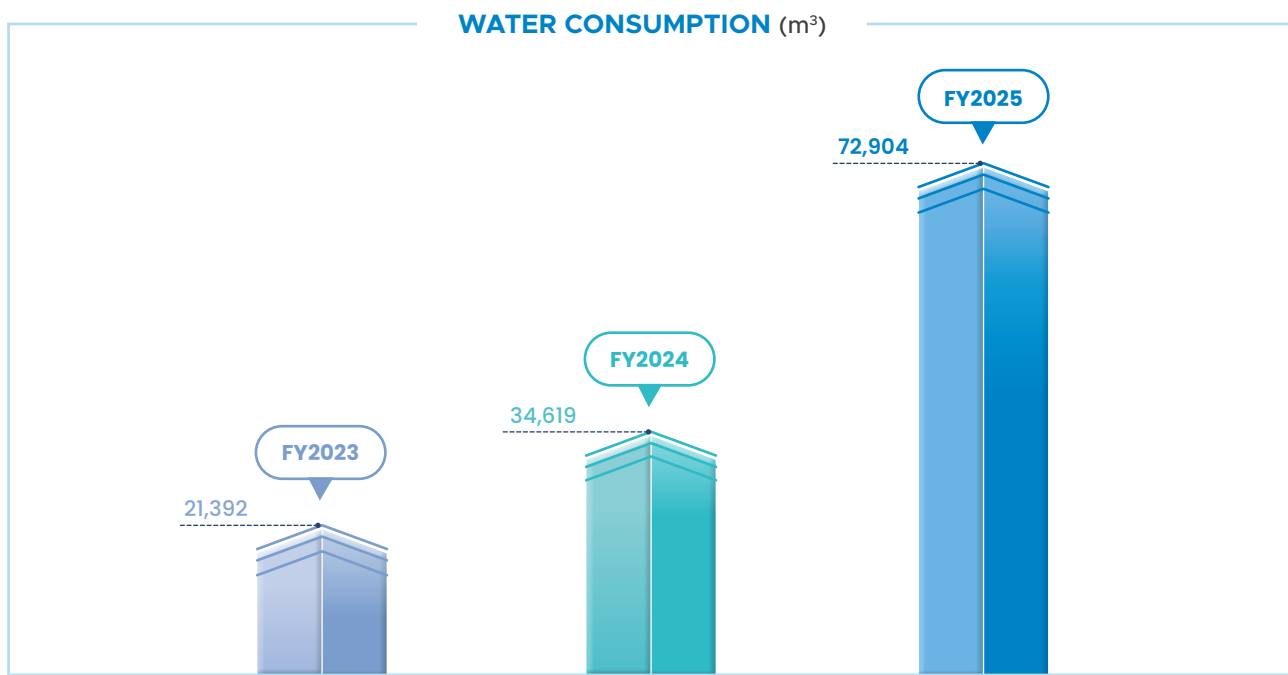
The installation of permeable pavement at
layby Section 10 to control storm water runoff

SUSTAINABILITY STATEMENT (CONT'D)

WATER MANAGEMENT (CONT'D)

Our performance

WCE is committed to using water as efficiently as possible across our operating activities. Aligned with WCE Group's EMS objectives, we monitor monthly water consumption at the office premises, toll plazas and operating sites.



Note: FY2024 water consumption was revised following an enhancement in data consolidation process

Year	Water usage (m ³)	Water usage intensity (m ³ /year/m ²)
FY2023	21,392	1.0
FY2024	34,619	1.6
FY2025	72,904	2.6

In FY2025, WCE recorded total water usage of 72,904 m³, marking a 111% increase compared to FY2024. This significant rise is primarily attributed to the opening of new operational sections, Section 1 (Banting-SKVE) and Section 2 (SKVE-SAE), which expanded the Group's operational footprint and utilities demand. As a result, water usage intensity rose by 2.6 times compared to the previous year.

WCE remains committed to improving water efficiency and continues to explore water-saving technologies, such as rainwater harvesting systems, to manage consumption sustainably across its facilities.

SUSTAINABILITY STATEMENT (CONT'D)



BIODIVERSITY

Related UNSDGs:



Why is this important?

WCE is committed to protecting local cultures and conserving natural habitats, recognising that biodiversity plays a vital role in maintaining healthy ecosystems and resilient communities. A decline in biodiversity can lead to reduced water quality, environmental degradation, and broader social and economic challenges.

Our approach

In line with this, the Group is dedicated to preserving biodiversity along the WCE, emphasising sustainable management of highway operations. Through the Preliminary Environmental Impact Assessment ("PEIA"), we have minimised the impact of the construction of WCE on the surrounding biodiversity as well as to maximise the preservation of flora and fauna by moving any protected species to the conservation areas identified. Notable efforts of the Group over biodiversity management includes:

Animal Box Culvert Infrastructure: An animal box culvert was constructed at Section 11 in Perak providing an essential pathway for various animal species to move between fragmented habitats.

Construction of capping beam & installation of barb wire along animal encroachment hotspot area: Fences installed including enhancement of capping beam along the highway prevent animals from accessing the roads, thereby reducing wildlife-vehicle collisions.

Installation of animal crossing sign: Signage have been strategically placed in wildlife crossing zones to alert road users to potential presence of animals.

Tree Planting Initiatives: WCE continues our effort of replanting trees along the expressway upon the completion of the project and is in support of the Program Penghijauan Malaysia through Kempen Penanaman 100 Juta Pokok under RMK 12



Animal box culvert at Section 11

To support biodiversity enhancement, the Group expanded its tree planting initiatives by planting trees at regional office and at one of our interchanges. In FY2025, the number of trees planted exceeded number from previous year leading to a higher carbon sequestration.

FY2024	FY2025
Number of trees planted	
80	137
Carbon Sequestration (tCO ₂ e)	
1.34	1.79



Newly planted yellow palm and weeping willow trees at Sitiawan North Interchange

SUSTAINABILITY STATEMENT (CONT'D)



EFFLUENT AND WASTE

Related UNSDGs:



Why is this important?

At WCE, we handle a range of waste types from general waste to scheduled waste. Although these waste streams are part of our day-to-day operations, we are fully aware that improper handling can lead to serious environmental and health consequences – such as polluted air and water and contaminated soil.

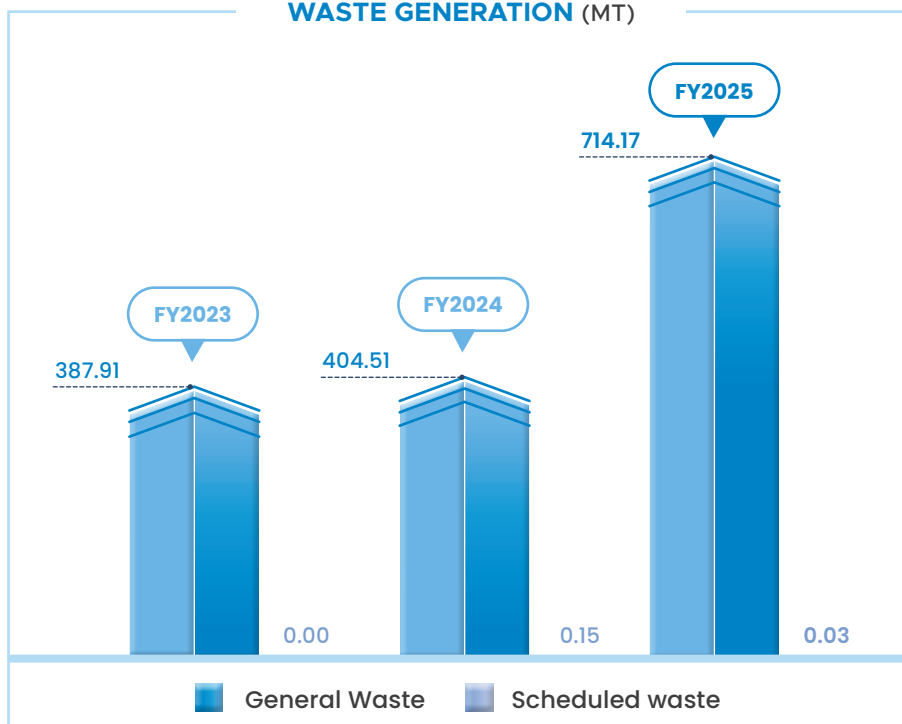
Our approach

Managing waste in a responsible and ethical manner is important in ensuring compliance with the relevant regulations and to prevent pollution to the environment. As the WCE Project is under the construction development stage, construction wastes generally produced comprise mostly earth and other excavation debris, concrete waste, steel scraps, and scheduled wastes. In our waste management approach, we practice 3Rs – reduce, reuse, and recycle both in operational and administrative activities.

Our performance

We employ good waste management practices ranging from allocating proper construction bins at all construction sites, storage areas for scheduled waste and appointing only licensed contractors to treat and dispose scheduled waste.

WASTE GENERATION (MT)



In FY2025, a total of 714.20 tonne of general waste and scheduled waste were generated by the Group. Previously, weight of waste in Perak were estimated based on the volume of 1,100-litre leach bins. However, beginning January 2025 actual weights were recorded to enhance data accuracy.

SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENTAL COMPLIANCE

Related UNSDGs:



Why is this important?

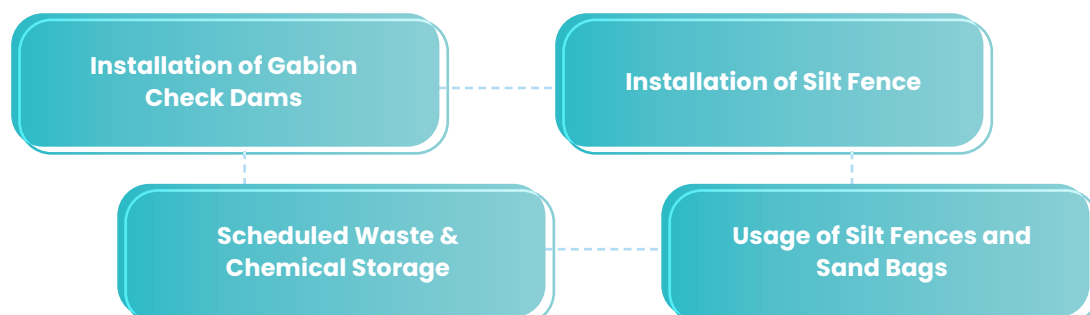
In mitigating the impact of construction activity on the environment, the Group appointed external consultants to conduct environmental compliance audits for all sections of the WCE Project. The compliance audit undertakes periodic air, water quality, vibration and noise monitoring in line with the monitoring programmes outlined by PEIA to ensure readings do not exceed limits set in the standards by the respective regulatory bodies.

Monitoring components	Compliance with Standards	Reporting Requirement
Air Quality	Malaysian Air Quality Guidelines	Department of Environment ("DoE")
Ambient Air Quality	Malaysian Ambient Air Quality Standard ("MAAQS")	
Noise Quality	Planning Guides for Environmental Noise Limit and Control	
River Water Quality	National Water Quality Standards	DoE & Lembaga Urus Air Selangor
Silt Trap	EIA Condition of Approval	DoE
Vibration	Schedule of Recommended Vibration Limits	DoE

Our approach

The Group EMS complies with the Management Standard International Organisation for Standardisation for Environmental Management System ("ISO 14001:2015") and other requirements. We have also adopted essential best practices to control and prevent environmental pollution which comprises water pollution control, air and noise pollution control as well as waste management.

We have undertaken environmental control measures and activities to ensure adherence to regulatory and guidelines issued by DoE, which include:



SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL COMPLIANCE (CONT'D)

Our approach (CONT'D)

With the implementation of EMS and good practices, the Group did not violate any environmental laws and regulations and has not been penalised or fined for any major environmental violation in financial year ended 31 March 2025.



Scheduled waste management training