

Communication on Progress

Dear Stakeholders,

Statement of support by the Chief Executive Officer

I am pleased to declare that Engineering And Environmental Consultants Sendirian Berhad reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we will highlight the measures taken to continually improve the integration of the Global Compact and its principles into our overall business operations. We are aware that a key element for continued participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's endeavours to implement the Ten Principles.

We are committed to share this information with our stakeholders through our primary channels of communication.

Sincerely yours,

HENRY E. CHELVANAYAGAM

Founder and Managing Director

Engineering and Environmental Consultants Sendirian Berhad

Human Rights

Assessment, policy and goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

Engineering and Environmental Consultants Sendirian Berhad is a small-to-medium sized (156 staff) professional services business entity. Being a service-oriented company, our assets are our employees, the majority being professional engineers working full time with a sprinkling of contract employees.

Our physical products are basically engineering texts, designs and drawings or related reports. To produce these we depend on suppliers to provide computer hardware/software and their ancillaries such as papers, inks, data storage, etc.

We provide our engineering services to clients in the private as well as the public sector from masterplanning and feasibility studies, investigations, detailed design tenders and supervision of implementation of relatively large engineering projects. We also provide project management/owner's engineer and independent check and audit engineer services to Banks and project owners.

With regards to human rights, we respect the right of each of our employees to voice their opinions freely and we do not discriminate based upon religion, race, gender, physical or mental ability. We ensure the health and safety of our workers and those at the project sites by assigning Health, Safety & Environment (HSE) experts periodically to sites when deemed necessary. We promote a harmonious working environment and reject any form of physical, verbal, sexual or psychological harassment among our staff in our daily operations.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

Engineering and Environmental Consultants Sendirian Berhad does not have formal written procedures in place to implement our Human Rights policies, being a very small (156 employees) and manageable enterprise in regard to Human Rights within the workplace.

We lead by example and we expect our employees to follow accordingly.

If any employee is found to be not in compliance with our policy, we counsel him/her and in extreme cases, the employment will be terminated after show cause notices have been duly served and enquiries held to give a chance for the employee to mend his/her ways.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Engineering and Environmental Consultants Sendirian Berhad has not yet started to measure outcomes in this area in a more structured way

Labour

Assessment, policy and goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

Engineering and Environmental Consultants Sendirian Berhad, being a service-oriented company has full time employees as well as employees on contract.

In Malaysia, we have comprehensive labour laws and employees who experience victimization can lodge their case or grievances with the Labour Department / Industrial Court which tend to be generally, sympathetic to employees.

Implementation

Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.

Employees are our assets and their employment and termination has to be done according to the Malaysia Labour Laws which we fully comply with.

If we discover that our clients violate any area of Labour rights we will appeal to them and if not successful, then it will be necessary to terminate the relationship or report their unhealthy practice to the appropriate legal authority.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Engineering and Environmental Consultants Sendirian Berhad has initiated a simple staged method of monitoring and evaluating the performance of staff in their workplace and in so doing attempts to progressively improve the productivity and in turn, the potential for profitability and rewards/incentives for improved work performance.

In regard to monitoring of work performance the following basic steps are initiated:

- i). Electronic entry cards to monitor the movement of all staff in and out of office.
- ii). Project timesheets to be filled in by all staff on a daily basis and recorded digitally.
- iii). Project timesheets are then computed into each project financials and earnings at the end of each year and from there, the productivity of each department/division and employee is worked out and refined periodically to achieve an efficient yardstick for estimating likely costs of services and profits based on staff/department, expected performance.

In regard to evaluating the performance of staff the following approach has been initiated:

- i). Self assessment by employee
- ii). Verification and comments by department head
- iii). Director's assessment jointly with department head and depending on the necessity for or not, to meet with the staff to either counsel for improvement or reward and encourage in case of good performance.

Environment

Assessment, policy and goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

Engineering and Environmental Consultants Sendirian Berhad (EEC) as a part of its name , has placed a premium on the need to ensure and enhance environmental sustainability in all of the work we undertake in line with all GC Environmental Principles.

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

In our main activity of providing engineering consultancy services we are governed and regulated by local laws and regulations. Compliance is a must in order to remain in business.

Our commitment to sustaining the relevance of environmental protection are demonstrated in the company being an active corporate member of ENSEARCH (Environmental Management Research Association of Malaysia) a non-profit association and in having a number of partners and professionals appearing for assessment and qualifying for registration with the Malaysian Department of the

Environment to provide professional services in specific areas related to environmental protection and sustainability.

We also do our part in our office in separating recyclable materials in trying to conserve energy by using natural sunlight as much as possible and in using energy efficient lighting.

When not in use, all machines are switched off.

We encourage our clients to look for ways to ensure that their projects are environmentally-friendly for they, too, can make a contribution to the protection of the environment, this, in cases where such considerations did not exist in projects.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

EEC monitors and evaluates environmental performance as part of its own in-house Quality Assurance processes and institutes corrective measures following if necessary, decisions at Board level.

Anti-Corruption

Assessment, policy and goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

Engineering and Environmental Consultants Sendirian Berhad is adamantly against corruption, bribery and extortion and exercises zero tolerance in this regard.

We will not subscribe to corruption in order get business as we take pride in being awarded projects based on the merits of our experience and expertise and in the demonstration of our capabilities through formal competitive submissions.

Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

EEC consistently declares to all clients at time of expressions of interest submission of proposals and at interviews prior to appointment that we subscribe strongly to the Principles of the UNGC and often sign “Integrity Statements” to ensure that we actually practice what we have declared.

We avoid any activity that is likely to lead any of our representative to be involved in situations that may result in questionable outcomes.

Our business transactions are formally undertaken through legal contracts and our financial accounting and auditing are undertaken by professional and legally constituted organizations.

We are regulated by a professional Board of Engineers and again we are subject to scrutiny and legal action if our practice is conducted in a non-professional and unethical manner.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

Because of the smaller size of our company and the fact that only senior management comprising professionally registered engineers are involved in major activities with Clients, their awareness of the need for integrity in all of their activities has ensured that to-date no issue of corruption has arisen within the company's practice.

This demonstrates that the culture of practicing non-corruption throughout key levels of management has endured and no formal monitoring and evaluation of anti-corruption performance is considered necessary at this time.