

# SUSTAINABILITY STATEMENT

## CEO'S MESSAGE

*GRI 102-14, 102-15*

### DEAR STAKEHOLDERS,

I am pleased to present an update on key sustainability initiatives that Malakoff Corporation Berhad had undertaken during the year 2019. This report encapsulates the measures we have taken and ways we have worked with all our stakeholders to generate power with a purpose, which is to fuel our nation's growth in a responsible manner.

World leaders have long agreed that a rapid response is needed to combat climate change and action groups have implored lawmakers to act to limit rising temperatures. A concerted effort around the world led to a target to limit global average temperature increase to 1.5°C, which can only be realised with a major global energy industry transformation and change in consumption trends.

This comes amidst world population growth and global economic expansion that sets the stage for an explosion of energy demand, which is projected to rise by as much as 27% by 2040, and puts immense pressure on landfills across the globe with municipal solid waste expected to reach a whopping 2.2 billion tonnes by 2025.

To support this global climate agenda, various industry groups have announced measures to reduce emissions, including the energy sector, leading to an unprecedented transition in our industry as it heads towards low-carbon energy with wind and solar power generation expanding rapidly in many parts of the world. Industry players are racing to generate cleaner energy, led by wind and solar, boosting investments in

renewable assets with Renewable Energy ("RE") possibly tripling over the next two decades in order to depress carbon emissions by around 30%.

For us at Malakoff, we can and must respond effectively to the global agenda of climate change. Therefore, we make our business decisions with decarbonisation in mind, investing in new technologies and working aggressively to grow our RE portfolio whilst ensuring continued reliable and affordable electricity supply to our communities.

Meanwhile, we are encouraged by the Malaysian government, who has set a

national target of 20% RE generation by 2025, to further develop the renewables market through a number of initiatives. The availability of these government initiatives and other opportunities in the market pave the way for Malakoff to work towards its aspiration of more than 1,000 MW in renewable power generation capacity.

Meanwhile, waste remains one of our core strategies. Our ambition is to accelerate the reuse and recycle of power generation waste such as ash and waste water, as well as employ newer waste treatment technologies for sustainable outcomes. Plans are afoot to venture into Waste-to-Energy as a complementary source of power generation.

Efforts to enhance energy efficiency at our buildings is also part of our green initiative.

Evidently sustainability is more than just the focus of producing electricity simply to meet the nation's demand. We understand that sustainability is important to our stakeholders and recognise the need to make a positive impact on our environment as well





as creating opportunities for our communities while continuing our role in powering economic activities.

Additionally, as an international power and water industry player especially in the Middle East and North Africa (“MENA”) region, most of Malakoff’s power and water assets abroad are in compliance with local and international environmental standards with the objective to minimise the negative impacts on the environment.

Therefore, at Malakoff, sustainability is prioritised in the boardroom, integrated into our strategy, actions and embedded into our work culture, and followed through with affirmative action. Our five-year Business Plan will guide us to shape a more sustainable future by generating energy in a sustainable and responsible manner, taking into account impact on the community and environment.

As a responsible industry steward, strict compliance with laws and standard operating procedures are expected of us while greater transparency and

disclosure to help our stakeholders better understand our challenges and strategies also form part of our obligations. Our move to create a healthy, safe and secure workplace for all who work with us, support our community, safeguard people and the environment, and work

**We are encouraged by the Malaysian government, who has set a national target of 20% RE generation by 2025, to further develop the renewables market through its introduction of a number of projects and incentives. The availability of these RE government projects and other opportunities in the market pave the way for Malakoff to achieve its own aspiration of more than 1,000 MW in renewable power generation capacity.**

cohesively to tackle climate change, help us sustain the Group’s long-term success.

We are confident that our sustainability strategies outlined in this Statement will support our growth momentum along with economic, environmental and social priorities. We are encouraged by the positive outcome from our response to mitigating the various impact of our business operations and strengthening the Group with continued compliance, resource management, cleaner electricity options, and investment in emerging technologies.

Our journey continues with the support of our pool of talents working in a harmonious work environment with open engagement and equal opportunities, and the strong relationships we built with local communities alongside our outreach programmes that have helped shape the future of our youths.

We are convinced that our sustainability strategy will help us remain resilient and relevant in this time of change as we operate more efficiently, manage the impact from our business, find ways to respect and better care for our people as well as protect our environment.

I thank you for your interest in our sustainability efforts.

**DATO’ AHMAD FUAAD KENALI**  
Chief Executive Officer

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

*GRI 102-13, 102-46, 102-49, 102-54, 102-56*

Our 4<sup>th</sup> Sustainability Statement (“Statement”) provides a detailed account of the challenges faced as well as the key highlights achieved and the progress made by Malakoff Corporation Berhad (“Malakoff” or “the Group”) in its sustainability journey for the financial year ended 31 December 2019 (“FY2019”).

The Statement discloses our approach towards addressing a wide range of material Economic, Environmental and Social (“EES”) matters and where relevant, disclosures on governance-related aspects. The Statement also provides disclosure on our approach to sustainability governance, stakeholder management and engagement as well as prioritisation of material topics.

Our Statement should be read together with the rest of the Malakoff FY2019 Annual Report for a more comprehensive perspective of Management’s commitment to sustainability and how sustainability is increasingly being embedded within the Group business model towards ensuring long-term value creation for stakeholders.

## REPORTING GUIDELINES

- Global Reporting Initiative (GRI) Standards 2016: Core Option
- Bursa Malaysia FTSE4Good Index
- Bursa Malaysia Sustainability Reporting Guide – Second Edition

## REPORTING SCOPE AND BOUNDARY

Data and information disclosed in this Statement is limited to the business operations and activities in Malaysia of the holding Company and all major subsidiaries within the Group. The scope is further streamlined to focus on the most pertinent projects, initiatives and activities of Malakoff rather than every aspect of operations.

Excluded are overseas operations, outsourced activities, activities and operations within its value chain, that of suppliers and vendors. We aim to report on the EES highlights of our value chain partners in future sustainability reports.

## REPORT QUALITY & DATA ASSURANCE

Report quality has been guided by the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. All data contained within this Statement has been verified accordingly by the respective business units or information owners.

We continue to enhance our data collection and analysis processes towards improving data accuracy and quality and to strengthen disclosures going forward. We have obtained external assurances on performance baseline data on individual material topics.

## REPORTING PERIOD

The reporting period is from 1 January 2019 to 31 December 2019. Where available, this Statement provides three-year statistical data towards establishing trend lines and to enable readers to better track and understand our historic performance on material topics and aspects.

## DISTRIBUTION AND EXTERNAL ASSURANCE

*GRI 102-12*

The 2019 Statement would be submitted to the register in accordance with the GRI Sustainability Reporting Guidelines.



## FEEDBACK

We welcome questions, feedback and suggestions that will spur further improvements in our reporting process. Please send any comments, insights and queries to:

Group Strategy and Communication  
Malakoff Corporation Berhad,  
Level 12, Block 4, Plaza Sentral,  
Jalan Stesen Sentral 5,  
50470 Kuala Lumpur.

Tel: +603 2263 3388

Email: [sustainability@malakoff.com.my](mailto:sustainability@malakoff.com.my)



## SUSTAINABILITY GOVERNANCE

[GRI 102-16, 102-18, 102-19, 102-20, 102-22, 102-32](#)

The Group's approach to sustainability is driven by its robust governance structure, which allows for material matters to be monitored, assessed and deliberated across all levels of the organisation.

Through this governance structure, the Group is able to achieve a robust framework that supports the achievement of accountability, internal controls, risk mitigation as well as oversight and management of EES related matters.

The governance structure allows the Board of Directors and Senior Management to set the "tone from the top"; having direct oversight on sustainability-related matters and to promote the development of a sustainability oriented organisational culture and mind-set within Malakoff.

The structure allows for sustainability matters to be escalated upwards towards facilitating more strategic decision-making and for the supporting action plans and programmes to be more effectively cascaded or implemented across Malakoff at all levels.

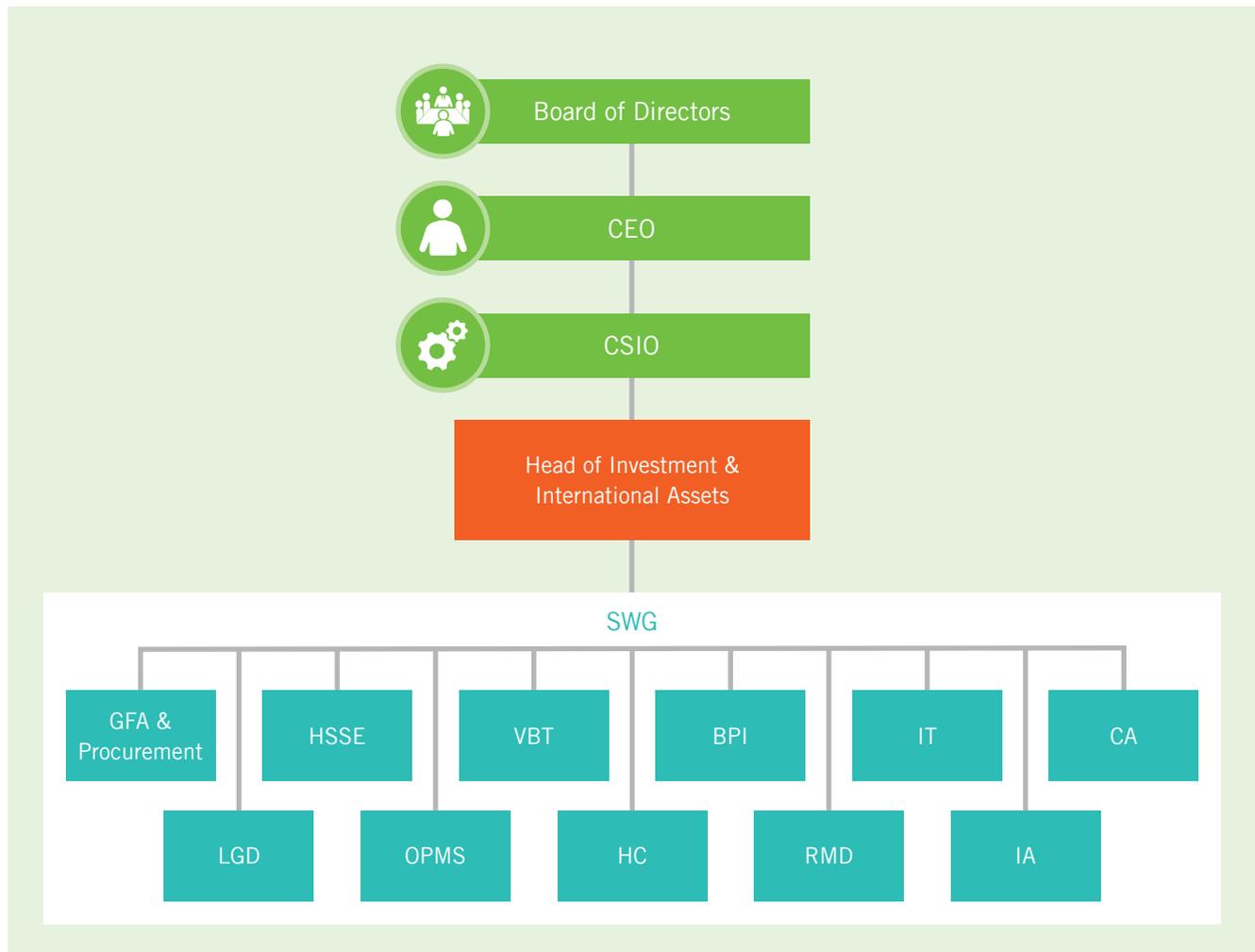
The Sustainability Working Group ("SWG") monitors, gathers data and provides consistent sustainability

reports to the Chief Strategy and Investment Officer ("CSIO") who in turn reports to the CEO. All inputs and performance achievement disclosures have been authorised by the Head of Divisions, and then verified by SWG for compliance with the Bursa Malaysia Guidelines and against GRI benchmarks.

The Board and Senior Management integrate EES considerations into the organisation's business strategies and long-term plans. This is reflected in the development of Group strategies and operational decisions, where EES and governance matters and stakeholder perspectives are given due consideration together with Malakoff's business interests.

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE STRUCTURE



An integral component of our sustainability governance structure is the role of the SWG.

Sustainability is also driven by the Group's continued pursuit of good corporate governance, as reflected by its commitment to accountability, transparency, due diligence, independence, robust risk management policies, anti-corruption and the development of a corporate culture based on irrevocable business ethics.

Beyond a formalised structure, the Group's governance of sustainability is bolstered with the implementation of the following policies and procedures:

- Board Charter (inclusive of Terms of Reference ("TOR") for all respective Board Committees
- Group Anti-Bribery Policy
- Whistle-blowing Policy
- Procurement Policy
- Environmental Policy
- IT Governance and Security Policy

### STAKEHOLDER ENGAGEMENT

*GRI 102-21, 102-40, 102-42, 102-44, 102-48*

In identifying and addressing sustainability issues, we have sought the views of stakeholders and industry experts so that we may better focus on key areas of concern and take affirmative action to mitigate the impact of our business operations.

In FY2019, we have continued to initiate active engagement with stakeholders on a broad range of material topics through various communication channels. The following table summarises our stakeholder engagement strategies in FY2019:

STAKEHOLDER	CONCERNS / EXPECTATIONS / VIEWS	ENGAGEMENT METHOD	RELEVANT MATERIAL TOPICS
<b>Government Authorities</b> 	<ul style="list-style-type: none"> <li>Government initiative for local community</li> <li>Education scholarship</li> <li>Expiring PPAs</li> </ul>	<ul style="list-style-type: none"> <li>Interview</li> <li>Surveys</li> <li>Corporate events</li> </ul>	<ul style="list-style-type: none"> <li>Government Policy &amp; Strategy</li> <li>Regulatory Compliance</li> <li>Community Investment &amp; Development</li> <li>Plant Decommissioning</li> </ul>
<b>Law Enforcement Agencies</b> 	<ul style="list-style-type: none"> <li>Emission management</li> <li>MESI 2.0</li> <li>RE commercialisation</li> <li>Large Scale Solar (“LSS”) Installation</li> <li>CAR 2014</li> </ul>	<ul style="list-style-type: none"> <li>Interview</li> <li>Face-to face meetings</li> </ul>	<ul style="list-style-type: none"> <li>Emission Management</li> <li>Strategic Business Development</li> <li>Technology and Innovation</li> <li>Security of Supply</li> <li>Renewable Energy</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>Financial &amp; operational performance</li> <li>Strategic direction</li> <li>ESG issues</li> <li>Business growth</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face meeting</li> <li>AGM</li> <li>Quarterly performance reports</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders Return</li> <li>Strategic Business Development</li> <li>Operational Excellence</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Wildlife conservation</li> <li>Environmental issues</li> <li>Renewable energy production</li> </ul>	<ul style="list-style-type: none"> <li>Interview</li> <li>Surveys</li> <li>Friendly matches</li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity Impacts</li> <li>Waste Management</li> <li>Renewable Energy</li> <li>Technology and Innovation</li> <li>Community Investment and Development</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Employee welfare &amp; benefits</li> <li>Career development</li> <li>Business transparency</li> <li>Employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>Interview</li> <li>Surveys</li> <li>Townhalls</li> </ul>	<ul style="list-style-type: none"> <li>Employee Welfare</li> <li>Talent Development</li> <li>Human Rights</li> <li>Occupational Safety and Health</li> <li>Diversity and Equal Opportunities</li> </ul>
<b>Local Communities</b> 	<ul style="list-style-type: none"> <li>Women Empowerment</li> <li>Children Wellbeing</li> <li>Signature sports events</li> </ul>	<ul style="list-style-type: none"> <li>Interview</li> <li>Surveys</li> <li>Community events</li> </ul>	<ul style="list-style-type: none"> <li>Community Investment &amp; Development</li> <li>Business Ethics and Transparency</li> <li>Diversity and Equal Opportunities</li> </ul>
<b>Rating Agencies and Financial Institution</b> 	<ul style="list-style-type: none"> <li>Business growth</li> <li>Sustainability initiative</li> </ul>	<ul style="list-style-type: none"> <li>Surveys</li> <li>Analyst briefing</li> </ul>	<ul style="list-style-type: none"> <li>Operational Excellence</li> <li>Shareholders Return</li> <li>Strategic Business Development</li> </ul>
<b>Contractors/ Suppliers</b> 	<ul style="list-style-type: none"> <li>Quality sourcing</li> <li>Increased transparency</li> <li>Improved process efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Vendors’ Day</li> <li>Vendor Registration</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Subcontracting and Procurement</li> </ul>

## SUSTAINABILITY STATEMENT



### MATERIALITY

*GRI 102-29, 102-31, 102-33, 102-34, 102-47*

In FY2019, we have reviewed and reconfirmed our material EES topics and aspects based on the availability of new information as well as the latest feedback and perspectives received from stakeholders.

Data is captured by the Group's business division heads, which is then provided to the SWG for further analysis and disclosure. Through this process, we continue to assess our list of material topics and aspects and make adjustments if necessary.

We have categorised our material topics into three main themes:



### GOVERNANCE (G)

Various aspects of governance, operations, growth and profitability

#### Top 5 Material Topics

- Operational Excellence
- Strategic Business Development
- Renewable Energy
- Regulatory Compliance
- Government Policy and Strategy



### ENVIRONMENT (E)

Impact and approach towards environment

#### Top 5 Material Topics

- Emissions Management
- Waste Management
- Natural Disaster
- Biodiversity Impact
- Water Use Impact

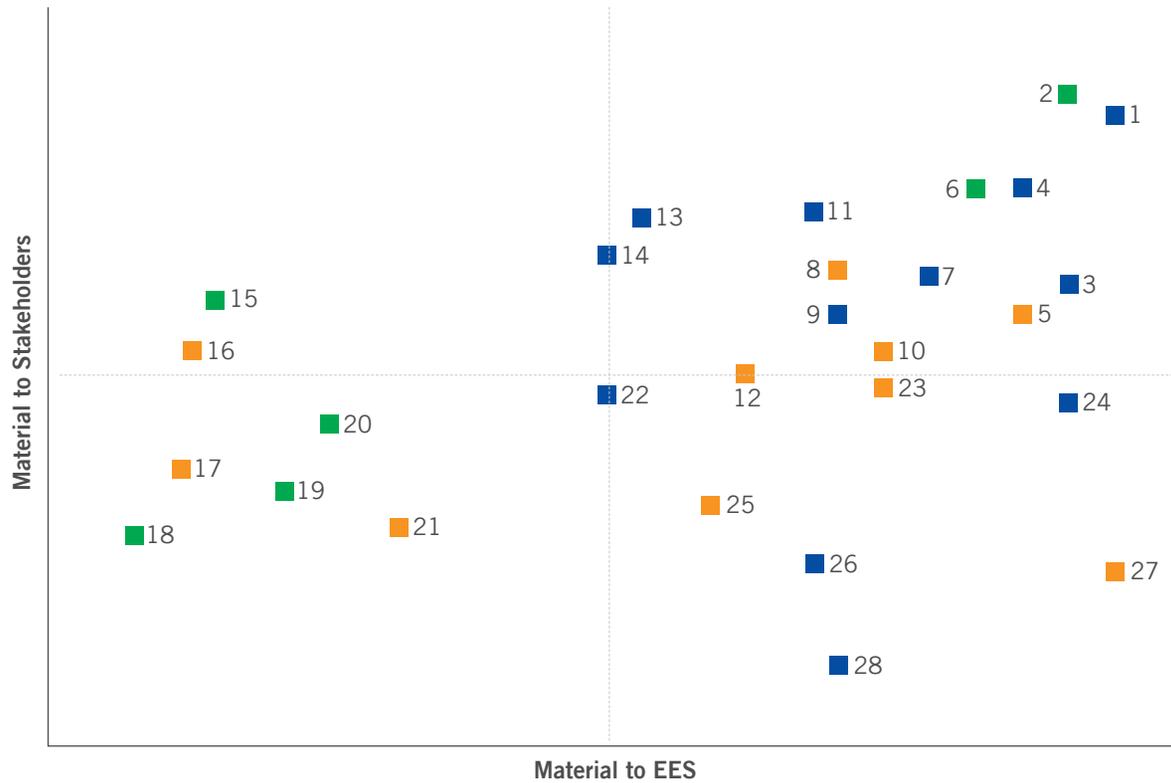


### PEOPLE (S)

Strategies on social issues, including talent management, diversity and performance

#### Top 5 Material Topics

- Business Ethics and Transparency
- Occupational Safety and Health
- Management Leadership
- Employee Welfare
- Talent Development



**Legend**

- Governance
- Environment
- People

No	Sustainability Topic
1	Operational Excellence
2	Emission Management
3	Renewable Energy
4	Regulatory Compliance
5	Occupational Safety and Health
6	Waste Management
7	Government Policy and Strategy
8	Talent Development
9	Shareholders Return
10	Management Leadership
11	Information Security
12	Community Investment and Development
13	Geopolitical Context
14	Plant Decommissioning

No	Sustainability Topic
15	Water Use Impact
16	Human Rights
17	Responsible Subcontracting and Procurement
18	Nuisance
19	Biodiversity Impact
20	Natural Disaster
21	Social Dialogue
22	Plant Security
23	Employee Welfare
24	Strategic Business Development
25	Diversity and Equal Opportunities
26	Technology and Innovation
27	Business Ethics and Transparency
28	Security of Supply

## SUSTAINABILITY STATEMENT

### GOVERNANCE

*GRI 103-1, 103-2, 103-3, 102-11, 102-12, 102-17*

### REGULATORY COMPLIANCE

*GRI 203, GRI 307-1*

The Group complies with all regulatory requirements for its operations. This includes not just environmental or business regulatory requirements, but also legislation pertaining to social aspects / impacts such as workers and human rights as well as indigenous and community rights.

In FY2019, Malakoff had zero incidents of non-compliance pertaining to environmental, social, legal or health and safety regulations. All operating procedures, processes and frameworks have been developed and implemented to comply with relevant laws, regulations and other requirements.

Our management approach to ensuring regulatory compliance is to conduct periodic internal audits across the organisation to monitor that all aspects of operations are meeting set standards and benchmarks. These audits include Quality, Health, Safety and Environment (“QHSE”) Audit and the Group Health, Safety, Security and Environment (“HSSE”) Audit and Inspection.

In all, a total of thirteen audits were conducted in 2019 with no significant findings from these audits. During the year, we successfully re-certified three SIRIM audits. Five training and refresher

sessions were also conducted during the year for our employees to have better grounding in compliance and HSE practices.

We also have in place Occupational Safety and Health (“OSH”) policies and legislation to deal with OSH issues and to inculcate a preventive based workplace culture. In addition, these OSH policies and legislation are constantly reviewed, improved and updated to ensure relevance and effectiveness. Views and feedback from all stakeholders particularly employees and other parties are considered prior to formulation of policies.

In recognition of our ongoing HSE efforts, three of our plants bagged the Malaysian Society of Occupational Safety and Health Awards, with PPP achieving Gold Merit, LPP Gold Class 1 and TBPP Gold Class 2.

In addition, four of our power plants and our KL Headquarters (“KLHQ”)-LGD were certified ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), OHSAS 18001:2007 (Occupational & Health Safety Management System).

### COMPLIANCE WITH NEW ENVIRONMENTAL QUALITY (CLEAN AIR REGULATIONS) 2014

*GRI 307-1*

In June 2019, the Environmental Quality (Clean Air Regulations) 2014 (“CAR 2014”) came into effect.

CAR 2014 includes additional emissions that need to be monitored. These are Hydrogen Fluoride (“HF”), Hydrogen Chloride (“HCl”) and Polychlorinated dibenzodioxins (“PCDD”) / Polychlorinated dibenzofurans (“PCDF”).

The Act also stipulates lower limits of Carbon Monoxide (“CO”) and Mercury (“Hg”) emissions for coal plants and sets new emission limits of CO and Opacity monitoring for gas plants.

Malakoff has taken precautionary measures to ensure its readiness to comply with CAR 2014. We are happy to note that after joint technical meetings with the Department of Environment (“DOE”) and other stakeholders, Malakoff has made the necessary adjustments to its plants to ensure compliance with CAR 2014.

### ANTI-BRIBERY COMPLIANCE

*GRI 205-2*

In response to the Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018, Malakoff in February 2019, developed its Anti-Bribery Management System (“ABMS”). The ABMS directly responds to the requirement on liability associated with persons committing a bribery offence.

Under MACC (Amendment) Act 2018 (“the Act”), companies can be held liable whenever an associated person commits a bribery offence and as a defence, all commercial organisations must ensure adequate procedures to prevent bribery in all business dealings.

ABMS provide guidelines, based on international good practices, on how to proactively contribute to combating bribery and is in line with the MACC’s Guideline on Adequate Procedures (“GAP”) requirements.

The Board of Directors approved the Group Anti-Bribery Policy in October 2019, to serve as a foundation to establish, implement, maintain, review and improve an anti-bribery system in the organisation. An Integrity Unit was also established to oversee implementation and compliance to the Policy.

To educate our employees and raise awareness on the risks of bribery, the Group organised a number of workshops and roadshows in 2019, established a bribery risk register and conducted Bribery Risk Assessment. We had conducted Corporate Liability & ABMS Awareness Training and Workshop for all Heads of Division and Heads of Department as well as a series of roadshows at all plants and head office to ensure that bribery-related risks are properly identified and mitigated in the organisation.

The workshop agenda included, among others, the Corporate Liability Talk by the respective MACC state officers and a briefing on ABMS and Group Anti-Bribery Policy by our Integrity Unit. These sessions ended with the '*Ikhar Bebas Rasuah*' pledge by all employees to signify their commitment against bribery and corruption in the organisation.

A series of "Vendors' Awareness Day" events were also held to emphasise our zero-tolerance policy towards any form of bribery and to reiterate the requirement for vendors' compliance with Malakoff's



Vendor Code of Conduct which include amongst other the principle of integrity and zero-tolerance towards corruption.

During flotation stage of tender and prior to award, communication with vendors is limited to the procurement department and evaluations are conducted by committees of subject matter experts.

To strengthen our resolve and commitment, and to ensure anti-bribery measures in the organisation are in accordance with ABMS requirements, 41 employees were sent to attend the ABMS Internal Auditor Training course in July 2019. The move also ensures a sufficient pool of internal auditors for

future ABMS internal compliance audit exercises.

Malakoff plans to review its Group Anti-Bribery Policy in the coming year and seek ABMS certification in 2020 to further strengthen its anti-bribery framework as well as in response to the findings of the ABMS Internal Compliance Audits conducted at KL HQ office and Prai Power Plant in September 2019.

Various anti-bribery and integrity initiatives have also been planned for 2020 such as ABMS training for Integrity Coordinators, roadshows for employees and awareness sessions to all business associates and vendors.



## SUSTAINABILITY STATEMENT

### WHISTLE-BLOWING POLICY

#### GRI 205-3

The Whistle-blowing Policy of the Group was established in 2014 and provides employees and third parties with proper process to disclose cases of Improper Conduct such as criminal offences, fraud, corruption, breach of Group policies and Code of Conduct or other malpractices.

A Whistle-blower is assured confidentiality of identity to the extent of being reasonably practicable. This includes protecting the Whistle-blowers from detrimental actions that may result from the disclosure of Improper Conduct, provided that the disclosure is made in good faith. The Whistle-blowing Policy also ensures fair treatment is provided to both the Whistle-blower and the alleged wrongdoer when a disclosure of Improper Conduct is made.

A disclosure of Improper Conduct can be made verbally or in writing to the Chairman of the Board Audit Committee through a letter or e-mail to [whistleblowing@malakoff.com.my](mailto:whistleblowing@malakoff.com.my). The Chief Internal Auditor is responsible for the administration, interpretation and application of the Whistle-blowing Policy and any amendment to this Policy shall be affected by the Chief Internal Auditor, subject to the final approval of the Chief Executive Officer, the Board Audit Committee and the Board of Directors.

In 2019, two cases were reported through the Whistle-blowing channel and appropriate actions were taken in accordance with the Policy.

### SECURITY OF SUPPLY & PLANT SECURITY

#### GRI 201-1, 203-1

Energy security, or the constant, uninterrupted supply of energy at an affordable cost, is critical for the National Grid and development of the country. The ability of the National

Grid to provide sufficient, affordable and environmentally sustainable energy supply depends on a large part on the available capacity and reliability of plants operating within the given period.

To facilitate adequacy of supply and functionality, all our plant outage plans are reviewed together with the Grid System Operator on a regular basis to ensure our plants are available to support the grid system, as stipulated in the PPA, without compromising on plant integrity.

In 2019, we conducted our annual review of the security level of our plants for their adequacy and effectiveness.

All Malakoff plants have been satisfactorily audited by Jabatan Sasar Penting Negara (“JSPN”) with recommendations to further strengthen security, especially at critical plants categorised as “*Sasaran Penting Keutamaan Satu*” or “Priority Target Number One”, in reference to important installations that generate services,

which are critical to the nation and economy.

Various operations and maintenance initiatives were undertaken during the year to ensure continuous improvement in plant availability and reliability. Other measures included forced outage management and benchmarking activities for all the plants to ensure these initiatives produced the desired outcomes.

At the same time, we adopted state-of-the-art technology and other tools, such as Condition Based Maintenance, Reliability Centered Maintenance, Root Cause Analysis in failure investigations to avoid recurrences, Reliability Centered Spares, Risk Based Inspection, Process Safety Management, Hazard and Operability Study, to sustain high performance at our plants.

In FY2019, all plants have outperformed their respective PPA to register high availability, except for TBE which had undertaken major rectification works from 31 March to 12 June 2019.

### MALAKOFF PLANT AVAILABILITY FOR FY2019

PLANT	AVAILABILITY (%)
Tanjung Bin Power Plant (“TBP”)	81.54%
Tanjung Bin Energy Power Plant (“TBE”)	72.28%
Segari Energy Ventures (“SEV”)	84.15%
GB3 Power Plant (“GB3”)	88.16%
Prai Power Plant (“PPP”)	91.72%
Port Dickson Power Plant (“PDP”)	94.92%

#### SASARAN PENTING NEGARA 2019

- Lumut Power Plant
- Prai Power Plant
- Tanjung Bin Power Plant
- Tanjung Bin Energy Power Plant

#### AUDITED BY

Jabatan Sasaran Penting Negara

#### RESULT 2019

Satisfactory





## INFORMATION SECURITY

*GRI 102-11, 102-12*

Cyber security is a key concern to many organisations as new threats emerge and incidences of ransomware attacks continue to reverberate across the business world. Our strategy in addressing this threat is to design and develop an Information Technology (“IT”) Governance and Cyber Security Framework based on international standards and best practices, that encompasses a holistic approach in managing cyber risks.

As part of the Cyber Security Framework established in 2019, we have strengthened our existing defence technology by implementing advanced endpoints and servers protections with an AI-based software to detect and respond to unknown threats including zero-day malwares, ransomwares, and Advanced Persistent Threats. In addition, we want to inculcate a cyber-security awareness culture whereby employees are continuously educated on cyber threats to ensure they remain vigilant and well-informed. The awareness programme will extend beyond 2019 and into 2020, covering every employee in the country through an interactive and online education system.

For 2020, we plan to further strengthen our cyber security posture through the deployment of privilege access

management (“PAM”) and mobile device management (“MDM”). PAM simplifies the management and access controls for administrators and users while enforcing compliance to our policies while MDM secures confidential data accessed through mobile devices. These security tools enhance our capabilities in managing and securing our critical IT assets.

As we move into 2020, Malakoff will embark on a digitisation programme in line with the government’s call to meet the challenges of IR 4.0. This will include the use of Robotic Process Automation (“RPA”), to automate processes and streamline back office operations. The use of RPA technology increases employees’ productivity by eliminating repetitive tasks that can now be undertaken by “software robots” that can operate around-the-clock, allowing employees to focus on more value-added tasks. We will also seek to enhance the way we engage with one of our key stakeholders – our customers through a new customer portal and mobile applications that will offer more information and conveniences, such as online payment, billing information, and real-time announcements. For employees, we will embark on a modernisation programme that will see further deployment of mobile technology to simplify and enhance their work as well as greater use of collaborative tools, including Microsoft Office 365.

Beyond accomplishing our 2020 IT Strategic Plans, we aim to facilitate effective and equitable use of IT resources, improve overall efficiency to create optimal value and continue maintaining our ISO 27001:2013 Information Security Management System (“ISMS”) certification in preserving the confidentiality (“C”), integrity (“I”) and availability (“A”) of the company’s information.

## STRATEGIC BUSINESS DEVELOPMENT

*GRI 201-1, 203-1*

In line with Malakoff’s corporate vision to be a premier global power and water company, we have set our sights on achieving power generation capacity of 10,000 MW, seawater desalination capacity of 1,000,000 m<sup>3</sup>/day and 1,000 MW in renewable energy.

Towards this end, we continued to undertake business development activities to increase our power generation and water producing assets. Among these included bids for greenfield power and water projects as well as a wastewater treatment project in Gulf Cooperation Council (“GCC”) member countries.

A number of merger and acquisition (“M&A”) opportunities within Malaysia and abroad were considered. Several strategic partnerships were formed for development of new ventures and joint bids for power, water, RE, waste management and environmental services projects in the country.

*Kindly refer to the Management Discussion and Analysis (“MD&A”) Section of the Malakoff FY2019 annual report for detailed disclosure on our business development plans, the highlights and successes achieved and our future business orientation going forward.*

## SUSTAINABILITY STATEMENT

### RENEWABLE ENERGY

*GRI 201-1, 202-2*

We have continued to grow our RE generation capacity in FY2019 towards providing more sustainable power solutions to meet the nation's increasing electricity needs. Malakoff is supportive of the government's drive to achieve 20% RE in the country's energy mix by 2025.

To achieve the target of generating 1,000 MW of RE, Malakoff aims to diversify its portfolio to achieve a more balanced energy mix with RE investments. The Group works in collaboration with various companies to secure or develop hydro, solar, biogas and waste-to-energy projects. We have participated in a wide range of RE initiatives within Malaysia in FY2019.

We are happy to report notable successes achieved in hydro and biogas RE projects. We have formed collaboration with strategic partners to continue to pursue opportunities in the areas of small hydro and biogas projects. We remain committed to raising our presence in solar energy generation. This experience gained from our participation in LSS3 will hold us in good stead going forward. In addition, our subsidiary, TJZ Suria Sdn Bhd has also been engaged to act as the O&M contractor for a large scale solar project for 21 years.

Another interesting development is in the area of rooftop solar, where Malakoff is actively promoting zero-cost onsite rooftop solar generation as an alternative for MMC, DRB-HICOM and Tradewinds group of companies as well as other potential commercial and industrial customers.

Our subsidiary Malakoff Radiance Sdn Bhd is a Registered Solar PV Investor ("RPVI") with SEDA. It is currently offering customers a Solar Power Purchase Agreement ("SPPA") with zero capital expenditure ("CAPEX") under a Net Energy Metering ("NEM") scheme.

*Further details of our successful ventures into RE in 2019 is given in the MD&A section of this Annual Report.*

### OPERATIONAL EXCELLENCE

*GRI 201-1*

We assess our plants' performance based on thermal efficiency – a common industry practice used to determine the usable energy generated from the fuel consumed - as well as CO<sub>2</sub> emissions produced.

#### THERMAL PERFORMANCE

##### TANJUNG BIN ENERGY POWER PLANT

2014	
2015	
2016	38%
2017	39%
2018	39%
2019	39%

##### GB3 POWER PLANT

2014	47%
2015	47%
2016	47%
2017	47%
2018	47%
2019	47%

##### TANJUNG BIN POWER PLANT

2014	36%
2015	36%
2016	37%
2017	36%
2018	37%
2019	36%

##### PRAI POWER PLANT

2014	52%
2015	52%
2016	51%
2017	51%
2018	52%
2019	51%

##### SEV POWER PLANT

2014	48%
2015	48%
2016	48%
2017	48%
2018	47%
2019	47%

Under the programme, power plants undergo a performance gap identification and after taking into consideration the potential risk forecasts, we implement the necessary remedy plans. The final outcome is measured against set thermal efficiency goals.

Periodic performance reviews are conducted throughout the year alongside quarterly reviews to identify gaps and potential operational issues because these activities enable us to plan ahead and implement rectification for defects as well as schedule the required outage.

As in previous years, the Engineering Department at our Local Generation Division (“LGD”) continues to maintain our plants’ integrity and performance.

### **BUSINESS PROCESS IMPROVEMENT (“BPI”)**

#### GRI 102-16

Last year, our introduction of E-Sourcing encouraged more suppliers to participate, drawing in more competitive bids and generating significant cost savings for the Group.

Subsequently, in 2019, the Ivalua platform presented us with more efficient and transparent sourcing, pre-qualification, evaluation and contract awarding processes, which generated RM18.81 million in savings via the use of e-Auction.

To maximise this new system and streamline our business processes across the organisation, the BPI Department and Group Procurement Department conducted five roadshows in five different locations to train and raise awareness among our employees.

### **LEAN SIX SIGMA**

#### GRI 102-16

The integrated Lean Six Sigma management approach has empowered the Group to maintain high efficiency levels at our plants and across our organisation.

In 2019, we invested RM113,610 in further employee training and development. During the year under review, five LSS training programs were conducted throughout the Group, comprising four Green Belt and one Black Belt training programme. This added 11 Black Belters and 23 Green Belters to the team, bringing the total trained since 2017 to 36 Black Belters and 227 Green Belters.

Malakoff initiated 13 process improvement projects with a total savings of RM9.43 million in 2019.

A Six Sigma Green Belter has in-depth knowledge of the tools and techniques and knows how to leverage on the Six Sigma methodology DMAIC (Define, Measure, Analyze, Improve, Control) to optimize an existing operation. A Black Belter leads problem-solving projects as well as trains and coaches project teams.

As a result of these improvements, Malakoff bagged two Gold Awards at the Regional Convention on Team Excellence (RTex) held in Kota Bharu and the Group also qualified for the Annual Productivity and Innovation Conference (APIC) 2019.

Going forward, our improvement strategy for 2020 includes the introduction of a LSS Capability Building Five-Year Plan as well as inclusion of a project timeline, namely, a maximum of six months for Green Belt projects and one year for Black Belt projects.

### **GREEN 5S**

#### GRI 102-16

In 2019, we introduced the Green 5S (“G5S”) Guideline and conducted five awareness training sessions to generate continuous awareness across the Group on this G5S initiative and the importance of having a clean, safe, and well-organised workplace.

The BPI Department also conducted G5S audits at four power plants and two other locations in KL, mainly MCB KLHQ and MUSB, to ensure conformity and compliance to G5S standards. For our efforts on this G5S initiative to foster a more efficient, safe, clean and conducive work environment, our subsidiary TBEPP achieved a five-star rating in 2019.

Moving on, we will continue to implement the current initiatives, policy and strategies for the coming year.

## SUSTAINABILITY STATEMENT

### LIST OF ISO CERTIFICATION

LOCATION	ISO	CERTIFICATION DATE	CERTIFICATION EXPIRY DATE
<b>TBPP</b>	OHSAS 18001 2007	23 December 2009	11 March 2021
	MS 1722 2011	23 December 2009	11 March 2021
	ISO 14001 2015	23 December 2009	22 October 2021
	ISO 9001 2015	8 October 2010	22 October 2021
<b>TBEPP</b>	OHSAS 18001 2007	23 December 2009	11 March 2021
	MS 1722 2011	23 December 2009	11 March 2021
	ISO 14001 2015	23 December 2009	22 October 2021
	ISO 9001 2015	8 October 2010	22 October 2021
<b>PPP</b>	OHSAS 18001 2007	23 December 2009	11 March 2021
	MS 1722 2011	23 December 2009	11 March 2021
	ISO 14001 2015	23 December 2009	22 October 2021
	ISO 9001 2015	8 October 2010	22 October 2021
<b>LPP</b>	OHSAS 18001 2007	23 December 2009	11 March 2021
	MS 1722 2011	23 December 2009	11 March 2021
	ISO 14001 2015	23 December 2009	22 October 2021
	ISO 9001 2015	8 October 2010	22 October 2021

\* Consolidated ISO Management System for all sites since 2015, hence sharing of certification expiry dates.

## ENVIRONMENT

We comply with all relevant environmental legislation of the countries in which we operate in and we continue to adhere to industry benchmarks for management of emissions, water and waste.

We carefully manage the use of precious resources like fresh water and design our processes to minimise wastage, reuse or recycle water output or wastewater to be injected into other processes within the plant, or to be safely returned to the environment after treatment.

Measures are also being undertaken to look into various feasible ways to reduce the amount of waste generated from our processes. We also continue to seek ways to improve our energy efficiency.

### EMISSIONS MANAGEMENT

*GRI 305-1, 305-2, 305-5*

All greenhouse gas (“GHG”) and non-GHG emissions produced by our local assets are directly related to fuel consumed such as coal and gas and from combustion processes. We comply with the DOE standards such as CAR 2014 for emissions.

Our emissions-control equipment maintenance schedule ensures that our plants function at optimal operational efficiency and comply with emission limits. We also report real-time emissions data directly to the DOE through the Continuous Emissions Monitoring System (“CEMS”).

## NON-GHG

**Our facilities are equipped with:**

1. Filtration equipment to reduce Particulate Matter (“PM”) emissions - an electrostatic precipitator and fabric filter are installed at TBPP and TBEPP respectively
2. Flue Gas Desulphurisation (“FGD”) to reduce Sulfur Oxide (“SOx”) emissions; and
3. Stage combustion to reduce Nitrous Oxide (“NOx”) emissions.

## EMISSION FROM COAL

1. Minimising emissions from coal properties through a stringent coal selection process governed by established internal procedure complying to the Coal Supply and Transportation Agreement (“CSTA”).
2. Committed to partner with the industry to pioneer sustainable solutions.

## GHG

1. Committed towards reducing GHG emissions by focusing on process optimization initiatives and other green initiatives such 3R
2. Participate in voluntary third party verification of GHG emissions reports for 2017 and 2018 to ensure that our reports are real and credible.

### ENERGY CONSUMPTION AND EFFICIENCY

*GRI 103-1-3, 302-1, 302-4*

We continue to make all efforts towards becoming more energy efficient; essentially consuming less resources to produce a greater intensity of energy from our power plants. This would entail avoiding wastage and improving overall operational efficiency of our assets.

However, the task is challenging given that growing energy demand will entail greater consumption of coal and gas. We have adopted a more stringent coal selection process as one of the strategies to realise efficiency.

#### Annual Coal Consumption 2017 – 2019

Plant	Coal Consumption (MT)		
	2017	2018	2019
TBP	6,226,797	6,252,902	5,883,584
TBE	2,132,805	2,456,317	2,513,053

#### Annual Gas Consumption 2017 – 2019

Plant	Gas Consumption (GJ)		
	2017	2018	2019
SEV	41,329,985	30,501,707	34,528,718
GB3	15,655,856	9,330,743	15,176,850
PPP	9,132,706	12,768,545	14,602,360
PDP	709,035	180,366	70,082

## SUSTAINABILITY STATEMENT

On a separate note, we have continued with our proven highly effective Light Emitting Diode (“LED”) light replacement programme in FY2019.

In 2019, we focused our initiative on another two levels of offices at our KLHQ, at the Malakoff Academy of Excellence (“MAX”) training centre and various other buildings occupied or owned by Malakoff Utilities Sdn Bhd (“MUSB”).

We invested RM21,065 in the LED project and was able to generate accumulated savings of RM11,693 within half a year, which was equivalent to 55.51% of the approved capital expenditure.

Electricity bill reduction realised at KLHQ as follows:

Month	Electricity Bill Reduction
July 2019	11.66%
August 2019	8.67%
September 2019	11.12%
October 2019	18.75%
November 2019	13.65%
December 2019	11.45%

Meanwhile most of our power plants show downward trends in their import power consumption as depicted in table below.

Plant	Import Power (MWh)		
	2017	2018	2019
TBPP	3,229	2,020	11,217
TBE	12,609	13,120	7,545
SEV	6,833	8,806	5,532
GB3	3,581	4,553	3,740
PPP	16,778	12,147	9,758

We also conducted an investment grade energy audit exercise at MUSB’s District Cooling Plant and found that we could potentially generate energy savings of up to RM4 million per annum.

We shall continue to pursue our energy conservation programmes going forward. These include exploring opportunities to develop co-generation facilities offering reliable power supply at cheaper tariffs.

### WATER USE IMPACT

*GRI 103-1, 103-2, 103-3, 303-1, 303-3*

We also look into water management as part of our commitment to the environment.

Our plants typically use seawater for cooling purposes and raw water to replenish water and steam lost to the environment during the electricity generation process. Several of our plants also tap rainwater via rainwater harvesting systems, which have been installed at TBPP.

We source for raw water from the respective state water supply, namely Perbadanan Pembekalan Air Pulau Pinang (“PBAPP”), Syarikat Air Johor (“SAJ”) and Lembaga Air Perak (“LAP”).

We have revamped our operational methods to improve water usage by monitoring and reducing blowdown activities to cut water losses.

### Raw Water Source & Consumption

Plant	Source	Raw Water Consumption (m <sup>3</sup> )		
		2017	2018	2019
Prai Power Plant	PBAPP	207,476	223,731	217,804
Lumut Power Plant	LPP	469,021	369,781	438,123
Tanjung Bin Power Plant	SAJ	1,631,673	1,629,642	1,631,546
Tanjung Bin Energy Power Plant	SAJ	379,528	356,567	349,824
<b>TOTAL</b>		<b>2,687,698</b>	<b>2,579,721</b>	<b>2,690,497</b>

Water management efforts at our plants such as TBPP, particularly the management of ash pond water, has resulted in 20% reduction in annual raw water costs. Still at TBPP, a detailed feasibility study on the implementation of a desalination (reverse osmosis) plant to supply 50% of service water is being studied.

At TBE, in 2019, we implemented a plant improvement initiative to channel wastewater from the boiler sump, drained from the main process area, to the boiler submerged scraper conveyor (“SSC”) system. The target is for TBE to progressively reduce raw water consumption to 1,000 m<sup>3</sup>/day.

At LPP, we have started shutting down the blowdown manual valves during unit standby to minimise demineralised water wastage.

Other proactive actions include continuous monitoring of the water and steam pipeline integrity, undertaking scheduled replacements, ensuring all drain valves are tight and controlling water usage especially for cleaning and housekeeping purpose to achieve optimum levels.

### WASTE MANAGEMENT

*GRI 103-1, 103-2, 103-3, 301-2, 306-2*

The process of electricity generation of our coal plants inevitably produces waste, mainly fly ash and bottom ash. We regularly assess and implement ways to reduce and recycle scheduled waste generated from our plants.

Our coal ash disposal procedure enables us to manage ground, water and air contamination and reduce the risks of contamination through proper disposal channels that are in line with the regulatory requirements.

The third-party offtake agreement is one of Malakoff’s sustainability initiatives to recycle the ash generated from TBPP into construction material, such as sand replacement, which is similar to that practiced in Europe and Japan.

TBPP and TBE are planning to engage multiple off-takers including cement and brick, or concrete product manufacturers to offtake the fly ash and bottom ash produced by both plants. By doing so, we could potentially avoid the need to build a new ash pond.

Other internal waste (domestic waste) and internally generated scheduled

waste, such as used lube oil, distillate and contaminated solid waste, are collected by appointed approved domestic contractors and sent for either landfill or incineration disposal.

In 2019, about 120 MT waste oil from TBE and TBPP was sent to an Approved DOE Premise for recovery, where the waste oil underwent a process of filtration and was reused for another oil product, instead of merely being disposed.

In discharging effluents and other waste materials, we comply with a number of environmental standards.

For Scheduled Waste Management, all sites which PPP, LPP, TBPP and TBE maintain their compliance with the Environmental Quality Act (“EQA”) (Scheduled Waste) Regulations 2005.

Meanwhile, for discharge effluents, only TBPP, TBEPP and PPP comply with EQA (Industrial Effluent) Regulation 2009.

Moving on to 2020, TBE and TBPP will be conducting a Life Cycle Assessment of waste in order to reduce, reuse and recycle domestic and scheduled waste generation from the plants.

## SUSTAINABILITY STATEMENT

In addition to caring for the environment, social responsibility is a cornerstone of our foundation for sustainable development. To succeed in our initiatives, we work together with the local community to identify and respond to issues and at the same time, play a role in encouraging the young to take steps towards keeping the environment green.

For instance, Malakoff organised an E-Collection Awareness Day at SK Sg Durian in Mukim Serkat, Johor and SK Segari in Segari, Perak to raise awareness among the young and successfully collected about a tonne of electronic waste from the school.



### ALAM FLORA SDN BHD

*GRI 302-1, 306-2*

The completion of our acquisition of Alam Flora Sdn Bhd (“Alam Flora”) on 5 December 2019 paves the way for Malakoff to venture further into Waste Management and Environmental Services, which is an area with immense growth potential due to the need for such services.

Alam Flora is the concession holder appointed by the Government to provide solid waste collection and public cleansing management services to several areas in Pahang, Kuala Lumpur and Putrajaya. The 22-year concession will end on 31 August 2033.

In support of Malaysia’s aim to achieve a 22% waste recycling rate and divert 40% of waste from landfills by 2020, Alam Flora has been implementing its *Separation @ Source* and 3R on Wheels programme to encourage households to separate recyclable wastes. The outcome was the collection of 706 tonnes of recyclables in 2019, an increase of 17% from the previous year.

In recognition of its contribution, Alam Flora was awarded the Best Practices Awards 2019 Malaysia Waste Management Company of the Year (Asia Pacific) by renowned global research and consulting firm Frost and Sullivan while EU-Malaysia Chamber of Commerce and Industry (“EUMCCI”) named Alam Flora’s subsidiary, DRB-HICOM Environmental Services Sdn Bhd (“DHES”) as the winner for the Best Environmental Impact Award (Large Company Category) 2019.

Going forward, we plan to explore further concession opportunities in locations such as Kelantan, Terengganu and Labuan, as well as to tap into non-concession waste management projects domestically and abroad through government initiatives or business-to-business initiatives.

## PEOPLE

*GRI 102-18, 103-1, 103-2, 103-3, 202-2*

Our desire has always been focusing on developing the professional capabilities of our people, while nurturing a high-performance organisational culture centred on integrity, teamwork, innovation, excellence and workplace harmony.

Human capital development and talent management is critical to the success of the Group. Hence, we have continued to strengthen our employees' capabilities and competencies through providing continuous learning and development opportunities.

As an equal opportunity employer, our hiring policies and career advancement opportunities are based on meritocracy without any discrimination on ethnicity, gender, age, disability or status.

Within our organisation, we also look into the health and safety of our employees, just as we seek to develop their capabilities to create a high-performance workforce.

100% of our Senior Management for Malaysian operations is local.

## DIVERSITY AND EQUAL OPPORTUNITIES

*GRI 401-1, 405-1, 406-1*

The following tables list the statistics on our employees:

### Workforce Data (excluding Alam Flora)

	2017	2018	2019
Total Number of Employees	1035	1032	994

### Employee Statistics

Workforce	2017	2018	2019
TOTAL NUMBER OF EMPLOYEES	1035	1032	994

### BREAKDOWN OF EMPLOYEES (%)

Malaysian	100.00	100.00	99.90
Other Nationals	-	-	0.10

### CONTRACT TYPE (%)

Permanent	91.79	90.41	90.44
Contract	8.21	9.59	9.56

### GENDER DISTRIBUTION (%)

Male	83.29	84.11	84.00
Female	16.71	15.89	16.00

### EMPLOYEES ABOVE AND BELOW AGE OF 35 (%)

Above 35	51.59	48.45	55.33
Below 35	48.41	51.55	44.67

### EMPLOYEE GROUP

Executive and Above	677	659	617
Non-Executive	358	373	377

### NO. OF NEW HIRES

Total	41	78	50
Executive and Above	16	41	23
Non-Executive	25	37	27

### TOTAL ATTRITION RATE BASED ON NO. OF EMPLOYEES

Total	80	83	80
Executive and Above	52	65	61
Non-Executive	28	18	19

## SUSTAINABILITY STATEMENT

### EMPLOYEE WELFARE

*GRI 401-2, 404-1, 404-2, 404-3*

We continue to ensure that our staff's needs are well cared for and we provide a wide range of benefits, above and beyond statutory requirements. This includes a wide range of paid leave, medical benefits and various other employment related benefits.

100% of employees receive job appraisals and employees have the right to seek redress or voice grouses via a clearly defined grievance mechanism, which has been developed and managed by the Group's Human Capital Division.

The Group adheres to the Malaysian Employment Act 1955, which prohibits exploitative labour practices. The Company also adheres to the Children and Young Persons (Employment) Act 1966. Both of which are aligned to the International Labour Organisation ("ILO") and the Universal Declaration of Human Rights.

Full time employees enjoy the following benefits:

- Company supported / subsidised health / medical insurance plan.
- Insurance benefits
- Allowances and reimbursement claims
- Overtime payments (where applicable)
- Employee's New Born Benefits

- Employee's Bereavement / Wreath
- Employee Education Assistance Programme

### LEAVE BENEFITS

*GRI 401-3*

Employees are entitled to various types of paid leave, which include marriage, Hajj leave and study/exam leave.

Female employees are entitled to paid maternity leave of 60 consecutive days for each confinement period. Male employees are granted paternity leave of 3 days to spend time with their newborn and their families.

### MINIMUM WAGE

All employees earn wages that are above the minimum wage scale as Malakoff's lowest salary scale is higher than the minimum salary stipulated by the government.

### TALENT DEVELOPMENT

*GRI 404-2*

The nature of our business requires employees to be competent and responding to the dynamic business environment and have adequate skills and capabilities to execute and perform. As such, talent development plays a vital role to ensure we are prepared to respond to rapidly changing industry landscape.

### TALENT DEVELOPMENT

- RM1 million for soft skills, functional and leadership training with 1,600 man-days
- RM1.5 million on technical training with 4,700 man-days

### LEADERSHIP DEVELOPMENT

- **Harvard ASEAN Senior Management Development Programme**
  - Attended by four senior management personnel
- **Malakoff Management Development Programme**
  - Nine months duration
  - Attended by 41 of middle managers

### LEAN SIX SIGMA PROGRAMME

- Green Belt Batch 4 for KLHQ
- Green Belt Batch 2 for both LPP and TBPP

### MALAKOFF TECHNICAL CONFERENCE 2019

- To foster a knowledge sharing culture, technical experiences, best practices and lesson learnt
- Presentations by 22 speakers including engineers from KLHQ and site offices

Among the programmes was the Harvard ASEAN Senior Management Development Programme, which was attended by four senior management personnel, as well as the nine-month Malakoff Management Development Programme to enhance 41 of our middle managers' management skills.

Initiatives to improve our employees knowledge and business processes included the Lean Six Sigma Programme, which saw the implementation of Green Belt Batch 4 for KLHQ and Green Belt Batch 2 for both LPP and TBPP, and enabled us to further streamline our system and processes.

Notable was the success of our first Malakoff Technical Conference 2019 held on 20-21 August 2019 to foster a knowledge-sharing culture and sharing of technical experiences, best practices and lessons learnt. Conference participants took home gems of knowledge from presentations by 22 speakers, including engineers from KLHQ and site offices.

## MANAGEMENT LEADERSHIP

In ensuring sustainability of its leadership bench and in grooming its

next echelon of management and technical personnel, Malakoff has implemented a succession planning strategy.

Within this plan, 20 candidates have been selected and potential successors have been identified and nominated for the CEO-1 and critical positions.

The nominated successors have shown good performance in their current role with each successors. As high potential employees, they meet the criteria to be the talent pool that is groomed to fill up the Company's leadership pipeline.

These nominated successors have demonstrated self-discipline and have been assessed by their Heads of Divisions to be driven and keen to take up the career challenge as successors to the critical roles, in addition to their abilities in their current scope of work.

The Human Capital division has worked on the development program for the potential successors in order to reduce the competency gaps and prepare them to assume the role when the position becomes available.

## OCCUPATIONAL SAFETY AND HEALTH

*GRI 103-1, 103-2, 103-3, 403-2*

### 1. Updated Total No. of Incidents

Total No. of Incidents	2017	2018	2019
	22	26	20

### 2. Updated Total No. of Lost Time Injury ("LTI")

Total No. of LTI	2017	2018	2019
	4	3	0

### 3. Updated Total No. of Lost Time Injury Frequency Rate ("LTIFR")

LTIFR	2017	2018	2019
	0.59	0.45	0.00



Our comprehensive HSSE Management System, which is in accordance with ISO 14001 and OHSAS 18001 international standards, sets out how we identify, assess and manage risks with respect to health, safety, security and environment.

During the year 2019, five training and awareness programmes were held, focusing mainly on health, security, and first aid, with another 11 in the pipeline for 2020.

## SUSTAINABILITY STATEMENT

In addition to awareness and enforcement on occupational safety and health (“OSH”) compliance, Malakoff also invested in training OSH officers and practitioners, heightened enforcement activities and management leadership. We aligned our work processes with the OSH Management System and focused on promoting a preventive and safety culture at the workplace, taking various steps to raise awareness among employees and contractors.

As a result of these positive measures, we saw steady improvements in our safety performance, with the total number of incidents declining to 20 in 2019, compared with 26 and 22 in 2018 and 2017, respectively. There was zero LTI in 2019, against three in 2018 and four in the preceding year. LTIFR stood at 0, 0.45 and 0.59, respectively.

In recognition of the Group’s efforts in creating a safe work environment, three of our plants bagged the Malaysian Society of Occupational Safety & Health Awards, with PPP taking home the Gold Merit, LPP obtaining Gold Class 1 and TBPP achieving Gold Class 2.

Moving ahead, we continue to work on ensuring every worker complies with our safety standards and practices self-regulation. There will be no let-up in our efforts to raise awareness on HSSE at the workplace in line with our preventive culture and the necessary safety training will continue to be conducted throughout 2020.

### OSH TRAINING AND AWARENESS PROGRAMMES HELD IN 2019

NO	OSH TRAININGS/AWARENESS/REFRESHER/INITIATIVE PROGRAMS - 2019	LOCATION
1.	ISO 45001 Transition Training	All Plants
2.	AGTES Registration Training	All Plants
3.	Basic Fire Fighting and Fire Watcher Awareness Training	All Plants
4.	First Aid Training	All Plants
5.	Security Training (ISPS Code)	TBPP
6.	Blood Donation Drive	All Plants
7.	Emergency Response Team Training	All Plants
8.	AADK Drug Test	All Plants
9.	Safety Forum and Awareness program for Outage Contractors	All Plants
10.	Health Talk (Ergonomics, Healthy Lifestyle, Stress, Mental Awareness etc.,)	All Plants
11.	Incident investigation Training	All Plants
12.	Working at Height Training	All Plants
13.	Malakoff Safety Passport for In House Contractors	All Plants
14.	Plant Safety Passport for Staff	All Plants
15.	AGT Course Training	TBEPP
16.	Auxiliary Police & Security Training	TBPP
17.	Competent Person Awareness training	All Plants
18.	Toolbox Talk	All Plants

### COMMUNITY INVESTMENT AND DEVELOPMENT

*GRI 103, 103-2, 103-3, 413-1, 413-2*

The success of our growth is dependent on the progress and development of the communities surrounding the areas where we conduct our business. To this end, we develop and invest in many community support programmes, focusing mainly on education and the environment, which are implemented both within Malaysia as well as in other countries in which Malakoff operates.

We take a long-term approach to fulfilling our responsibility as an

active member and contributor to the community. Employees are encouraged to connect with and contribute to the society through participation as well as to promote solidarity and a sense of pride to be part of a caring organisation. This essentially forms the crux of social sustainability and enhances long-term value creation for our stakeholders.

Through this outreach, we have managed to strengthen our relationship with the community and helped almost 7,000 people gain a brighter future or a better life, and we aim to further extend our assistance to more local communities in the future.

### **MEASURES TO IMPROVE LIKELIHOOD OF COMMUNITY AND JOB OPPORTUNITY**

Our commitment to lend support to the underprivileged continues with our annual contribution through Wakalah Zakat for the development of community welfare and well-being.

Malakoff's contribution in 2019 aided a total of 473 poor and needy people, or *Asnaf Fakir & Miskin*, by way of financial support to improve their quality of life and help in their daily needs.

#### **Youth Education and Development** **GRI 413-1**

Our key Corporate Social Responsibility ("CSR") on Education is the Malakoff Edufund Programme, which was established in 2002, to provide financial support to 11 Adopted Schools in the states of Perak, Pulau Pinang and Johor.

We helped equip these schools with learning tools and better infrastructure for the benefit of the local students. Separately, we provided financial assistance to needy local school children prior to the beginning of the school year.

In 2019, we extended our comprehensive CSR Education Programme in Mukim Serkat, Pontian, Johor to include "Jom Sarap with Malakoff", tuition classes, motivational and examination preparatory seminars and English classes.

The move aims to provide school children with a nutritious breakfast to help them focus better in class, encourage students to arrive at school early and assist UPSR candidates in



their upcoming examination. Some 985 schoolchildren from seven primary schools in Mukim Serkat benefitted from this initiative.

In response to the Government's call for corporate organisations to support local higher institutions of education, Malakoff continues to extend its support to Universiti Tenaga Nasional ("UNITEN") and Universiti Malaysia Pahang ("UMP") through various students-related activities in the respective universities.

Our wholly owned subsidiary, Teknik Janakuasa Sdn Bhd ("TJSB") inked a Memorandum of Understanding ("MoU") on 11 February 2019 with the Centre for Power Electrical Engineering Studies ("CEPES") at Universiti Teknologi MARA's ("UiTM") Engineering Faculty to collaborate on future research, innovation, industrial training and other relevant academic activities. This partnership encourages the exchange of information, expertise and experience in professional development.



## SUSTAINABILITY STATEMENT

### ENVIRONMENTAL AWARENESS

*GRI 413-1*

We continue to raise awareness on environmental issues through various events within our organisation, with our local communities as well as youths and school children.

Activities include talks and seminars, initiatives to clean up the environment through *gotong-royong* and in collaboration with local municipalities as well as campaigns with the local communities and schools.

Our latest effort was to educate students on the importance of environmental preservation and the need to maintain a clean surrounding through a series of awareness talks at our adopted schools. One was held on 24 October 2019 at SK Sungai Durian in Mukim Serkat, Johor and another on 6 November 2019 at SK Segari, Perak.

Topics discussed included pollution, global warming, waste disposal, deforestation, loss of endangered species and public health issues, amongst others, to educate and encourage students to play a bigger role in combating climate change and to preserve the environment for themselves and their future generations.

### RESPONSIBLE SUBCONTRACTING AND PROCUREMENT

*GRI 103-1, 103-2, 103-3*

We continue to adopt a non-discriminatory policy in the selection of vendors and suppliers to support our business operations. In this regard, vendors are selected based purely on merit; the strength of their value proposition as well as other factors such as past track record, their inherent

expertise and experience and also their commitment to sustainability and good corporate governance.

In essence, vendors must also demonstrate a strong sense of business integrity, transparency and accountability and operate to the same corporate values that Malakoff espouses. We continue to promote sustainable business practices and good governance within our value chain by making these prerequisites for vendors to comply with in order to qualify as registered Malakoff vendor.

The Vendor's Day event held to raise awareness among our vendors on the new procurement processes and requirements helped to reinforce their understanding and appreciation of our efforts towards sustainability.

Where possible, our preference is to support local vendors in areas where we operate.

### HUMAN RIGHTS

*GRI 103-1, 103-2, 103-3*

As a responsible organisation, Malakoff is committed to the safeguarding of human rights and ensuring that its business operations do not infringe on the basic rights of employees and the various communities in which we operate in.

Our commitment is in line with the ILO and the Universal Declaration of Human Rights.

We are pleased to report that in FY2019, the Group has neither had human rights abuse incidents, nor human rights violation involving indigenous people reported at any time in the Group's history.



## THE WAY FORWARD

Progressively, sustainability is being placed at the heart of our business model and operations and is becoming the driving force to achieve stakeholder value creation; and to ensure the realisation of the Group's medium and long-term business objectives.

Our focus on sustainability is driven by strong business objectives. The challenges Malakoff faces as a business entity necessitate that we stay focussed on driving our performance based on a triple bottomline. It is the way forward in ensuring Malakoff's continued relevance and competitiveness in a dynamic and disrupted energy marketplace.

Importantly, our sustainability approach, strategies and related policies are not solely reactive, but serve to enable the Group to tap emerging opportunities within the rapidly changing business environment.

Malakoff intends to remain at the forefront of the energy industry, in particular for RE. We continue to grow our RE energy mix as proven in our FY2019 achievements, focussing on hydro and solar.

We remain aligned to the aspirations of the government and the world to source and provide cleaner energy solutions to power socio-economic growth and continued development and prosperity.

We will also look to drive strategic and operational synergy, notably with the acquisition of Alam Flora. Sustainable waste management operations is good for the nation as well as lends itself to the Group's business model.

As Malaysia's largest IPP, we are cognisant of our responsibilities in leading the way forward for more sustainable energy solutions in Malaysia and abroad.

However, sustainable is not just measured in terms of RE or environmental impact but also in terms of affordability and accessibility.

We believe that in today's world, power is akin to a basic human right and we must continue to ensure that all communities are able to leverage on the benefits of electricity.

We are undaunted and stand motivated and confident of the future. As we enter a new decade in FY2020, Malakoff

is ready to embrace the emerging challenges and opportunities, for which we have charted a robust path towards securing our future.

In the process, we will continue to seek means to improve our performance across all materiality matters as reported in this Statement. In terms of operations, we will continue to prioritise operational excellence and efficiency whilst maintaining safety and security.

Our sustainability journey will remain inclusive as we continue to listen to the views of our many stakeholders; and to prioritise their concerns. We endeavour to achieve improvements in identified areas that we have mentioned and, where possible, to extend the breadth of our sustainability efforts.

We also hope to be able to further increase the level of disclosure in the coming years where we discuss both our successes as well as areas that we could further improve upon in the future, and possibly implementing a more comprehensive approach to environmental and social development.

# SUSTAINABILITY STATEMENT

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GRI 101: Foundation 2016</b>		
<b>General Disclosures</b>		
<b>GRI 102: General Disclosures 2016</b>	<b>Organisational profile</b>	
	102-1 Name of the organisation	Cover page Annual Report FY2019
	102-2 Activities, brands, products, and services	Corporate Overview (Page 2)
	102-3 Location of headquarters	Corporate Information (Page 5)
	102-4 Location of operations	Domestic and International Footprint (Page 32)
	102-5 Ownership and legal form	Corporate Structure (Page 8)
	102-6 Markets served	Corporate Overview (Page 2)
	102-7 Scale of the organisation	Corporate Structure (Page 8)
	102-8 Information on employees and other workers	Sustainability Statement: People (Page 67)
	102-9 Supply chain	The FY2019 excludes supply chain disclosures till more accurate and meaningful data can be collected.
	102-10 Significant changes to the organisation and its supply chain	
	102-11 Precautionary Principle or approach	Governance: Regulatory Compliance (Page 56), Information Security (Page 59) and Statement of Risk Management and Internal Control (Page 108 - 114)
	102-12 External initiatives	Distribution and External Assurance (Page 50), Information Security (Page 59)
	102-13 Membership of associations	About This Statement (Page 50)
	<b>Strategy</b>	
	102-14 Statement from senior decision-maker	CEO's Message (Page 48)
	102-15 Key impacts, risks, and opportunities	CEO's Message (Page 48)
	<b>Ethics and integrity</b>	
	102-16 Values, principles, standards, and norms of behavior	Governance (Page 51-52,61)
102-17 Mechanisms for advice and concerns about ethics	Governance (Page 56-62)	
<b>Governance</b>		
102-18 Governance structure	Sustainability Governance Structure (Page 52)	
102-19 Delegating authority	Sustainability Governance Structure (Page 52)	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
	102-20 Executive-level responsibility for economic, environmental, and social topics	Sustainability Governance Structure (Page 52)
	102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement (Page 53)
	102-22 Composition of the highest governance body and its committees	Corporate Information (Page 5)
	102-23 Chair of the highest governance body	Board of Directors' Profile (Page 16 - 21)
	102-24 Nominating and selecting the highest governance body	Corporate Governance Overview Statement (Page 92 -107)
	102-26 Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Overview Statement (Page 92 -107)
	102-27 Collective knowledge of highest governance body	Board of Directors' Profile (Page 16 - 21)
	102-28 Evaluating the highest governance body's performance	Corporate Governance Overview Statement (Page 92 -107)
	102-29 Identifying and managing economic, environmental, and social impacts	Sustainability Statement: Materiality (Page 54)
	102-30 Effectiveness of risk management processes	Statement of Risk Management and Internal Control (Page 108 - 114)
	102-31 Review of economic, environmental, and social topics	Sustainability Statement: Materiality (Page 54)
	102-32 Highest governance body's role in sustainability reporting	Sustainability Governance Structure (Page 52)
	102-33 Communicating critical concerns	Sustainability Statement: Materiality (Page 54)
	102-34 Nature and total number of critical concerns	Sustainability Statement: Materiality (Page 54-55)
	102-35 Remuneration policies	Corporate Governance Overview Statement: BNRC (Page 92 -107)
	102-36 Process for determining remuneration	Corporate Governance Overview Statement: BNRC (Page 92 - 107)
	102-37 Stakeholders involvement in remuneration	Corporate Governance Overview Statement: BNRC (Page 92 -107)
	102-38 Annual total compensation ratio	Corporate Governance Overview Statement: BNRC (Page 92 - 107)
	102-39 Percentage increase in annual total compensation ratio	Corporate Governance Overview Statement: BNRC (Page 92 -107)

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	Stakeholder Engagement (Page 53)	
102-41	Collective bargaining agreements	Sustainability Statement: Human Rights (Page 72)	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement (Page 53)	
102-43	Approach to stakeholder engagement	Stakeholder Engagement (Page 53)	
102-44	Key topics and concerns raised	Stakeholder Engagement (Page 53)	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Page 122-297	
102-46	Defining report content and topic Boundaries	About This Statement (Page 50)	
102-47	List of material topics	Sustainability Statement: Materiality (Page 55)	
102-48	Restatements of information	Stakeholder Engagement (Page 53)	
102-49	Changes in reporting	About This Statement (Page 50)	
102-50	Reporting period	About This Statement (Page 50)	
102-51	Date of most recent report	About This Statement (Page 50)	
102-52	Reporting cycle	About This Statement (Page 50)	
102-53	Contact point for questions regarding the report	About This Statement (Page 50)	
102-54	Claims of reporting in accordance with the GRI Standards	About This Statement (Page 50)	
102-55	GRI content index	Sustainability Statement: GRI Content Index Table (Page 74-81)	
102-56	External assurance	About This Statement (Page 50)	
<b>Material Topics</b>			
<b>GRI 200 Economic Standard Series</b>			
<b>Economic Performance</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundary	Management Discussion and Analysis (Page 34 -46 )
	103-2	The management approach and its components	Management Discussion and Analysis (Page 34 -46 )
	103-3	Evaluation of the management approach	Management Discussion and Analysis (Page 34 -46 )
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	Management Discussion and Analysis (Page 34 -46) and Sustainability Statement: Security of Supply & Plant Security (Page 58), Strategic Business Development (Page 59), Renewable Energy (Page 60), Operational Excellence (Page 60)
	201-2	Financial implications and other risks and opportunities due to climate change	Chairman's Statement (Page 28 - 31) and Sustainability Statement: Regulatory Compliance -Renewable Energy (Page 60)

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>Market Presence</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Management Discussion and Analysis (Page 34- 46)
	103-2 The management approach and its components	Management Discussion and Analysis (Page 34- 46)
	103-3 Evaluation of the management approach	Management Discussion and Analysis (Page 34- 46)
<b>GRI 202: Market Presence 2016</b>	202-2 Proportion of senior management hired from the local community	Sustainability Statement: People (Page 67)
<b>Indirect Economic Impacts</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People (Page 67)
	103-2 The management approach and its components	Sustainability Statement: People (Page 67)
	103-3 Evaluation of the management approach	Sustainability Statement: People (Page 67)
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Management Discussion and Analysis (Page 34 -46) and Sustainability Statement: Governance Regulatory Compliance - Security of Supply & Plant Security (Page 58), Strategic Business Development (Page 59)
	203-2 Significant indirect economic impacts	Sustainability Statement: People (Page 67)
<b>Procurement Practices</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: Responsible Subcontracting & Procurement (Page 72)
	103-2 The management approach and its components	Sustainability Statement: Responsible Subcontracting & Procurement (Page 72)
	103-3 Evaluation of the management approach	Sustainability Statement: Responsible Subcontracting & Procurement (Page 72)
<b>Anti-corruption</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: Anti-Bribery Compliance (Page 56)
	103-2 The management approach and its components	Sustainability Statement: Anti-Bribery Compliance (Page 56)
	103-3 Evaluation of the management approach	Sustainability Statement: Anti-Bribery Compliance (Page 56)
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Statement: Anti-Bribery Compliance (Page 56-57)
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Statement: Whistle-Blowing Policy (Page 58)

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GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GRI 300 Environmental Standards Series</b>		
<b>Materials</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 63)
	103-2 The management approach and its components	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 63)
	103-3 Evaluation of the management approach	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 63)
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 63)
	301-2 Recycled input materials used	Sustainability Statement: Environment - Waste Management (Page 65-66)
<b>Energy</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 63)
	103-2 The management approach and its components	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 63)
	103-3 Evaluation of the management approach	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 63)
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 63-64), Alam Flora (Page 66)
	302-4 Reduction of energy consumption	Sustainability Statement: Environment - Energy Consumption and Efficiency (Page 64)
<b>Water</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: Environment - Water Use Impact (Page 64)
	103-2 The management approach and its components	Sustainability Statement: Environment - Water Use Impact (Page 64)
	103-3 Evaluation of the management approach	Sustainability Statement: Environment - Water Use Impact (Page 64)
<b>GRI 303: Water 2016</b>	303-1 Water withdrawal by source	Sustainability Statement: Environment - Water Use Impact (Page 65)
	303-3 Water recycled and reused	Sustainability Statement: Environment - Water Use Impact (Page 65)
<b>Emissions</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: Environment - Emissions Management (Page 63)
	103-2 The management approach and its components	Sustainability Statement: Environment - Emissions Management (Page 63)
	103-3 Evaluation of the management approach	Sustainability Statement: Environment - Emissions Management (Page 63)

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>Effluents and Waste</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: Environment - Waste Management (Page 65)
	103-2 The management approach and its components	Sustainability Statement: Environment - Waste Management (Page 65)
	103-3 Evaluation of the management approach	Sustainability Statement: Environment - Waste Management (Page 65)
<b>GRI 306: Effluents and Waste 2016</b>	306-2 Waste by type and disposal method	Sustainability Statement: Environment - Waste Management (Page 65), Alam Flora (Page 66)
<b>Environmental Compliance</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: Governance Regulatory Compliance (Page 56)
	103-2 The management approach and its components	Sustainability Statement: Governance Regulatory Compliance (Page 56)
	103-3 Evaluation of the management approach	Sustainability Statement: Governance Regulatory Compliance (Page 56)
<b>GRI 307: Environmental Compliance 2016</b>	307-1 Non-compliance with environmental laws and regulations	Sustainability Statement: Governance Regulatory Compliance (Page 56)
<b>GRI 400 Social Standards Series</b>		
<b>Employment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People (Page 67)
	103-2 The management approach and its components	Sustainability Statement: People (Page 67)
	103-3 Evaluation of the management approach	Sustainability Statement: People (Page 67)
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Sustainability Statement: People (Page 67)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement: People (Page 68)
	401-3 Parental leave	Sustainability Statement: People (Page 68)
<b>Labor/Management Relations</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People - Employee Welfare (Page 68)
	103-2 The management approach and its components	Sustainability Statement: People - Employee Welfare (Page 68)
	103-3 Evaluation of the management approach	Sustainability Statement: People - Employee Welfare (Page 68)

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GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>Occupational Health and Safety</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People - Occupational Safety and Health (Page 69-70)
	103-2 The management approach and its components	Sustainability Statement: People - Occupational Safety and Health (Page 69-70)
	103-3 Evaluation of the management approach	Sustainability Statement: People - Occupational Safety and Health (Page 69-70)
<b>GRI 403: Occupational Health and Safety 2016</b>	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Sustainability Statement: People - Occupational Safety and Health (Page 69)
<b>Training and Education</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People - Talent Development (Page 68)
<b>GRI 404: Training and Education 2016</b>	103-2 The management approach and its components	Sustainability Statement: People - Talent Development (Page 68)
	103-3 Evaluation of the management approach	Sustainability Statement: People - Talent Development (Page 68)
	404-1 Average hours of training per year per employee	Sustainability Statement: People - Talent Development (Page 68)
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Statement: People - Talent Development (Page 68)
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Statement: People - Talent Development (Page 68)
<b>Diversity and Equal Opportunity</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People -Diversity & Equal Opportunities (Page 67)
	103-2 The management approach and its components	Sustainability Statement: People -Diversity & Equal Opportunities (Page 67)
	103-3 Evaluation of the management approach	Sustainability Statement: People -Diversity & Equal Opportunities (Page 67)
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Corporate Governance Overview Statement (Page 92 -107)

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>Non-discrimination</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People -Diversity & Equal Opportunities (Page 67)
	103-2 The management approach and its components	Sustainability Statement: People -Diversity & Equal Opportunities (Page 67)
	103-3 Evaluation of the management approach	Sustainability Statement: People -Diversity & Equal Opportunities (Page 67)
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Sustainability Statement: People -Diversity & Equal Opportunities (Page 67)
<b>Freedom of Association and Collective Bargaining</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People -Human Rights (Page 72)
	103-2 The management approach and its components	Sustainability Statement: People -Human Rights (Page 72)
	103-3 Evaluation of the management approach	Sustainability Statement: People -Human Rights (Page 72)
<b>Local Communities</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainability Statement: People - Community Investment and Development (Page 70)
	103-2 The management approach and its components	Sustainability Statement: People - Community Investment and Development (Page 70)
	103-3 Evaluation of the management approach	Sustainability Statement: People - Community Investment and Development (Page 70)
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Statement: People - Community Investment and Development (Page 70-71)
	413-2 Operations with significant actual and potential negative impacts on local communities	Sustainability Statement: People - Community Investment and Development (Page 70-71)