



## CORPORATE SOCIAL RESPONSIBILITY

### Ethical Marketplace

Integrating social responsibility across our operations has always been a part of HSL's business sustainability model. As a leading Sarawak-based marine engineering and infrastructure firm for more than 30 years, HSL continues to prioritise the needs of the community we serve.

We perceive the social, environmental and other consequences of our activities as equally significant to the financial drivers and uphold good corporate governance to ensure accountability to all our stakeholders.

HSL's Board of Directors has the knowledge and experience vital to perform their duties in the best interest of investors. Our Annual General Meeting is the primary point of contact for engaging shareholders and the Board members always enjoy the opportunity to mingle with the attendees over refreshments.

We have presented our merits to groups of analysts and fund managers during their visits to Kuching or our visits to Peninsula Malaysia throughout 2016. We disseminate information about the Group's developments and financial performance on a regular basis. Our quarterly financial and other announcements are made in accordance with the Listing Requirements of Bursa Malaysia, and are made available to the public via our corporate website.

In 2016, HSL was proud to emerge as a construction sector winner of The Edge Billion Ringgit Club Corporate Award for the Highest Return On Equity (ROE) Over Three Years. HSL had won the same award in 2014. This reflects our enduring efficiency in project execution, sound financial management and our dedication to creating value for our shareholders.

HSL is committed to transparency, accountability and prudent risk management. We strive for continuous improvement in the effectiveness of our overall quality, management and delivery system so as to remain at the forefront of the industry.

In all our dealings with clients, customers and suppliers, HSL ensures the highest standards of integrity and a cooperative and mutually beneficial business relationship.

### Environment

Environmental protection and preservation is emphasized across all our operations as we believe any progress must have both short and long term benefits. We are also conscious of the responsible use of resources. We have strict control on business travel and aim to minimize electricity consumption, our carbon footprint and green house gas emissions wherever and whenever possible. Our office has had considerable success in reducing paper consumption through electronic technologies such as email, internal databases, restricted printing and "double-sided" photocopying.

Our Green Week initiatives, which are now held twice yearly, show HSL's ongoing effort to raise awareness of recycling as well as inculcating in our staff a caring attitude towards the less fortunate in society. We donate collected items to a local charity that raises funds by selling the recyclable items as well as distributing the reusable items to the needy.

Our natural environment is strained by rapid population growth, urbanization and industrialization. HSL plays its part in environmental preservation efforts and goes beyond its obligations to undertake tree rescue, strictly controlled proper waste disposal, dust control etc. Our diesel tanks are housed in approved bunkers to ensure accidental spillages or overflows can be contained. Our used engine oil is also appropriately collected for disposal.

HSL's Property Development Division is moving towards sustainable living and green designs in its developments. Residential estates are enhanced with tree planting, parklands and green verges while buildings are designed with good ventilation and natural light.

Promoting healthy green living is clearly evident at our 200-acre mixed landmark development *La Promenade*. The high-end guarded and gated residential estate has linear parks, walking and jogging trails as well as a tranquil lake to provides fitness and leisure options to the residents.



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Many of HSL's projects in fact address environmental impact issues. The most noteworthy examples are the centralised sewerage systems in Kuching and Miri, which will alleviate the pollution of rivers and other waterways in both cities. Proper collection and treatment of grey and black water from these cities will safeguard water sources and restore their natural and recreational value for future generations.

HSL also undertakes flood mitigation works, embankments, revetments, seawalls and various beautification works to protect and enhance our living environment.

### Community

HSL contributes regularly in cash and in-kind to various local charitable organisations to help the underprivileged and less fortunate across all groups in the community. We also encourage staff participation in charitable endeavours.

Our traditional Chinese New Year programme involves grants to various charities and also funding for festive gatherings run by the city councils.

In pursuit of a healthy work-life balance, HSL sponsors staff participation in a variety of local charity runs including the Spring Live Active Run and CMS Tribal Run. Over 50 staff, led by senior management, joined thousands of runners to promote an active lifestyle and also to raise funds for the disadvantaged in society. We have also supported the yearly Bursa Bull Charge Charity Run.

HSL is a loyal supporter of the Sarawak Heart Foundation. Our annual involvement in the local World Heart Day has continued with the overwhelming participation by management, staff and families, walking a mile with other members of the community to raise awareness of heart disease.

At HSL, our community efforts focus on social welfare, education, sports development, and etc. We have supported some community sports teams and events such as the Football Association of Sarawak's development programme, golf tournaments, futsal carnival, swimming competitions and etc.





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HSL also offers selected undergraduate students internships which provide an opportunity to gain working experience through on-the-job training to enhance their academic, personal and career development.

### Workplace

At HSL, our people are our greatest and most valued asset. We are renowned for the loyalty of our employees. Many of our staff from various divisions and with different job responsibilities have built their careers with HSL. HSL management hosts an annual dinner for some 800 office and site staff to show its appreciation for their effort throughout the year. We present 10, 20, 25, 30 and 35 years long service awards as well as incentives for the children of staff who excel in government examinations.

Departmental gatherings during festive seasons are also held to foster fellowship and camaraderie among employees.

As mentioned in community engagement, we encourage staff participation in public fitness events and we also sponsor regular badminton sessions for staff to promote the importance of physical activity.

HSL management practices two-way communication with staff and consistently adheres to the personnel policies and procedures set out in our company handbook. We comply with the Malaysia Employment Act respecting staff's rights as well as abiding with wages policies.

The year under review saw HSL's Quality Management System (QMS) guiding the administration of projects and ensuring all our core processes were carried out in an accurate, efficient and consistent manner. Our ISO/QMS team is currently working towards updating the current version of ISO 9001:2008 standard to the new revision 2015. The transition to the new ISO standard is scheduled by 2017.

Other developments include further recruitment and training for Safety Officers to strengthen our on-site enforcement of safe work practices and use of personal protective equipment.

Staff are selected to attend training courses locally or beyond to enhance their personal development as well as to continue the process of improvement in the organization. HSL relies considerably on mentoring, on-the-job training and in-house training courses and seminars for skills and knowledge development.

HSL offers rewarding career paths for employees and is well-known for the dedication of its people with a highly stable senior management.

