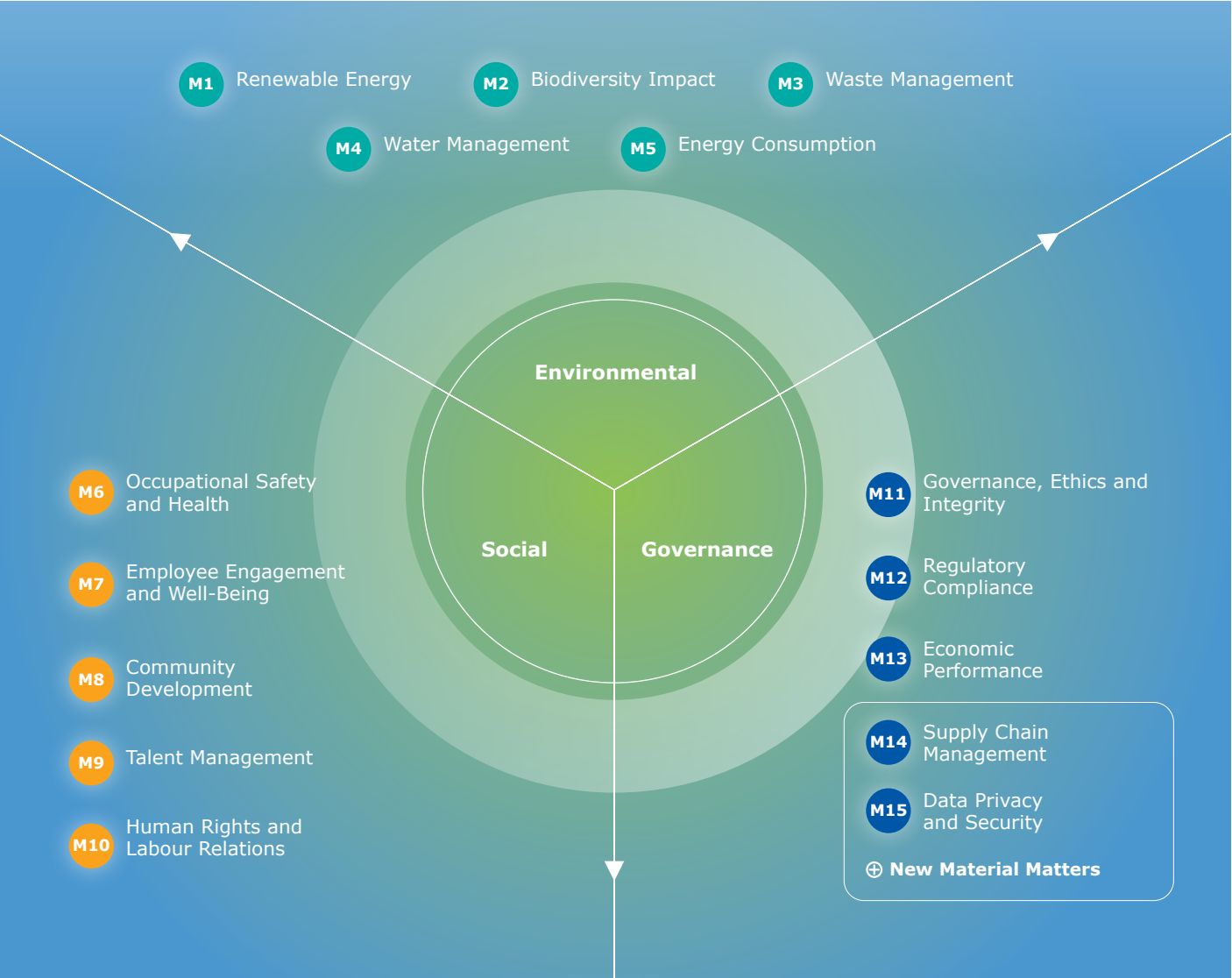


How We Create Value

MATERIAL MATTERS

Material matters are issues that are considered significant to our stakeholders and relevant to how Malakoff creates long-term value. Understanding these matters are crucial as they direct our focus towards issues critical to the sustainability of our external environment while aligning with our corporate objectives.

In 2023, we conducted a validation exercise based on a comprehensive assessment executed in 2021, to ensure the ongoing relevance of our material matters to stakeholder needs and to streamline our focus for more effective management and reporting. Consequently, we have refined our list to encompass 15 material matters across Environmental, Social and Governance (ESG) categories. To align with current market trends, we have added Supply Chain Management and Data Privacy & Security to our Governance pillar. The following is the list of material matters in FY2023.



RENEWABLE ENERGY

- **Risk**
Neglecting renewable energy (RE) in our fuel mix would lead to decreased interest from ESG-focused investors and challenges in obtaining financing from banks aiming to expand their ESG portfolios. Our reputation would also suffer as a significant carbon emitter.
- **Opportunities**
 - Swift advancement of new technologies such as battery energy storage system (BESS), carbon-free fuel (e.g. hydrogen/ammonia) and Electric Vehicle (EV) chargers
 - There is an increasing demand for RE across commercial, industrial and residential sectors
 - The range of financing options for green or sustainability-linked infrastructure or projects is expanding
- **Our Commitment**
Please refer to pages 111 to 112 for more information.

Stakeholder Groups Affected



UN SDGs



BIODIVERSITY IMPACT

- **Risk**
Apart from biodiversity loss, Malakoff's environmental negligence could damage our reputation, increase insurance premiums as a high polluter and result in the loss of funding from investors due to environmentally irresponsible practices.
- **Opportunities**
 - Partner with environmental experts to explore preservation methods
 - Allocate resources to research and develop innovative technologies for improved waste management
 - Initiate environmental preservation projects at our operational sites
- **Our Commitment**
Please refer to pages 123 to 124 for more information.

Stakeholder Groups Affected



UN SDGs



WASTE MANAGEMENT

- **Risk**
Poor management of scheduled waste from plants or business sectors can lead to environmental pollution and harm the company's reputation.
- **Opportunities**
 - Embrace circular economy to minimise waste and explore alternative raw materials
 - Efforts to enhance resource efficiency and minimise waste generation will lead to lower operational costs
- **Our Commitment**
Please refer to pages 117 to 120 for more information.

Stakeholder Groups Affected



UN SDGs



How We Create Value

MATERIAL MATTERS

WATER MANAGEMENT

- **Risk**
Ineffective water management could raise our operational expenses and any water pollution from our effluents could lead to environmental fines and consequently damage our reputation.
- **Opportunities**
 - Implement cutting-edge technologies to decrease water usage and enhance equipment efficiency while meeting production demands
 - Regularly monitor water consumption and seek opportunities to improve efficiency
 - Monitor effluent levels consistently to ensure they meet the Department of Environment (DOE) standards and requirements for quality
- **Our Commitment**
Please refer to pages 121 to 122 for more information.

Stakeholder Groups Affected



UN SDGs



ENERGY CONSUMPTION

- **Risk**
Excessive energy consumption not only drives up costs but also amplifies our carbon footprint, hindering our progress towards becoming a low-energy organisation.
- **Opportunities**
 - Invest in innovative technologies to lower emissions as part of our journey towards achieving Net Zero Emissions status by 2050, in alignment with the national agenda
 - Explore avenues for selling Renewable Energy Certificates (RECs) to assist other companies in reaching their goal of Net Zero Emissions
- **Our Commitment**
Please refer to pages 113 to 116 for more information.

Stakeholder Groups Affected



UN SDGs



OCCUPATIONAL SAFETY & HEALTH

- **Risk**
Accidents or health and safety incidents could result in Lost Time Injuries (LTI) or even fatalities, which could incur significant costs to Malakoff, impacting our reputation and hampering productivity.
- **Opportunities**
 - Collaborate with the Department of Occupational Safety & Health (DOSH), BOMBA (Emergency Response Team and First Aider trainings) and safety experts to conduct safety training and other programmes
 - Foster a safety-centric behavioural culture where every individual takes ownership of their safety and that of colleagues
 - Regularly communicate messages highlighting individual responsibility for safety
- **Our Commitment**
Please refer to pages 126 to 130 for more information.

Stakeholder Groups Affected



UN SDGs



EMPLOYEE ENGAGEMENT & WELL-BEING

- **Risk**
Decreased employee engagement can lead to a rise in attrition rates, diminished morale and reduced staff productivity.
- **Opportunities**
 - Increase leadership engagement with employees to communicate the Company’s values, strategies and goals
 - Ensure employees are informed about improvements to the work environment based on feedback from the Employee Engagement Survey (EES)
 - Continuously improve Malakoff’s employee value proposition by understanding and meeting employee expectations
 - Cultivate an engaging corporate culture that fosters a sense of connection with Malakoff and empowers employees
- **Our Commitment**
Please refer to pages 131 to 132 for more information.

Stakeholder Groups Affected



UN SDGs



COMMUNITY DEVELOPMENT

- **Risk**
Underserved or marginalised communities present potential risks of social instability. Malakoff’s inability to demonstrate its contribution to these communities could adversely impact the company’s reputation.
- **Opportunities**
 - Ensure the sustainability of concession-based business by addressing and prioritising local concerns
 - Lower operational expenses by increasing the participation of local vendors in procurement processes
 - Enhance Malakoff’s reputation as a pioneer in responsible waste management and environmental protection through robust environmental solutions and effective CSR initiatives
- **Our Commitment**
Please refer to pages 133 to 135 for more information.

Stakeholder Groups Affected



UN SDGs



TALENT MANAGEMENT

- **Risk**
The departure of essential talent from Malakoff would adversely impact our business operations and the continuity of strategies to meet our corporate objectives.
- **Opportunities**
 - Cultivate a high-performance work culture by attracting top-tier talent through a compelling employee value proposition
 - Maintain valuable talent by offering enticing career development opportunities and fostering employee engagement
 - Strengthen succession planning efforts to ensure the continuity of programmes and strategies
- **Our Commitment**
Please refer to pages 136 to 142 for more information.

Stakeholder Groups Affected



UN SDGs



How We Create Value

MATERIAL MATTERS

HUMAN RIGHTS AND LABOUR RELATIONS

- **Risk**
Engaging in unethical or unjust treatment of employees or contract workers could result in legal consequences and damage Malakoff's reputation as an employer.
- **Opportunities**
 - Foster a culture that prioritises human rights through ongoing awareness initiatives
 - Position Malakoff as an ethical organisation to ensure a sustainable workforce of employees and contract workers
- **Our Commitment**
Please refer to pages 143 to 148 for more information.

Stakeholder Groups Affected



UN SDGs



GOVERNANCE, ETHICS AND INTEGRITY

- **Risk**
Bribery and corruption frequently result in financial and reputational damage, with lasting implications for business and investment opportunities, as well as the company's ability to attract top talent.
- **Opportunities**
 - Foster a culture of integrity by consistently reinforcing governance communication
 - Leadership sets the example by demonstrating Zero Tolerance for unethical behaviour
 - Host talks and events that emphasise the importance of integrity
- **Our Commitment**
Please refer to pages 150 to 151 for more information.

Stakeholder Groups Affected



UN SDGs



ECONOMIC PERFORMANCE

- **Risk**
Failing to achieve our financial goals would lead to an inability to honour commitments to stakeholders, a decline in share price and damage to our reputation among investors, business partners, suppliers and employees.
- **Opportunities**
 - Establish models to generate profitable ventures from emerging clean energy sources, including REC, BESS, hydrogen, ammonia and Waste-to-Energy (WTE)
 - Investigate offsetting mechanisms such as RECs and carbon credits, which encompass reforestation and conservation efforts
 - Invest in advanced, more efficient technologies for waste management
 - Maintain an optimal capital structure and robust financial position to secure ample funds for business development, growth and shareholder rewards
- **Our Commitment**
Please refer to page 154 for more information.

Stakeholder Groups Affected



UN SDGs



SUPPLY CHAIN MANAGEMENT

Risk

Relying heavily on a small number of key suppliers for critical resources or components presents risks, leaving Malakoff vulnerable to supplier-specific challenges, potential shortages and reduced bargaining power. Moreover, the risk of failing to comply with evolving global and local regulations concerning supply chain practices could lead to fines, legal issues, reputational harm and potential disruptions in operations.

Opportunities

- Identifying and integrating alternative suppliers for vital resources or components can bolster resilience, lessen reliance and boost negotiation power
- Adopting cutting-edge technologies for enhanced supply chain visibility and efficiency can streamline operations, enhance risk management and elevate overall supply chain performance
- Embracing sustainable and ethical sourcing practices can cultivate a favourable brand image, meet stakeholder expectations and mitigate environmental and social risks

Our Commitment

Please refer to page 155 for more information.

Stakeholder Groups Affected



UN SDGs



DATA PRIVACY AND SECURITY

Risk

Data breaches which involve unauthorised access or theft of sensitive company or customer data, presents significant threats such as financial losses, reputational damage, legal repercussions and loss of customer trust. Non-compliance with data protection regulations and privacy laws could result in fines, legal consequences and damage to the company’s reputation. Third-party risks with vendors or partners handling sensitive data may result in data exposure, loss of control and legal consequences.

Opportunities

- By investing in cutting-edge cybersecurity technologies and protocols, we can bolster resilience against cyber threats, thereby safeguarding sensitive data
- Regular training programmes aimed at educating employees on data security best practices can mitigate the risks of human error and enhance overall security measures
- Implementing continuous monitoring systems to maintain compliance with data protection regulations can lessen legal risks, improve data governance and foster trust among stakeholders

Our Commitment

Please refer to pages 156 to 157 for more information.

Stakeholder Groups Affected



UN SDGs



REGULATORY COMPLIANCE

Risk

Failure to comply with local regulatory requirements may lead to fines, stop work orders or even the revocation of our licence to operate.

Opportunities

- Foster stronger relationships with authorities or regulators to stay informed about the regulatory landscape
- Boost productivity through enhancements in labour, health and safety and quality procedures

Our Commitment

Please refer to pages 152 to 153 for more information.

Stakeholder Groups Affected



UN SDGs

