

2024



Sustainability Report

Innovating Process Systems for a Sustainable Industrial Future



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OUR SUSTAINABILITY COMMITMENT

Innovative Synergy Solutions (ISS) is committed to responsible engineering that protects people, strengthens operational integrity and supports long term business resilience. As a Malaysian EPCC and modular process package specialist with regional and international delivery experience, we recognise the increasing importance of sustainability across the oil and gas, petrochemical and process industries.

Our commitment is built on four principles.

First, we operate with transparency through clear governance practices and ethical conduct.

Second, we focus on the safety and wellbeing of our employees, clients and partners.

Third, we ensure responsible resource consumption and work toward measurable reductions in our environmental footprint.

Fourth, we build a culture of continuous development that strengthens skills, technical capability and organisational readiness for future challenges.

This report establishes ISS' first complete ESG baseline. It provides a clear starting point for structured reporting and performance measurement. The information presented reflects our operational activities that fall under our direct control at the Kuala Lumpur headquarters. It also lays the foundation for future disclosures as the organisation progressively expands its ESG integration, data systems and reporting scope.

Through this commitment, ISS aims to align our engineering excellence with long term sustainability value for our clients, our people, and the broader industry ecosystem.

VISION

To be an internationally recognised solution provider for modular process packages and engineering services that support responsible, safe and sustainable development across the oil and gas and process industries.

MISSION

- ◆ To deliver high quality engineering and project management solutions that are safe, efficient and environmentally responsible.
- ◆ To empower our workforce through continuous development, structured knowledge sharing and adherence to strong governance practices.
- ◆ To support clients and partners by integrating sustainability principles into engineering design, fabrication support and operational delivery.



CORE VALUES

Integrity

We act with honesty and transparency in all business decisions and interactions.

Safety

We protect our people and partners by ensuring safe working practices, compliance with regulatory requirements and a proactive safety culture.

Responsibility

We recognise our role in supporting environmental stewardship, workforce wellbeing and ethical governance throughout our value chain.

Collaboration

We value teamwork, knowledge sharing and partnerships that foster continuous learning and improvement.

Quality

We meet client expectations with engineering precision, technical discipline and strong project management standards.

SUSTAINABILITY OBJECTIVES (2024 TO 2030)

ISS has defined five long term sustainability objectives that guide our operational decisions and reporting commitments.

1. Build a measurable and transparent ESG reporting framework

- ◆ Establish full baseline data for environmental, social and governance indicators.
- ◆ Expand the reporting boundary progressively to include Scope 1 emissions, Scope 3 emissions and supply chain data.
- ◆ Strengthen internal systems for data collection, verification and documentation.

2. Strengthen workforce capability and safety performance

- ◆ Maintain zero fatalities and zero major injuries.
- ◆ Enhance safety training to ensure all employees maintain competency in operational and office-based environments.
- ◆ Support continuous learning through structured competency development and annual training plans.

3. Improve environmental performance through responsible resource management

- ◆ Monitor electricity consumption and establish reduction targets after first trend analysis.
- ◆ Maintain strict compliance with environmental regulations and reporting requirements.
- ◆ Plan phased inclusion of waste, water and materials data for future reporting cycles.

4. Enhance governance integrity and organisational accountability

- ◆ Strengthen anti-corruption controls through refreshed policies, declarations and annual disclosures.
- ◆ Expand cybersecurity and data protection training across all departments.
- ◆ Integrate ESG oversight into management and governance structures.

5. Support sustainable growth and industry alignment

- ◆ Align ISS sustainability roadmap with national and global frameworks including the UN SDGs, Bursa Malaysia SRG 3.0 and sector specific best practices.
- ◆ Share sustainability knowledge with clients, partners and supply chain stakeholders.
- ◆ Build internal ESG capacity to support long term operational resilience and industry competitiveness.



1.1 SUSTAINABILITY STATEMENT – OUR COMMITMENT TO A BETTER FUTURE

Innovative Synergy Solutions (ISS) is committed to engineering excellence that advances safety, quality and responsible project delivery. As a specialised EPCC and modular process package provider serving the oil and gas, petrochemical and process industries, we recognise the evolving expectations placed on organisations to operate ethically, minimise environmental impact and prioritise the wellbeing of employees and communities.

This Sustainability Report marks an important milestone in our journey. It reflects our intention to embed sustainability into the way we manage projects, serve clients and strengthen internal capabilities. The report is prepared with reference to the GRI Standards 2021 and presents our first structured ESG baseline covering environmental, social and governance indicators for our operations under direct control at the Kuala Lumpur headquarters.

Our commitment to sustainability is supported by strong governance practices, transparent processes and a culture of continuous improvement. We remain focused on strengthening our internal systems, expanding our reporting scope and aligning our performance with national and global sustainability frameworks. As we build toward long term resilience, ISS will continue to support our clients, partners and the broader industry by delivering solutions that are safe, efficient and responsible.

Through this report, we reaffirm our dedication to responsible growth and contribution to a more sustainable future for our employees, clients and industry stakeholders.

1.2 EXECUTIVE SUMMARY – 2024 HIGHLIGHTS AND 2025 TARGETS

2024 ESG HIGHLIGHTS

- Completed the first full sustainability data collection cycle, establishing ISS' ESG baseline.
- Reported zero work related injuries, zero near miss incidents and zero fatalities, demonstrating a strong safety culture.
- Maintained full compliance with ISO 9001 and ISO 45001 quality and safety management systems.
- Achieved 100 percent staff participation in safety and ESG related briefings.
- Established core governance policies including anti-corruption, conflict of interest and whistleblower provisions.
- Strengthened internal controls for policy documentation, version management and biannual policy review cycles.



ENVIRONMENTAL HIGHLIGHTS

- Completed Scope 2 electricity emissions accounting for the headquarters based on the Peninsular Malaysia grid emission factor of 0.774 kgCO₂e per kWh.
- Recorded a total of 34,952 kWh electricity consumption with corresponding emissions of 27,053 tCO₂e.
- Established the foundation for future expansion of environmental reporting to include Scope 1, Scope 3, water and materials management.

SOCIAL HIGHLIGHTS

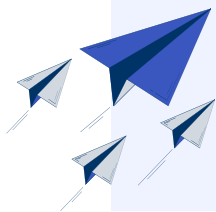
- Total workforce of 49 employees with a balanced representation across non-executive, executive, managerial and director roles.
- Achieved 100 percent training participation with average training hours of 8 hours per employee.
- Recorded a low annual turnover, supported by stable workforce composition.
- Conducted safety and ESG training for all employees.
- Maintained zero cases of discrimination, harassment or labour related grievances.

GOVERNANCE HIGHLIGHTS

- Implemented structured governance practices including policy transparency, anti-corruption controls and conflict of interest declarations.
- Documented 0 incidents of bribery or corruption and 0 whistleblower reports.
- Strengthened risk and compliance practices including annual risk assessments, emergency response planning and information security controls.
- Developed clear governance oversight for ESG matters, aligned with ISS' organisational structure.

2025 ESG TARGETS

- ◆ Expand environmental reporting scope to include preliminary Scope 1 assessment and early-stage Scope 3 identification.
- ◆ Implement internal energy reduction measures based on electricity usage trends.
- ◆ Strengthen cyber awareness across ISS with an increased training coverage target.
- ◆ Develop a structured sustainability roadmap for 2025 to 2027 with measurable targets.
- ◆ Introduce ESG familiarisation sessions for Directors to build board level competency.
- ◆ Strengthen supplier engagement by developing early-stage Responsible Sourcing requirements.
- ◆ Establish internal environmental and safety KPIs aligned with operational planning.



OUR DIRECTION MOVING FORWARD

ISS will continue to integrate sustainability into daily operations and long-term business planning. Our focus remains on improving data quality, enhancing governance controls, building workforce capability and progressively expanding our reporting boundary. By aligning engineering excellence with sustainability values, we aim to create lasting impact for our stakeholders and contribute to responsible progress in the EPCC and modular engineering sector.



SECTION 2 About This Report

2.1 REPORTING SCOPE AND BOUNDARIES

Innovative Synergy Solutions (ISS) is committed to engineering excellence that advances safety, quality and responsible project delivery. As a specialised EPCC and modular process package provider serving the oil and gas, petrochemical and process industries, we recognise the evolving expectations placed on organisations to operate ethically, minimise environmental impact and prioritise the wellbeing of employees and communities.

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Through this report, we reaffirm our dedication to responsible growth and contribution to a more sustainable future for our employees, clients and industry stakeholders.

2.2 REPORTING PERIOD

This report covers ISS' sustainability performance for the period 1 January 2024 to 31 December 2024, which represents the full annual cycle for the organisation's first structured ESG data collection.

ISS will adopt an annual reporting cycle moving forward, with data collection processes improved each year to ensure accuracy, reliability and completeness.

2.3 FRAMEWORKS AND STANDARDS REFERENCED

This Sustainability Report is prepared with reference to the following frameworks and standards:



GLOBAL REPORTING INITIATIVE (GRI) STANDARDS 2021

Referenced for structure and indicator definitions.

Not reported "in accordance".



UN SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

Used to align ISS' sustainability commitments with global development priorities.



BURSA MALAYSIA SUSTAINABILITY REPORTING GUIDE (SRG) 3.0

Referenced for governance expectations, stakeholder considerations and ESG information quality.



ISO 9001 AND ISO 45001 MANAGEMENT SYSTEM REQUIREMENTS

Applied in operational practices, quality management and safety governance.

ISS aims to progressively enhance alignment with international frameworks as more comprehensive datasets and governance controls are established.

2.4 MATERIALITY ASSESSMENT

ISS conducted a materiality assessment based on the same methodology applied to ISEP. The process identified key ESG topics that hold the highest relevance to ISS' operations, stakeholder expectations and regulatory context.

The assessment followed a structured approach:

- 1 Identification of ESG topics based on industry relevance, peer benchmarking, regulatory expectations and client requirements.
- 2 Evaluation of each topic's importance to ISS' business continuity, operational efficiency, compliance obligations and stakeholder trust.
- 3 Prioritisation through the ISS Materiality Matrix, which plots Internal Business Impact against External Stakeholder Impact.
- 4 Validation by the management team.

The materiality topics identified form the foundation of environmental, social and governance disclosures presented in this report. The detailed materiality matrix is provided in Section 9.0.

2.5 STAKEHOLDER ENGAGEMENT SUMMARY

Stakeholder engagement for ISS follows the ISEP model, adapted to the organisation's scale and operations. ISS recognises that strong stakeholder relationships build trust, support operational resilience and guide the organisation toward responsible growth.

Key stakeholder groups include:

- ◆ Employees
- ◆ Clients and project partners
- ◆ Suppliers and contractors
- ◆ Regulators and authorities
- ◆ Finance and banking partners
- ◆ Communities
- ◆ Industry associations and professional bodies

Engagement methods include internal briefings, project meetings, supplier communication, compliance audits, client feedback sessions, safety briefings and participation in industry platforms. Insights from engagement activities inform ISS' sustainability priorities, risk assessments and continuous improvement efforts.

2.6 DATA QUALITY AND RELIABILITY

ISS has adopted a structured and responsible data management approach to ensure accuracy and reliability in this first sustainability reporting cycle. Data is collected directly from internal departments such as Human Resources, Finance, Administration, Safety and Sustainability.

Key measures implemented:

- ◆ Internal validation of all ESG data by respective department heads.
- ◆ Use of source documents such as HR records, training logs, electricity bills and governance policies.
- ◆ Version management and document control aligned with ISS' ISO 9001 practices.
- ◆ Clear tracking of assumptions and data boundaries.
- ◆ Exclusion of estimates unless necessary and clearly stated.

ISS will continue strengthening its data controls, including the introduction of digital data collection tools and structured monitoring systems in future reporting years.



3.1 COMPANY PROFILE

Innovative Synergy Solutions Sdn Bhd (ISS) is a Malaysian engineering company specialising in modular process packages and turnkey project delivery for the oil and gas, petrochemical and process industries. Established in 2007 and headquartered in Kuala Lumpur, ISS has grown into a recognised engineering solutions provider with a strong focus on process design, project management and integrated modular systems.

ISS delivers a wide range of engineering services including Front End Engineering Design, detailed design, process studies, modular package development and coordination with fabrication partners. Our expertise spans gas treatment, crude processing, water treatment, condensate purification, hydrogen systems and carbon capture solutions.

ISS operates with a structured management system certified under ISO 9001 for quality and ISO 45001 for occupational health and safety. These systems reflect our commitment to high standards, disciplined execution and long-term operational reliability.

ISS' headquarters houses the core engineering, project management, QAQC, document control, finance, human resources and sustainability functions. The company does not operate fabrication facilities directly but maintains strong working relationships with certified fabrication partners to support project execution across local and international markets.

The organisation is driven by a team of experienced engineers and professionals guided by a Managing Director, General Manager and structured departmental leads covering Process, Mechanical, Piping, Electrical and Instrumentation, Project Management and Quality Assurance.

ISS continues to strengthen its presence in the engineering sector by delivering reliable solutions with consistent project performance, technical quality and adherence to regulatory requirements.



3.2 HISTORY AND GROWTH

ISS began its journey in 2007 under the name Extreme Process Systems before adopting its current identity as Innovative Synergy Solutions Sdn Bhd in 2009. The company was founded by a group of experienced engineers with expertise in oil and gas, petrochemical and refinery operations.

Key milestones include successful delivery of modular process packages for major industry clients, acceptance into approved vendor lists and participation in regional engineering projects through collaboration with international EPC partners. The company has progressively expanded its engineering capabilities and refined its project delivery methodologies in line with industry advancements.

Over the years, ISS has strengthened its technical competencies, broadened its service offerings and established a reputation for quality and reliability. Despite market challenges, the company has maintained operational stability supported by strong governance, lean management practices and disciplined execution.

Today, ISS continues to grow by focusing on engineering excellence, client satisfaction and sustainability integration as part of its long-term vision.



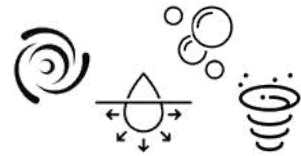
3.3 CORE EXPERTISE AND SERVICES

ISS provides specialised engineering solutions across the upstream, midstream and downstream segments of the energy and process industries. Our core expertise includes:



GAS TREATMENT SYSTEMS

Gas dehydration, fuel gas conditioning, dew point control, MEG regeneration, amine sweetening and CO2 removal systems designed for operational reliability and efficiency.



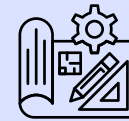
WATER TREATMENT SOLUTIONS

Hydro cyclones, induced gas flotation units, compact flotation systems, desander and sand wash systems, and CPI separators for produced water treatment.



CRUDE PROCESSING UNITS

Electrostatic coalescers, crude heater units, HP and LP separators, heater treaters and customised crude processing systems for field and plant applications.



ENGINEERING AND PROJECT MANAGEMENT

Front End Engineering Design, detailed engineering, process simulation, modular design, project planning, document control, vendor coordination and commissioning support.



CONDENSATE AND GAS PURIFICATION

Mercury removal units, H2S removal systems, CO2 and N2 removal systems, helium recovery and biogas purification.



HYDROGEN AND CARBON CAPTURE SOLUTIONS

Hydrogen plant balance of plant engineering, electrolyser system integration, and modular carbon capture units up to 100,000 tonnes per year with food grade CO2 output capability.

ISS combines engineering expertise with strong project management practices to deliver solutions that are technically sound, safe and aligned with client requirements.

3.4 AT A GLANCE - KEY 2024 METRICS



ORGANISATION

Total employees: 49
 Male employees: 29
 Female employees: 20
 Directors: 2
 Board female representation: 50 percent



ENVIRONMENTAL

Electricity consumption: 34,952 kWh
 Scope 2 emissions: 27.053 tCO2e
 Scope 1 emissions: Not applicable
 Scope 3 emissions: Not applicable



SOCIAL

Total training hours: 8
 Average training hours per employee: 8
 Employees trained in safety: 50
 Work related injuries: 0
 Near miss incidents: 0
 Lost time incident rate: 0
 Fatalities: 0
 Employee turnover: 5
 Contractors or temporary staff: 0



GOVERNANCE

Anti-corruption cases: 0
 Whistleblower reports: 0
 Conflict of interest declarations: Completed
 Cybersecurity training coverage: 5 percent
 Information security incidents: 0
 Supplier Code of Conduct implementation: 0 percent (to be implemented in phases)
 Policy review cycle: Biannual

4.1 MANAGING DIRECTOR'S MESSAGE

As Managing Director of Innovative Synergy Solutions (ISS), I am pleased to present our first Sustainability Report. This report represents an important step in strengthening our governance culture, establishing reliable ESG baselines and integrating sustainability into the way we operate as an engineering company.

ISS began as a small team of engineers with a clear mission to deliver quality, safety and integrity in every project. Over the years, we have developed a strong foundation in project management, process design and modular engineering. As the industry evolves, sustainability has become a key expectation across clients, regulators and global partners. It is no longer a separate agenda but an essential part of responsible engineering.

Our first reporting cycle focuses on transparency and capacity building. We have established our baseline for environmental performance, workforce wellbeing and governance systems. This provides a clear foundation for setting targets, improving internal systems and aligning our operations with both national and global sustainability frameworks.

Moving forward, we will strengthen our sustainability roadmap by expanding our reporting scope, enhancing our environmental management processes and improving data quality. We will also continue investing in our people, ensuring they have the skills and knowledge to support ISS' growth and contribute to a safer and more sustainable engineering ecosystem.

On behalf of our leadership team, I thank our employees, clients and partners for their continued confidence and trust. Sustainability is a collective effort, and ISS is committed to responsible progress in support of our industry and stakeholders.



Lee Hong Tien
Managing Director
Innovative Synergy Solutions Sdn Bhd

4.2 GENERAL MANAGER'S MESSAGE

The energy and engineering sector is undergoing significant transformation. Expectations around safety, operational efficiency, transparency and sustainability are increasing across all levels of the value chain. As General Manager, I recognise the importance of embedding sustainability principles into our daily operations, decision making processes and project management systems.

This Sustainability Report documents our initial ESG baseline. It reflects our progress in establishing structured governance practices, improving workforce competency and strengthening operational controls. The report also highlights the areas we need to improve, particularly in deepening environmental data, building supply chain engagement and expanding ESG training across departments.

ISS maintains a strong culture of discipline, teamwork and accountability. These are strengths that support our transition toward more comprehensive sustainability reporting. Our commitment to safety, responsible engineering and ethical conduct forms the basis of our sustainability journey.

Moving into 2025, ISS will focus on developing a more comprehensive sustainability plan, enhancing training coverage, expanding our environmental reporting scope and introducing responsible sourcing expectations for vendors and partners. These steps will position ISS to meet industry requirements and support long term business resilience.

Thank you to our team for their commitment and to our clients for their continued partnership. Together, we will continue to advance engineering excellence while supporting sustainable development in our industry.



Alan Ko
General Manager
Innovative Synergy Solutions Sdn Bhd

4.3 SUSTAINABILITY STRATEGY AND ROADMAP (2024 TO 2026)

ISS has established a structured sustainability strategy that focuses on building internal systems, strengthening governance controls and progressively expanding ESG reporting scope. The strategy covers three phases.



This roadmap is reviewed annually and updated in alignment with ISS' strategy, industry trends and stakeholder expectations.

4.4 ALIGNMENT WITH GLOBAL AND LOCAL FRAMEWORKS

ISS aligns its sustainability direction with recognised frameworks to ensure relevance, transparency and long-term industry value. These include:

- ◆ GRI Standards 2021 – referenced for ESG structure and performance disclosure.
- ◆ UN Sustainable Development Goals – linked to long term objectives.
- ◆ Bursa Malaysia Sustainability Reporting Guide 3.0 – referenced for governance expectations and reporting quality.
- ◆ ISO 9001 and ISO 45001 Standards – embedded into ISS' approach to quality, safety and operational excellence.

While this report is prepared with reference to GRI, ISS plans to progressively enhance its reporting approach, strengthen data systems and expand the scope for future reporting cycles.

4.5 TEAM REFLECTIONS

The ISS leadership team recognises that sustainability is a collective responsibility that requires clear direction, structured processes and consistent participation across all departments. Reflections from the management team include:

- ◆ A stronger sustainability culture is emerging as departments begin contributing data and participating in ESG discussions.
- ◆ Additional training is needed to increase staff understanding of sustainability principles, data reporting and risk management.
- ◆ Governance foundations are strong, with clear policies and documented procedures that align with ISS' ISO certified management systems.
- ◆ The next step is expanding environmental data coverage and improving supplier engagement.

The team remains committed to supporting the next phase of ISS' sustainability development and driving continuous improvement across all aspects of the organisation.

5.1 ENVIRONMENTAL MANAGEMENT APPROACH

ISS recognises the importance of responsible environmental practices in ensuring operational sustainability, regulatory compliance and long-term business resilience. Although the company operates primarily as an engineering and project management organisation without direct fabrication or heavy industrial activities, environmental management remains an essential part of our operational discipline.

Our environmental approach is guided by three principles.

First, we ensure that our internal operations minimise environmental impact through responsible energy use and sustainable office practices.

Second, we adopt a compliance driven approach to environmental governance, supported by our ISO 9001 and ISO 45001 management systems.

Third, we aim to progressively expand our environmental reporting boundaries as we strengthen our data systems and internal capabilities.

For this reporting year, ISS focuses on Scope 2 emissions from electricity consumption at our headquarters. Scope 1 and Scope 3 emissions are not applicable in this cycle as the organisation does not own direct combustion assets or conduct activities that generate measurable upstream or downstream emissions. These categories will be included in subsequent reporting cycles as part of ISS' continuous improvement plan.

Environmental responsibilities are coordinated through the Sustainability Team with support from Administration, Finance and the Safety and Health Committee.

5.2 ENERGY MANAGEMENT (GRI 302)

Energy consumption for ISS is limited to electricity use within our Kuala Lumpur headquarters. All data is sourced from Tenaga Nasional Berhad (TNB) electricity bills and consolidated for annual reporting.



Electricity Consumption in 2024

Total electricity consumption: **34,952 kWh**

Monthly consumption range: **2,301 kWh to 3,237 kWh**

Coverage: **ISS headquarters (scope of direct control)**

Electricity use is the primary contributor to ISS' environmental footprint. As part of the next phase of our

sustainability roadmap, ISS will explore opportunities to reduce energy use through improved office practices, energy efficient equipment and behavioural awareness programs.

Energy Management Practices

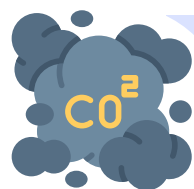
- Monthly monitoring of electricity consumption.
- Centralised administration of utility data for accuracy and verification.
- Identification of consumption patterns to support future energy reduction initiatives.
- Planning for digital tools to improve measurement, monitoring and reporting accuracy.

ISS will establish specific energy reduction targets once sufficient trend data is collected over multiple reporting cycles.

5.3 GHG EMISSIONS (GRI 305)

For the 2024 reporting year, ISS quantified Scope 2 greenhouse gas emissions arising from purchased electricity. The Peninsular Malaysia grid emission factor of 0.774 kgCO₂e per kWh was used based on national reference data.

GHG Emissions Summary



Category	Description	Emissions
Scope 1	Direct emissions	Not applicable
Scope 2	Electricity consumption	27,053 tCO₂e
Scope 3	Indirect emissions	Not included for this cycle

Methodology

- Activity data sourced from TNB electricity bills.
- Emission factor applied consistently across monthly consumption.
- Consolidation and verification conducted internally.
- No offsets or third-party assurance applied.

Future Enhancement

ISS plans to expand its emissions boundary to include Scope 1 and selected Scope 3 categories once internal systems and data sources are fully established. This will be conducted in alignment with industry best practices and GHG Protocol guidelines.

5.4 WATER USAGE AND EFFICIENCY (GRI 303)

ISS' operational activities do not involve industrial water consumption, processing or wastewater generation. Water usage is limited to domestic office use within the headquarters.

For this reporting cycle:

- Water data is not included due to the unavailability of complete and verified readings.
- ISS will establish internal documentation processes to track future water consumption once data systems are in place.

Given the organisation's operational profile, water usage is expected to remain minimal. Although not a material environmental topic at this stage, ISS will continue to monitor regulatory expectations and client requirements related to water management.

5.5 WASTE MANAGEMENT AND MATERIALS

ISS does not manage or generate significant operational waste due to the nature of the business. Waste generated at the headquarters consists primarily of office waste such as paper, packaging and general refuse.

Current practices include:

- Proper segregation of recyclable and non-recyclable waste as provided by building management.
- Responsible procurement practices that minimise unnecessary materials.
- Limited printing and increased use of digital documentation aligned with ISO 9001 processes.

Although waste is not material to ISS' operational footprint today, the company will continue evaluating opportunities for sustainable procurement and responsible waste practices as part of its continuous improvement plan.

5.6 ENVIRONMENTAL COMPLIANCE (GRI 307)

ISS recorded zero environmental non-compliance incidents for the reporting year. There were no regulatory violations, penalties or notices related to environmental performance.

Compliance is supported through:

- Regular internal reviews of environmental controls.
- Engagement with building management on regulatory and operational requirements.
- Adherence to ISO 9001 and ISO 45001 protocols.
- Clear responsibility structures for health, safety and administrative functions.

5.7 ENVIRONMENTAL TARGETS FOR 2025

ISS has set the following environmental improvement targets for the next reporting cycle.



Improve data completeness

- Include Scope 1 assessment for any applicable assets.
- Begin preliminary mapping for Scope 3 categories such as business travel and purchased goods.



Strengthen environmental monitoring

- Establish a monitoring dashboard for electricity and water consumption.
- Conduct monthly trend reviews to identify potential reduction opportunities.



Prepare for future reduction plans

- Use multiyear data to define measurable reduction targets for energy usage and emissions.



Enhance awareness

- Conduct awareness sessions for employees on energy saving practices and environmental responsibility.

SECTION 6 Social Responsibility

6.1 SOCIAL MANAGEMENT APPROACH

ISS recognises that people are central to the organisation’s long-term success. As an engineering and project management company, our strength lies in the knowledge, discipline and professionalism of our workforce. Social responsibility at ISS focuses on protecting employee wellbeing, developing technical and leadership capabilities, ensuring fair labour practices and maintaining a safe work environment.

ISS’ social practices are guided by three core principles.

First, we ensure that employees work in a safe and healthy environment supported by ISO 45001 certified systems.

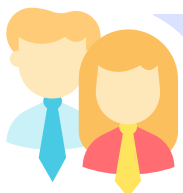
Second, we provide equal opportunities for personal and professional growth through training, skills development and transparent performance expectations.

Third, we maintain fair and ethical labour practices that respect human rights, diversity and inclusion.

Social performance is coordinated by the Human Resources team with support from the Safety and Health Committee, Department Leads and the Sustainability Team.

6.2 WORKFORCE PROFILE AND DIVERSITY (GRI 401 AND GRI 405)

ISS maintains a diverse workforce with representation across gender, job categories and employment levels. Workforce data for the reporting period is based on internal HR records validated through the sustainability data consolidation process.



Total Workforce	Local	Foreign	Total
Total employees: 49	Male: 28	2	29
	Female: 20	0	20

Staff Group	Male	Female	Total
Non-Executive	25	18	43
Executive	2	0	2
Manager	1	1	2
Director	1	1	2
Total	29	20	49

ISS maintains full compliance with national labour regulations and does not engage in forced labour, child labour or unethical labour practices. All foreign employees are legally employed and managed in accordance with Malaysian immigration requirements.

Diversity and Inclusion

ISS encourages equal access to opportunities and fosters an inclusive working environment.

The company has:

- 50 percent female representation on the board
- Multiethnic workforce
- Transparent HR policies aligned with Malaysian labour regulations

ISS will continue to strengthen diversity related initiatives in future cycles through improved tracking and targeted development programs.

6.3 TRAINING AND COMPETENCY DEVELOPMENT (GRI 404)

Skill development and continuous learning are essential in a technical organisation such as ISS. Training programs ensure employees remain competent, knowledgeable and aligned with the company’s operational standards.



2024 Training Summary

Total training hours: **8 hours**
 Employees trained: **12 staff**
 Average training hours per employee: **8 hours**

Training conducted covered:

- Safety awareness
- ESG familiarisation
- Technical knowledge refreshers
- Administrative and compliance briefings

ISS aims to expand its training program in 2025 by increasing coverage across all departments, incorporating structured learning modules and enhancing leadership development for managerial roles.

SECTION 6 Social Responsibility

6.4 OCCUPATIONAL HEALTH AND SAFETY (GRI 403)

Safety is a core value at ISS. The company maintains an ISO 45001 certified safety management system that outlines clear responsibilities, procedures and controls to protect employees and visitors.



Safety Performance (2024)

Employees trained in health and safety: **50** (all employees)
Work related injuries: **0**
Near miss incidents: **0**
Lost time incident rate: **0**
Work related fatalities: **0**

Safety practices include:

- Regular toolbox meetings
- Annual safety briefings
- Emergency response procedures
- Periodic inspections conducted by the Safety and Health Committee
- Documentation aligned with ISO 45001 controls

ISS is committed to maintaining zero incidents and further strengthening its safety culture through continuous engagement and training.

6.5 LABOUR STANDARDS AND FAIR PRACTICES (GRI 401 AND GRI 406)

ISS upholds fair labour practices and complies with all relevant employment laws. The company ensures transparent recruitment, equal opportunity and non-discriminatory practices.



Key Labour Indicators

Contractors or temporary staff: **0**
Employee turnover in 2024: **5** employees (4 male, 1 female)
Grievances related to discrimination or unfair practices: **0**

ISS maintains:

- Anti-discrimination policy
- Conflict of interest declarations
- Minimum wage policy
- Clear HR guidelines aligned with Malaysian labour standards

Future initiatives include strengthening employee engagement activities and improving turnover analysis for long term workforce planning.

6.6 DATA PROTECTION AND CYBERSECURITY (GRI 418)

ISS recognises the importance of data security and privacy in today's digital environment, especially due to the company's project based and client interfacing activities.



2024 Cybersecurity and Data Protection Indicators

Employees trained on Data Protection Act: **50** (all employees)
Employees trained on cybersecurity: **5%** workforce
Data breaches: **0** cases reported

ISS maintains an information security policy that outlines safe data handling practices, password control, email protocols and incident reporting procedures. Future plans include expanding cybersecurity training coverage and strengthening digital risk controls.

6.6 DATA PROTECTION AND CYBERSECURITY (GRI 418)

ISS supports community engagement and corporate responsibility activities that promote positive social impact. While CSR initiatives were limited during the reporting period, the company maintains a commitment to responsible community involvement.



2024 CSR Contributions

CSR investment: **RM 0**
Number of staff involved in CSR: **1**
CSR volunteer hours: **0**
NGO involvement: **0 staff, 0 hours**

Although CSR activity was minimal in this initial reporting cycle, ISS intends to explore opportunities for structured community engagement such as education support, environmental awareness and engineering knowledge sharing in future years.

7.1 GOVERNANCE MANAGEMENT APPROACH

ISS is committed to strong governance practices that support transparency, accountability and responsible decision making. The company's governance framework is guided by its ISO certified management systems, internal policies and established organisational structure. Governance responsibilities are clearly defined through departmental roles, reporting lines and approval processes.

ISS' governance approach is built on four principles.

First, we maintain clear documentation through a central repository of policies that are version controlled and accessible to employees.

Second, we ensure structured review cycles for all policies through biannual updates coordinated by the Sustainability Team and reviewed by senior management.

Third, we promote ethical conduct through a documented Code of Conduct, conflict of interest declarations and zero tolerance for bribery and corruption.

Fourth, we ensure compliance with all applicable laws, regulations and administrative requirements relevant to our operations.

Governance matters related to sustainability, risk, compliance and policy oversight are managed through a coordinated effort involving the Managing Director, General Manager, Department Heads and the Sustainability Team. This distributed approach ensures that governance principles are embedded across all core functions rather than concentrated within a single department.

7.2 ANTI-CORRUPTION AND INTEGRITY MEASURES (GRI 205)

Integrity forms the foundation of ISS' business culture. The company enforces a zero-tolerance stance on bribery, corruption and unethical behaviour. All employees, including management, are required to adhere to the Code of Conduct and sign conflict of interest declarations.

Key Integrity Indicators

Indicator	Metric/Value	Remarks
Anti bribery and corruption cases	0 incidents	No internal or external cases recorded
Whistleblower policy	Yes	Policy in place and accessible
Whistleblower reports	0	No reports or unresolved cases
Code of Conduct	Yes	Signed by all employees and management
Conflict of Interest Policy	Yes	Signed annually by all employees

ISS maintains a confidential whistleblower mechanism that allows employees to report misconduct without fear of retaliation. The organisation will continue expanding ethics training and awareness programmes as part of its long-term governance strengthening plan.

7.3 RISK AND COMPLIANCE GOVERNANCE

Risk and compliance are managed through a structured approach that considers operational, safety, environmental, financial and legal risks. Risk awareness is embedded in daily operations through ISO 45001 safety practices and ISO 9001 quality management procedures.

Risk and Compliance Practices

- Annual risk assessments covering operational, ESG and compliance related risks.
- Annual safety audits and equipment checks conducted through the Safety and Health Committee.
- Emergency Action Plan established for fire, medical and operational emergencies.
- Environmental compliance reviews conducted with support from building management.
- Documentation and record keeping aligned with ISO requirements.

Key Compliance Indicators

Indicator	Metric/Value	Remarks
Diversity and Inclusion Policy	No	To be developed in future cycles
Anti-discrimination policy	Yes	Covers gender, race and religion
Minimum wage policy	Yes	Fully compliant with Malaysian regulations
Employee handbook	Yes	Updated annually
Health and safety policy	Yes	Applicable at office operations
Environmental incidents	0	No spills, exceedances or non-compliance cases
Emergency Action Plan	Yes	Fire and accident procedures documented
Risk assessments	Yes	Conducted annually
Vehicle safety inspections	Not applicable	No ISS owned vehicles
Supplier Code of Conduct	0 percent signed	To be implemented in phases
Customer health and safety policy	Yes	Incorporated into project quality practices
Information security policy	Yes	Covers IT and data governance
Data breaches	0 cases	No reported incidents
Employees trained on cybersecurity	5 percent	Initial phase, to be expanded

ISS will strengthen internal compliance by developing a formal Diversity and Inclusion Policy and expanding cybersecurity readiness across all departments.

7.4 SUPPLIER SCREENING AND RESPONSIBLE SOURCING (GRI 308 AND GRI 414)

While ISS does not manage fabrication facilities directly, the organisation works closely with engineering and fabrication partners during project delivery. Responsible sourcing plays a role in ensuring that vendors and subcontractors comply with regulatory and ethical standards.

For this reporting cycle:

- Supplier Code of Conduct adoption is currently at 0 percent, as formal implementation is planned for the next phase of ISS' sustainability roadmap.
- Vendor selection is based on technical capability, quality certification, safety compliance and delivery performance.
- ISS prioritises working with local engineering and fabrication companies that adhere to ISO standards and industry best practices.

Future plans include:

- Introducing a Supplier Code of Conduct outlining expectations on ethics, labour standards and environmental responsibility.
- Implementing ESG criteria during vendor evaluation.
- Conducting supplier awareness sessions to strengthen responsible sourcing practices across the value chain.

7.5 REGULATORY AND CERTIFICATION COMPLIANCE

ISS maintains compliance with all relevant regulations and management system requirements applicable to its operations. Certifications held by the organisation include:

- **ISO 9001:2015 – Quality Management System**
- **ISO 45001:2018 – Occupational Health and Safety Management System**

ISS undergoes periodic internal audits and external certification assessments to ensure continuous compliance. Documentation practices, record control and audit findings are managed according to ISO requirements.

Regulatory compliance for the reporting period recorded:

- 0 environmental fines
- 0 safety related penalties
- 0 administrative non-compliance cases
- 0 quality related enforcement actions

This reflects ISS' commitment to disciplined management practices and regulatory adherence.

7.6 DATA GOVERNANCE AND CYBERSECURITY

As digital systems continue to play a larger role in engineering work, ISS recognises the importance of strong data governance processes. The Information Security Policy outlines responsibilities for data handling, password control, access management and system protection.

Data and Cybersecurity Performance

- Data breaches: 0 cases recorded
- Employees trained in cybersecurity: 5 percent of workforce
- Information security policy: Implemented and active

ISS aims to increase cybersecurity training coverage in 2025 and strengthen internal digital controls to support business continuity, confidentiality and data protection.

7.7 COMMITMENT TO ETHICAL AND RESPONSIBLE GOVERNANCE

ISS remains committed to strengthening governance standards across all aspects of its operations. Key commitments include:

- Maintaining robust anti-corruption controls.
- Ensuring transparency in decision making and policy processes.
- Strengthening ESG governance through structured oversight and management reviews.
- Improving workforce awareness through training, communication and engagement.
- Enhancing responsible sourcing practices and supply chain accountability in future years.

ISS understands that governance is the foundation of long-term sustainability. By upholding ethical standards and promoting responsible conduct, the organisation contributes to trust, reliability and resilience across the engineering ecosystem.

SECTION 8 Continuous Improvement

8.1 ESG PERFORMANCE TRENDS – 2024 BASELINE

The year 2024 represents ISS' first full sustainability baseline. Establishing this baseline provides a clear starting point for future measurement, target setting and continuous improvement. The baseline covers environmental, social and governance performance indicators for operations under ISS' direct control at the Kuala Lumpur headquarters.



Environmental Baseline (2024)

- Total electricity consumption: **34,952 kWh**
- Scope 2 emissions: **27.053 tCO2e**
- Scope 1 emissions: **Not applicable**
- Scope 3 emissions: **Not included for this cycle**
- Water data: **Not available, to be implemented in future cycles**
- Environmental non-compliance cases: **0**

The focus for 2024 was establishing reliable data, verifying sources and documenting methodology for future reporting cycles. Scope 1 and Scope 3 emissions will be included once full datasets and measurement systems are in place.



Social Baseline (2024)

- Total workforce: **49 employees**
- Male: **29**, Female: **20**
- Training hours: **8**
- Employees trained in safety: **50 (all employees)**
- Work related injuries: **0**
- Near miss incidents: **0**
- Lost time incident rate: **0**
- Fatalities: **0**
- Labour grievances: **0**
- Employee turnover: **5 employees**
- Contractors or temporary staff: **0**

The social baseline confirms a stable workforce, strong safety performance and encouraging participation in training activities. ISS plans to increase training hours and expand development programs in 2025.



Governance Baseline (2024)

- Anti bribery incidents: **0**
- Whistleblower reports: **0**
- Conflict of interest declarations: **Implemented**
- Policy documentation: **Centralised and version-controlled**
- Policy review cycle: **Biannual**
- Cybersecurity training coverage: **5%**
- Data breaches: **0**
- Supplier Code of Conduct adoption: **0%**

ISS' governance baseline reflects strong internal controls supported by ISO certified management systems. Future efforts will focus on enhancing cybersecurity readiness and strengthening supplier governance.

8.2 KPI PROGRESS AGAINST BASELINE (2025 TARGETS)

ISS established several early stage KPIs for 2025 based on the 2024 baseline. These KPIs aim to strengthen reporting quality, improve internal capacity and prepare the organisation for more comprehensive sustainability management.

Your KPI Category	2024 Baseline	2025 Target	Status
Scope 2 emissions inventory	Completed	Continue monitoring and begin reduction planning	On track
Scope 1 emission data	Not applicable	Preliminary assessment for applicable sources	Planned
Scope 3 readiness	Not included	Mapping of potential categories	Planned
Electricity monitoring	Monthly manual tracking	Digital dashboard and monthly trend review	Planned
Water data availability	Not available	Implement tracking system	Planned
Training hours	8 hours	Increase to 12 hours	In progress
Cybersecurity training	5 percent	Increase to 20 percent	In progress
Supplier Code of Conduct	0 percent	Partial rollout	Planned
Policy review	Biannual	Maintain and improve documentation	On track
Safety performance	Zero incidents	Maintain zero incidents	On track
ESG awareness	Initial stage	Conduct structured ESG familiarisation sessions	In progress

SECTION 8 Continuous Improvement

8.3 CONTINUOUS IMPROVEMENT ROADMAP (2025 TO 2027)

ISS has developed a three-year roadmap to guide sustainability improvements. This roadmap builds on the baseline and aligns with national requirements, industry expectations and global sustainability priorities.

<h2>2025</h2> <h3>Strengthening Data and Governance</h3>	<h2>2026</h2> <h3>Expanding Reporting Coverage and Embedding Systems</h3>	<h2>2027</h2> <h3>Optimising Performance and Creating Long Term Value</h3>
<ul style="list-style-type: none"> Expand environmental reporting to include Scope 1 assessment. Begin preliminary mapping of Scope 3 categories such as business travel and purchased goods. Strengthen cybersecurity training and awareness programs. Roll out Supplier Code of Conduct to selected key vendors. Increase internal training hours across departments. Enhance documentation and policy management processes. 	<ul style="list-style-type: none"> Implement digital solutions for data tracking and reporting. Begin internal environmental reduction planning based on multiyear trends. Establish ESG KPIs for department heads. Conduct higher frequency internal audits for safety and governance. Increase supplier participation in responsible sourcing requirements. Expand employee engagement programs and workforce development plans. 	<ul style="list-style-type: none"> Strengthen alignment with UN SDGs through structured mapping. Set long term environmental reduction targets for electricity and emissions. Introduce sustainability considerations into engineering design practices. Improve long term talent development and competency management. Formalise sustainability governance at senior management level.

The roadmap is reviewed annually to ensure relevance, practicality and alignment with ISS' operational capacity and strategic direction.

8.4 UNSDG MAPPING FOR CONTINUOUS IMPROVEMENT (2025 TO 2027)

ISS' sustainability initiatives contribute to several United Nations Sustainable Development Goals. The mapping for 2025 to 2027 focuses on areas where ISS can create meaningful impact based on its operational scope.

Relevant SDGs

 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Strong safety performance and ISO 45001 framework.</p>	 <p>5 GENDER EQUALITY</p> <p>Strong safety performance and ISO 45001 framework.</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Strong safety performance and ISO 45001 framework.</p>	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Strong safety performance and ISO 45001 framework.</p>
 <p>4 QUALITY EDUCATION</p> <p>Training programs and technical competency development.</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Training programs and technical competency development.</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Training programs and technical competency development.</p>	

ISS will expand its SDG contributions as new initiatives, data and improvement pathways are implemented in future cycles.

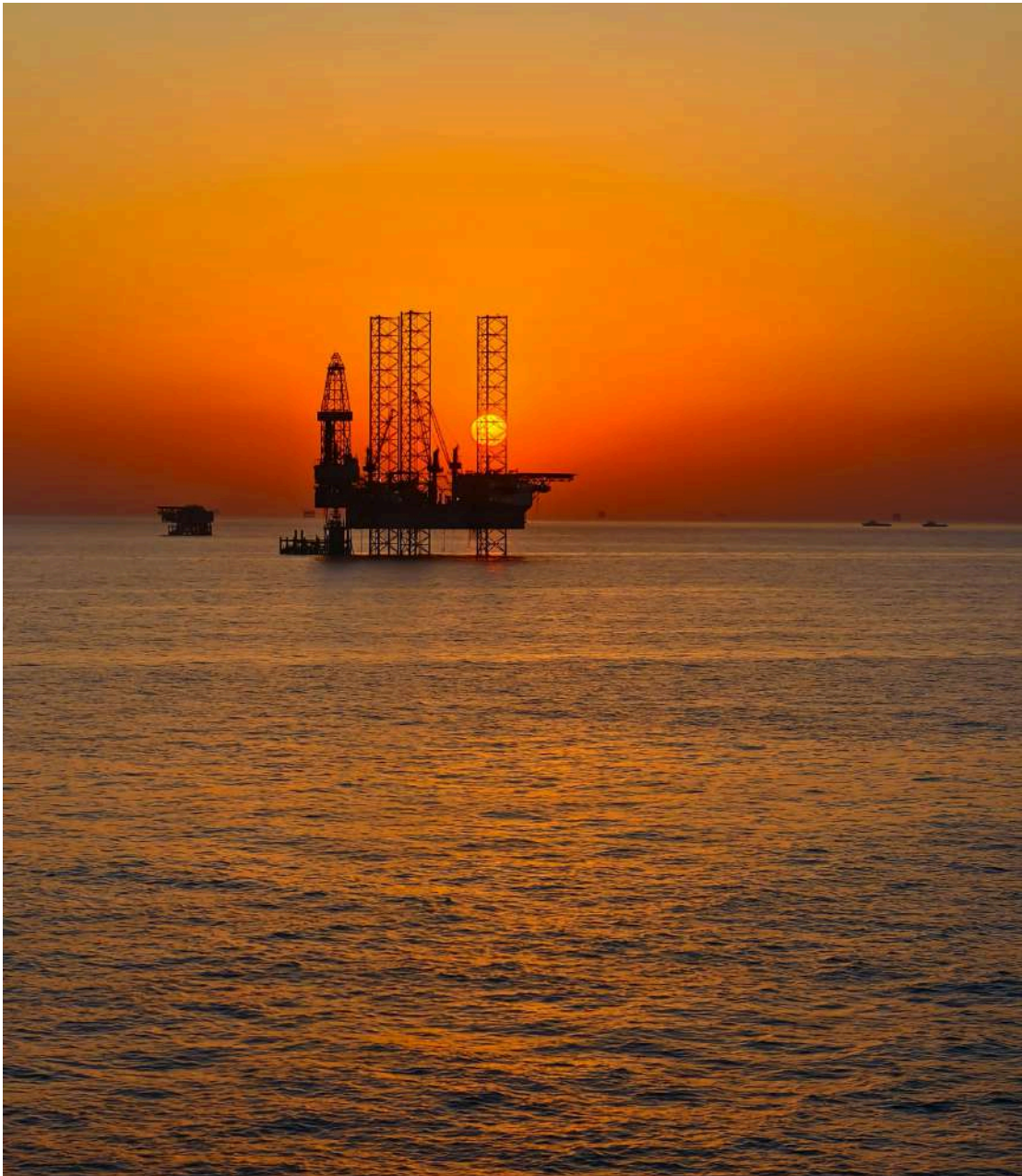
SECTION 8 Continuous Improvement

8.5 BOUNDARIES, DISCLAIMER, AND FORWARD-LOOKING STATEMENTS

This report is based on data available and verified for the reporting cycle covering ISS' headquarters operations. The information presented reflects activities under the organisation's direct control and excludes external fabrication, contract partners or supply chain contributors.

ISS acknowledges that certain improvements and future targets depend on organisational capacity, external conditions and the maturity of internal ESG systems. Forward looking statements are based on current estimates and may be adjusted as ISS strengthens its data governance, reporting processes and operational capabilities.

ISS remains committed to continuous improvement and will refine its sustainability practices as part of its long-term commitment to responsible engineering and business resilience.



9.1 MATERIALITY ASSESSMENT METHODOLOGY

ISS conducted its materiality assessment using the same structured approach applied for ISEP, customised to reflect ISS' business model, operating boundaries and stakeholder environment. The assessment identifies the ESG topics that hold the highest relevance to ISS' operations and the expectations of internal and external stakeholders.

The assessment followed four structured steps.



Identification of ESG Topics

Relevant ESG topics were identified based on:

- Regulatory requirements and industry standards
- ISS' ISO 9001 and ISO 45001 management systems
- Client expectations and engineering project requirements
- Peer benchmarking within the oil and gas and process engineering sector
- Global frameworks such as GRI Standards 2021 and UN SDGs



Stakeholder Prioritisation

Topics were evaluated based on their relevance to ISS' primary stakeholder groups including:

- Employees
- Clients and project partners
- Regulators and certification bodies
- Suppliers and subcontractors
- Building management
- Community and industry associations

Each group's expectations were analysed through direct engagement, project discussions, compliance reviews and internal consultations.



Impact Assessment

Topics were evaluated using two dimensions:

- 1 **Internal Business Impact** – the extent to which the topic influences ISS' operations, reputation, efficiency, safety, compliance and long-term resilience.
- 2 **External Stakeholder Impact** – the importance of the topic to clients, regulators, partners, workforce and the broader industry ecosystem.

Assessments were scored on a scale of 1 to 5 and validated through internal discussions with the Managing Director, General Manager, Department Heads and the Sustainability Team.



Validation and Finalisation

The final materiality matrix was endorsed by ISS' senior management. It will be reviewed annually as ISS expands its reporting scope and stakeholder engagements.

9.2 MATERIAL TOPICS IDENTIFIED

The materiality assessment identified ten priority ESG topics that are most significant to ISS' business continuity, stakeholder expectations and regulatory relevance.

High Priority Material Topics

These topics reflect significant impact on both internal operations and external stakeholders.

- Occupational Health and Safety
- Data Integrity and Document Control
- Anti-Corruption and Business Ethics
- Employee Welfare and Working Conditions
- Energy Management and Scope 2 Emissions
- Regulatory Compliance and Certification Management

Medium Priority Material Topics

These topics affect internal systems and operational efficiency but have lower immediate external visibility.

- Training and Competency Development
- Cybersecurity and Data Protection
- Responsible Supply Chain Management
- Environmental Awareness and Office Resource Use

Low Priority Topics

These have minimal impact due to ISS' operational nature but will grow in importance as reporting boundaries expand.

- Water Usage
- Waste Management and Materials
- Community Engagement and CSR Activities

These topics remain part of ISS' long term ESG roadmap and will be integrated progressively as data and systems mature.

SECTION 9 Materiality Assessment

9.3 MATERIALITY MATRIX NARRATIVE

The materiality matrix plots each ESG topic along two axes:

- **Y Axis: Importance to ISS**
- **X Axis: Impact on Stakeholders**

The following narrative summarises how topics are distributed across the four quadrants.

High ISS Impact / High Stakeholder Impact (High-High Quadrant)

These topics are critical for business resilience, regulatory compliance and stakeholder trust.

- **Occupational Health and Safety:** A core requirement for engineering organisations, supported by ISS' ISO 45001 system.
- **Anti-Corruption and Business Ethics:** Essential for client confidence, regulatory compliance and long-term governance stability.
- **Data Integrity and Document Control:** Important due to the heavy use of engineering drawings, specifications, QA documents and project records.
- **Employee Welfare and Working Conditions:** A key expectation for talent retention and fair labour practices.
- **Energy Management and Scope 2 Emissions:** Increasingly relevant for clients and industry standards.

These topics form the foundation of ISS' sustainability strategy and performance reporting.

High ISS Impact / Moderate Stakeholder Impact

These topics influence internal operations and efficiency.

- **Training and Competency Development:** Critical to engineering performance and operational readiness.
- **Cybersecurity and Data Protection:** Important for digital resilience, with rising relevance among clients and regulators.
- **Risk and Compliance Management:** Ensures operational discipline and safe project delivery.

Moderate ISS Impact / Emerging Stakeholder Impact

These topics are expected to gain importance as ISS expands its reporting boundary.

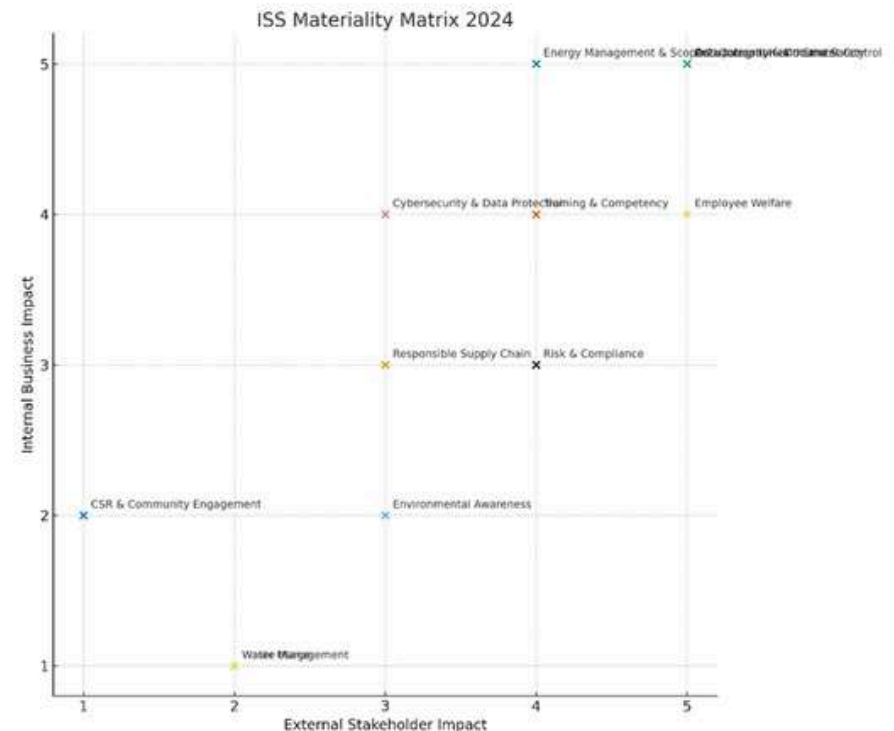
- **Responsible Supply Chain Management:** Currently emerging due to limited direct fabrication activities but will be significant in future vendor governance.
- **Environmental Awareness and Resource Management:** Relevant for long term operational responsibility.

Lower Priority, Low Impact (Current Cycle)

These topics are not material at this stage due to ISS' operational nature.

- **Water Usage:** Office based operations with minimal consumption.
- **Office Waste Management:** Minimal waste footprint.
- **Community Engagement:** Limited CSR activities in 2024.

These topics will remain under monitoring and may become more material as ISS' ESG maturity develops.



APPENDICES

APPENDIX A – REPORTING BOUNDARIES

This Sustainability Report covers the activities and performance of Innovative Synergy Solutions Sdn Bhd (ISS) for the period of 1 January 2024 to 31 December 2024.

The reporting boundary is limited to operations under ISS' direct ownership and control at the headquarters located at Wisma Golden Eagle Realty, Jalan Ampang, Kuala Lumpur. The scope includes all permanent employees and office-based functions such as engineering, project management, QAQC, document control, finance, human resources and sustainability.

Fabrication partners, subcontractors, vendors and external facilities are not included in this reporting cycle. These areas will be reviewed for future inclusion as ISS strengthens its internal ESG processes, data capture mechanisms and reporting systems.

Environmental boundaries for this report cover electricity consumption and the associated Scope 2 greenhouse gas emissions. Scope 1 and Scope 3 emissions are currently not applicable and will be added once full datasets and systems are established.

Social reporting includes workforce composition, training, safety performance and labour practices for ISS employees only.

Governance reporting includes all policies, procedures and controls applicable to ISS' internal management systems.

APPENDIX B – DISCLAIMER

This Sustainability Report contains information compiled by ISS for the purpose of transparency, stakeholder communication and continuous improvement. All data presented in this report is derived from internal records, official documents and verified departmental submissions.

ISS has taken reasonable steps to ensure the accuracy of the information presented. However, certain aspects may evolve due to changes in regulations, operational conditions or data improvements. ISS does not guarantee that all information is free of error or omission.

This report is not intended to serve as a legal, financial or investment document. ISS is not liable for any loss or damage arising from the use or interpretation of the information provided.

Data values, methodologies and boundaries may be updated in subsequent reports as ISS strengthens its ESG documentation, measurement systems and reporting capabilities.

APPENDIX C – FORWARD LOOKING STATEMENTS

This report includes statements regarding ISS' future plans, targets and sustainability commitments. These statements are based on current expectations and are subject to uncertainties including economic conditions, regulatory developments, industry trends and internal resource capacity.

Forward looking statements are intended to guide ISS' long term sustainability direction. Actual results may differ due to unforeseen circumstances. ISS does not undertake any obligation to update forward looking statements except as required by law or internal governance requirements.

These statements reflect ISS' intention to improve sustainability performance progressively as part of its long-term strategic roadmap.

APPENDICES

APPENDIX D: GRI 2021 CONTENT INDEX

(Prepared with reference to the GRI Standards 2021)

STATEMENT OF USE	Innovative Synergy Solutions Sdn Bhd (ISS) has prepared this Sustainability Report 2024 with reference to the GRI Standards 2021.
REPORTING PERIOD	1 January – 31 December 2024
REPORTING BOUNDARY	Quantitative KPIs are limited to ISS Headquarters (Kuala Lumpur, Malaysia). Narrative disclosures cover ISS' wider business activities and operational context.
EXTERNAL ASSURANCE	None in 2024
CONTACT POINT	info@issprocess.com

GRI 2: GENERAL DISCLOSURES 2021

GRI Disclosure	Location in Report	Notes
2-1 Organizational details	Section 3.1 Company Profile	Legal name, location, ownership
2-2 Entities included in sustainability reporting	Appendix A Reporting Boundaries	Only HQ included for KPIs
2-3 Reporting period, frequency and contact point	Section 2.2 and Appendix D	Annual reporting cycle
2-6 Activities, value chain and business relationships	Section 3.3 Core Expertise and Services	Engineering and modular process systems
2-7 Employees	Section 6.2 Workforce Profile	Workforce breakdown by gender and category
2-9 Governance structure and composition	Section 7.1 Governance Management Approach	Includes oversight and policy management
2-11 Chair of the highest governance body	Section 4.1 Managing Director's Message	Leadership accountability
2-12 Role of the highest governance body in sustainability	Section 4.3 Sustainability Strategy	Oversees ESG direction
2-13 Delegation of responsibility for sustainability topics	Section 7.1	Sustainability team and management
2-14 Role of highest governance body in sustainability reporting	Section 4.5 Team Reflections	Management validation

GRI Disclosure	Location in Report	Notes
2-16 Conflicts of interest	Section 7.2	Declarations signed
2-17 Collective knowledge of highest governance body	Section 4.3 and 4.5	Need for ESG training
2-19 Remuneration policies	Not applicable	ISS does not disclose remuneration publicly
2-22 Statement on sustainable development strategy	Section 1.1 Sustainability Commitment	Commitment to responsible engineering
2-23 Policy commitments	Section 7.1 Governance Approach	Policy repository, transparency
2-24 Embedding policy commitments	Section 7.3 Risk and Compliance	Policy implementation
2-26 Mechanisms for raising concerns	Section 7.2 Anti-Corruption	Whistleblower mechanism
2-27 Compliance with laws and regulations	Section 7.5	Zero noncompliance
2-29 Approach to stakeholder engagement	Section 2.5 Stakeholder Engagement	Stakeholder groups
2-30 Collective bargaining agreements	Not applicable	No unionisation

GRI TOPIC STANDARDS

GRI 205: ANTI-CORRUPTION

GRI Disclosure	Location in Report	Notes
205-2 Communication and training on anti-corruption policies	Section 7.2	Zero incidents, policies in place
205-3 Confirmed cases of corruption	Section 7.2	Zero cases in 2024

APPENDICES

GRI 302: ENERGY

GRI Disclosure	Location in Report	Notes
302-1 Energy consumption within the organization	Section 5.2	Electricity only (34,952 kWh)
302-3 Energy intensity	Section 5.2	Calculated for HQ operations

GRI 303: WATER

GRI Disclosure	Location in Report	Notes
303-5 Water consumption	Section 5.4	Data not available for 2024

GRI 305: EMISSIONS

GRI Disclosure	Location in Report	Notes
305-1 Direct (Scope 1) emissions	Section 5.3	Not applicable 2024
305-2 Energy indirect (Scope 2) emissions	Section 5.3	27.053 tCO2e
305-3 Other indirect (Scope 3) emissions	Section 5.3	Not included this cycle

GRI 401: EMPLOYMENT

GRI Disclosure	Location in Report	Notes
401-1 New employee hires and turnover	Section 6.5	5 resignations in 2024
401-2 Benefits provided to full time employees	Not disclosed	Not material for 2024

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

GRI Disclosure	Location in Report	Notes
403-1 Safety management system	Section 6.4	ISO 45001 certified
403-2 Hazard identification and risk assessment	Section 7.3	Annual risk reviews
403-9 Work related injuries	Section 6.4	Zero injuries

GRI 404: TRAINING AND EDUCATION

GRI Disclosure	Location in Report	Notes
404-1 Average training hours per employee	Section 6.3	8 hours average
404-2 Employee skills upgrading	Section 6.3	Technical and ESG sessions

GRI 405: DIVERSITY & EQUAL OPPORTUNITY

GRI Disclosure	Location in Report	Notes
405-1 Diversity of governance bodies and employees	Section 6.2	50 percent female directors

GRI 406: NON-DISCRIMINATION

GRI Disclosure	Location in Report	Notes
406-1 Incidents of discrimination	Section 6.5	Zero cases

GRI 413: LOCAL COMMUNITIES

GRI Disclosure	Location in Report	Notes
413-1 Community engagement	Section 6.7	Minimal activities 2024

APPENDICES

GRI 418: CUSTOMER PRIVACY & DATA PROTECTION

GRI Disclosure	Location in Report	Notes
418-1 Substantiated complaints on data breaches	Section 6.6	Zero cases

GRI 308 & 414: SUPPLIER ENVIRONMENTAL AND SOCIAL ASSESSMENT

GRI Disclosure	Location in Report	Notes
308-1 Supplier environmental screening	Section 7.4	Not implemented in 2024
414-1 Supplier social screening	Section 7.4	Implementation planned

APPENDIX E – UN GLOBAL COMPACT (UNGC) PRINCIPLES MAPPING

Innovative Synergy Solutions Sdn Bhd supports the values of the United Nations Global Compact (UNGC). Although ISS is not yet a UNGC signatory, the organisation aligns its governance, labour practices and environmental commitments with the intent of the Ten Principles. The table below summarises how ISS' 2024 sustainability practices reflect these principles.

UNGC PRINCIPLES MAPPING SUMMARY

UNGC Principle	ISS Alignment	Report Reference
Human Rights (Principles 1-2)	Policies and practices support ethical conduct and fair treatment	Sections 6.2, 6.5, 7.1, 7.2
Labour (Principles 3-6)	Full compliance with Malaysian labour laws, safety systems and non-discrimination	Sections 6.2, 6.4, 6.5
Environment (Principles 7-9)	Environmental monitoring, Scope 2 emissions reporting, zero noncompliance	Sections 5.1 to 5.7
Anti-Corruption (Principle 10)	Zero tolerance, whistleblower policy, Code of Conduct	Section 7.2

UNGC Principles – Detailed Mapping

Below is the detailed cross reference to ISS' policies, commitments and actions.

Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

ISS Alignment:

- Ensures fair treatment, equal opportunity and safe working conditions.
- Maintains human resource policies aligned with Malaysian labour law.
- Provides accessible communication channels for concerns and grievances.

Report Sections: 6.2 Workforce Profile, 6.5 Labour Standards, 7.1 Governance Approach

Principle 2

Businesses should ensure they are not complicit in human rights abuses.

ISS Alignment:

- Zero tolerance for discrimination, harassment or unethical practices.
- Conflict of Interest Policy signed by all employees.
- Transparent HR procedures and recruitment processes.

Report Sections: 6.5 Labour Standards, 7.2 Anti-Corruption and Ethics

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Labour Standards

Principle 3

Businesses should uphold the freedom of association and recognition of collective bargaining.

ISS Alignment:

- ISS respects employees' rights under national law.
- No practices that restrict freedom of association.
- Open and transparent communication with employees.

Report Sections: 6.5 Labour Standards and Fair Practices

Principle 4

Businesses should eliminate all forms of forced and compulsory labour.

ISS Alignment:

- Zero forced labour; all employment is voluntary.
- All foreign workers (if any) fully documented and legally employed.
- Compliance with Malaysian Employment Act.

Report Sections: 6.2 Workforce Profile, 6.5 Labour Standards

Principle 5

Businesses should abolish child labour.

ISS Alignment:

- ISS does not engage in child labour.
- Recruitment policies restrict employment to legal working age only.
- Annual HR review ensures compliance.

Report Sections: 6.5 Labour Standards and Fair Practices

Principle 6

Businesses should eliminate discrimination in respect of employment and occupation.

ISS Alignment:

- Non-discriminatory hiring practices.
- Anti-Discrimination Policy in place.
- Zero discrimination incidents in 2024.
- Diverse workforce including 50 percent female board representation.

Report Sections: 6.2 Workforce Profile, 6.5 Labour Practices, 7.3 Compliance Governance

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges.

ISS Alignment:

- Basic environmental controls through ISO management systems.
- Environmental monitoring limited to electricity and emissions.
- Monthly tracking of energy usage and office practices.

Report Sections: 5.1 Environmental Management, 5.2 Energy Management

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

ISS Alignment:

- Accurate Scope 2 emissions reporting.
- Zero environmental non-compliance incidents.
- Planning for expansion into Scope 1 and Scope 3 in future cycles.
- Employee awareness on responsible resource use.

Report Sections: 5.3 Emissions, 5.4 Water, 5.5 Waste Management

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

ISS Alignment:

- Engineering approach supports responsible process design for clients.
- Capability to design systems that improve efficiency and reduce emissions.
- Evaluating opportunities to integrate environmental considerations into engineering practices.

Report Sections: 3.3 Core Expertise, 5.7 Environmental Targets

Anti-Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

ISS Alignment:

- Zero confirmed cases of bribery or corruption.
- Anti-Corruption Policy and Whistleblower Policy in place.
- Code of Conduct signed by all employees and management.
- Clear reporting mechanisms for misconduct.

Report Sections: 7.2 Anti-Corruption and Integrity Measures

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APPENDIX F – UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDG) MAPPING

Innovative Synergy Solutions Sdn Bhd aligns its sustainability practices with selected United Nations Sustainable Development Goals (SDGs) that are most relevant to its operations, workforce, governance systems and engineering activities. ISS' contributions focus on safety, industry integrity, responsible resource use, capability building and ethical governance. The table below provides a structured mapping between ISS' sustainability actions and the SDGs.

UNSDG MAPPING SUMMARY (ISS PRIORITY GOALS)

SDG	Description	ISS Contribution
SDG 3	Good Health and Well Being	Safety systems, zero incidents
SDG 4	Quality Education	Training and competency development
SDG 5	Gender Equality	50 percent female directors
SDG 8	Decent Work and Economic Growth	Fair labour standards and ethical employment
SDG 9	Industry, Innovation and Infrastructure	Engineering excellence and modular solutions
SDG 12	Responsible Consumption and Production	Resource efficiency and responsible waste practices
SDG 16	Peace, Justice and Strong Institutions	Anti-corruption, governance and compliance

Detailed UNSDG Mapping

3
GOOD HEALTH
AND WELL-BEING

SDG 3: Good Health and Well Being

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

ISS Alignment:

- ISO 45001 certified safety management system
- Zero work related injuries, zero near miss incidents, zero fatalities
- All employees trained in health and safety standards
- Emergency Action Plans in place
- Safety Committee oversight
- Workplace hazard identification and mitigation

Report References: Section 6.4, Section 7.3

4
QUALITY
EDUCATION

SDG 4: Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning

ISS Alignment:

- Continuous training programs for technical and non-technical staff
- 8 training hours recorded per employee in 2024
- ESG awareness and safety training for all employees
- Internal knowledge sharing sessions
- Commitment to expand competency development in 2025

Report References: Section 6.3, Section 4.3

5
GENDER
EQUALITY

SDG 5: Gender Equality

Achieve gender equality and empower women and girls

ISS Alignment:

- 50 percent female representation on the Board
- Non-discriminatory hiring and promotion practices
- Anti-discrimination policy
- Zero incidents of discrimination reported

Report References: Section 6.2, Section 7.3

8
DECENT WORK AND
ECONOMIC GROWTH

SDG 8: Decent Work and Economic Growth

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

ISS Alignment:

- Compliance with Malaysian labour laws
- Transparent HR practices
- Zero forced labour and zero child labour
- Fair employment practices for local and foreign workers
- Zero labour related grievances
- Stable workforce with low turnover

Report References: Section 6.2, Section 6.5

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SDG 9: Industry, Innovation and Infrastructure

Build resilient infrastructure, promote sustainable industrialization and foster innovation

ISS Alignment:

- Engineering capabilities supporting responsible process systems
- Expertise in modular units for gas processing, water treatment and energy solutions
- Integration of responsible design principles in engineering projects
- Continuous improvement roadmap to enhance internal systems

Report References: Section 3.3, Section 8.3



SDG 12: Responsible Consumption and Production

Ensure sustainable consumption and production patterns

ISS Alignment:

- Controlled electricity use and Scope 2 reporting
- Zero environmental non-compliance incidents
- Responsible office waste management
- Digital documentation reducing paper consumption
- Continuous improvement plan for environmental data expansion

Report References: Section 5.2, Section 5.3, Section 5.5



SDG 16: Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies, provide access to justice and build effective, accountable institutions

ISS Alignment:

- Zero corruption and bribery cases
- Whistleblower mechanism
- Conflict of Interest Policy
- Transparent governance systems
- Biannual policy reviews
- Structured risk and compliance management

Report References: Section 7.1, Section 7.2

APPENDIX G – BURSA MALAYSIA SUSTAINABILITY REPORTING GUIDE (SRG) 3.0 MAPPING

Innovative Synergy Solutions Sdn Bhd aligns its reporting approach with the Bursa Malaysia Sustainability Reporting Guide (SRG) 3.0. Although ISS is not a listed entity, the SRG 3.0 framework provides a strong foundation for transparency, completeness and decision useful sustainability disclosure.

The table below maps ISS' sustainability practices and disclosures to the six SRG 3.0 pillars.

SRG 3.0 MAPPING SUMMARY

SRG 3.0 Pillar	ISS Alignment	Report Reference
GOVERNANCE	Clear oversight, policies, whistleblower system	Section 7.0
STRATEGY	Defined ESG objectives and roadmap	Section 4.3
RISK	Annual risk assessments, compliance review	Section 7.3
MATERIALITY	Structured methodology, matrix and validation	Section 9.0
METRICS	Environmental, social and governance KPIs	Sections 5–7
REPORTING QUALITY	Data reliability, transparency, boundaries	Section 2.0

Detailed Mapping to SRG 3.0

1. Governance

SRG 3.0 Expectations:

Boards should set direction, ensure oversight and embed sustainability into leadership responsibilities.

ISS Alignment:

- Managing Director and General Manager oversee ESG direction.
- Biannual policy review cycle.
- Anti-Corruption Policy, Whistleblower Policy, Code of Conduct.
- Policy transparency through centralised documentation system.
- Clear roles for governance, risk and compliance.

Report Sections: 4.1, 4.2, 7.1, 7.2

SRG 3.0 Expectations:

Organisations must define sustainability objectives aligned with long term value creation.

ISS Alignment:

- Sustainability Purpose and Direction defined in Section 1.0.
- Clear Vision, Mission and Core Values aligned to responsible engineering.
- Sustainability Roadmap (2024–2026) including environmental, social and governance targets.
- Alignment with GRI, UN SDGs and ISO frameworks.

Report Sections: 1.0, 4.3, 8.3

3. Risk Management

SRG 3.0 Expectations:

Identify, assess and manage ESG risks integrated into enterprise risk processes.

ISS Alignment:

- Annual risk assessments including safety, governance, compliance and operational risks.
- Emergency Action Plan.
- Data security and cybersecurity risk controls.
- Safety hazard identification embedded in ISO 45001 system.
- Zero safety and environmental non-compliance incidents.

Report Sections: 6.4, 7.3

SRG 3.0 Expectations:

Materiality assessment must be structured, stakeholder informed and validated by management.

ISS Alignment:

- Four step materiality process based on ISEP methodology.
- Stakeholder identification and engagement summary.
- Prioritised ESG topics based on Internal Impact and External Stakeholder Impact.
- Materiality Matrix developed and validated by ISS management.
- High priority topics include safety, ethics, governance, energy and workforce wellbeing.

Report Sections: 2.5, 9.1 to 9.3

5. Metrics and Targets

SRG 3.0 Expectations:

Clear performance indicators and measurable targets across E, S and G areas.

ISS Alignment:

Environmental:

- Electricity consumption (kWh) and Scope 2 emissions (tCO₂e).
- Energy management practices and future Scope expansion.

Social:

- Workforce demographics, turnover, training hours and safety performance.
- Zero injuries, zero fatalities.

Governance:

- Zero corruption cases, zero whistleblower cases.
- Cybersecurity training, policy compliance and governance controls.

Targets:

- Increase training hours, improve cybersecurity readiness, strengthen data systems.
- Expand Scope 1 and Scope 3 reporting.

Report Sections: 5.0, 6.0, 7.0, 8.2

6. Reporting Quality

SRG 3.0 Expectations:

Disclosures must be accurate, reliable, comparable and transparent.

ISS Alignment:

- Reporting boundaries clearly defined.
- Structured data collection and validation from departments.
- Document control aligned to ISO 9001.
- Limitations and assumptions disclosed transparently.
- No external assurance in 2024, with plans to improve data verification.

Report Sections: 2.1 to 2.6, Appendix A, Appendix B

APPENDIX H – ACRONYMS AND DEFINITIONS

Innovative Synergy Solutions Sdn Bhd aligns its reporting approach with the Bursa Malaysia Sustainability Reporting Guide (SRG) 3.0. Although ISS is not a listed entity, the SRG 3.0 framework provides a strong foundation for transparency, completeness and decision useful sustainability disclosure.

The table below maps ISS' sustainability practices and disclosures to the six SRG 3.0 pillars.

Acronym	Definition
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
DOE	Department of Environment (Malaysia)
EHS	Environment, Health and Safety
EPCC	Engineering, Procurement, Construction and Commissioning
ESG	Environmental, Social and Governance
FTE	Full Time Employee
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HQ	Headquarters
HR	Human Resources
ISO	International Organization for Standardization
IT	Information Technology
KPI	Key Performance Indicator
LTIR	Lost Time Incident Rate
MTCO₂e	Metric tonnes of carbon dioxide equivalent
NGO	Non-Governmental Organisation
OHS	Occupational Health and Safety
OSH	Occupational Safety and Health
PTS	PETRONAS Technical Standards
QAQC	Quality Assurance and Quality Control
SDG	Sustainable Development Goal
SR	Sustainability Report
SRG 3.0	Bursa Malaysia Sustainability Reporting Guide 3.0
TNB	Tenaga Nasional Berhad (Malaysia's electricity provider)
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Goals

Definitions

Baseline Year

The first year for which consistent ESG data is collected to form a reference point for future comparison. For ISS, this is the 2024 reporting cycle.

Boundary

Defines the operations, locations and organisational units included in the sustainability report. For ISS, this is limited to the Kuala Lumpur headquarters.

Scope 1 Emissions

Direct greenhouse gas emissions from owned or controlled sources. Not applicable for ISS in 2024.

Scope 2 Emissions

Indirect greenhouse gas emissions from the consumption of purchased electricity. ISS' Scope 2 emissions for 2024 total 27,053 tCO₂e.

Scope 3 Emissions

Other indirect emissions not included in Scope 2 that occur in the value chain. Not included in ISS' 2024 report.

Stakeholders

Groups or individuals with an interest in ISS' operations, including employees, clients, regulators, suppliers and partners.

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Materiality

A principle used to identify ESG topics that are important to ISS' operations and stakeholders.

Non-Compliance

Failure to adhere to regulatory, environmental, safety or governance standards.

Whistleblower Mechanism

A confidential system that enables employees to report misconduct or unethical behaviour without fear of retaliation.

Occupational Health and Safety (OHS)

Policies, systems and practices that ensure the safety and wellbeing of employees at the workplace.

Governance

Systems and structures that define decision making, oversight, accountability and ethical conduct within ISS.

Responsible Sourcing

Ensuring suppliers operate ethically, comply with regulations and meet environmental and social expectations.

Training Hours

The number of hours employees spend in structured learning sessions, recorded annually.

APPENDIX I – ACKNOWLEDGEMENT

Innovative Synergy Solutions Sdn Bhd (ISS) extends sincere appreciation to all individuals and departments who contributed to the development of the ISS Sustainability Report 2024. This report represents the organisation's first structured sustainability disclosure and reflects the collaborative commitment of the entire ISS team.

ISS acknowledges the support of the following groups:

Management and Leadership

For providing direction, oversight and validation throughout the reporting process.

Sustainability Team

For coordinating data collection, aligning ESG practices with global frameworks and preparing the overall report structure.

Department Heads

Including Engineering, Project Management, QAQC, Human Resources, Finance, Administration and Document Control, for providing accurate data and supporting internal reviews.

Safety and Health Committee

For ensuring compliance with safety standards, maintaining ISO 45001 practices and supporting performance verification.

Quality Management Team

For overseeing ISO 9001 aligned documentation, version control and policy governance.

All ISS Employees

For contributing operational data, participating in training and supporting the organisation's transition toward structured sustainability reporting.

ISS also recognises the importance of its clients, suppliers and industry partners whose engagement and expectations have guided the organisation's approach to responsible engineering and operational excellence.

This Sustainability Report would not have been possible without the collective effort of the entire ISS team. ISS remains committed to continuous improvement and will continue strengthening its sustainability practices in line with industry standards and stakeholder expectations.



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