



FINANCIAL REVIEW

Our Performance

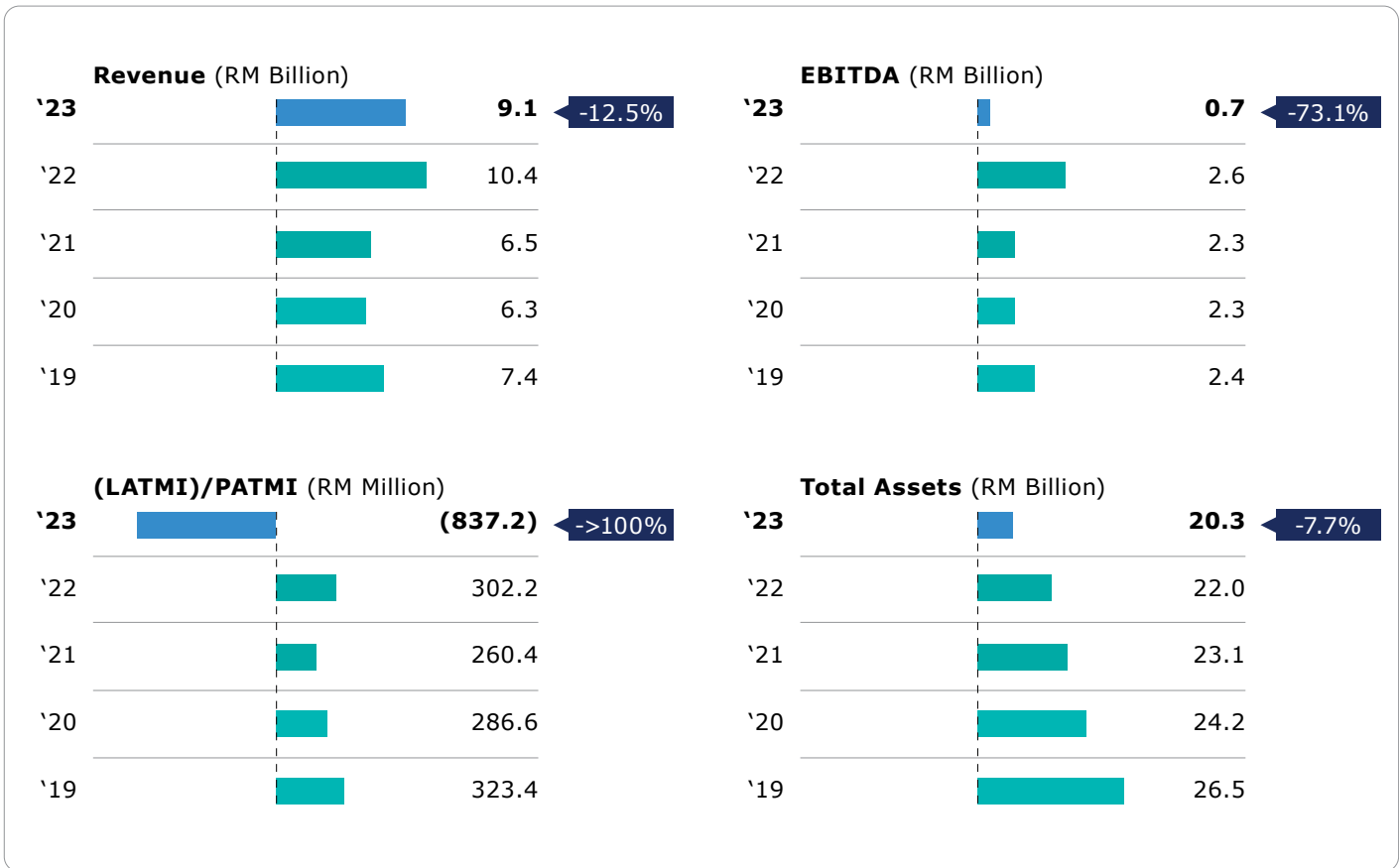
5-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL STATISTICS

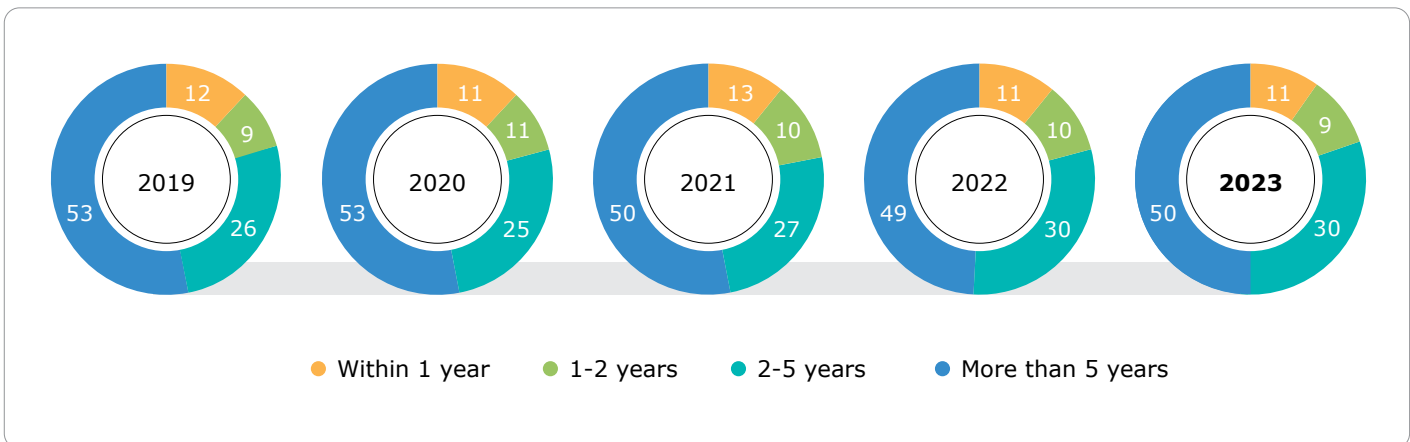
	Group				
	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
KEY OPERATING RESULTS					
Revenue	9,066,954	10,355,150	6,463,084	6,276,308	7,422,272
Results from Operating Activities	(97,285)	982,973	848,012	853,995	1,246,585
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	664,079	2,561,353	2,315,282	2,266,557	2,415,655
(Loss)/Profit Before Tax (LBT)/PBT	(954,917)	736,771	469,567	444,599	534,047
Net (Loss)/Profit Attributable to Equity Holders of the Company (LATMI)/ PATMI	(837,160)	302,225	260,416	286,581	323,396
KEY BALANCE SHEET ITEMS					
Property, Plant and Equipment	10,454,238	10,956,764	11,555,382	12,391,428	12,881,334
Cash and Cash Equivalents	2,571,016	1,539,630	1,568,819	1,062,600	2,745,389
Other Investments (Deposit Placements with More Than 3 Months Maturity)	485,596	692,740	2,617,093	3,378,157	2,509,476
Total Assets	20,300,650	21,983,829	23,082,674	24,188,723	26,538,975
Total Borrowings	8,805,079	8,743,408	9,845,768	10,882,094	12,398,145
Total Liabilities	14,753,803	15,288,011	16,575,948	17,744,012	19,863,728
Share Capital	5,693,055	5,693,055	5,693,055	5,693,055	5,693,055
Accumulated Losses	(1,438,891)	(358,471)	(399,172)	(348,468)	(237,857)
Shareholders' Equity	4,489,745	5,561,073	5,395,038	5,307,909	5,509,731
SHARES INFORMATION					
Basic/Diluted (Loss)/Earnings Per Share (sen) ¹	(18.10)	5.22	4.36	4.90	5.65
Dividend Per Share (sen)	3.00 ²	5.25	5.10	5.10	6.55
Net Assets Per Share (RM) ³	0.92	1.14	1.10	1.09	1.13
FINANCIAL RATIOS					
Return On Assets (%)	(4.12)	1.37	1.13	1.18	1.22
Return On Equity (%)	(18.65)	5.43	4.83	5.40	5.87
EBITDA Margin (%)	7.32	24.74	35.82	36.11	32.55
Gearing (X)	1.59	1.31	1.51	1.69	1.86
Net Gearing (X)	1.04	0.97	0.87	1.00	1.07

Notes:

1. The calculation of basic/diluted (loss)/earnings per ordinary share is based on the (loss)/profit attributable to equity holders after distribution on perpetual sukuk and a weighted average number of ordinary shares outstanding.
2. Based on interim dividend paid of 1.50 sen and final dividend of 1.50 sen in respect of the financial year ended 31 December 2023.
3. Based on 4,886,961,300 ordinary shares in issue (2019 - 2023).



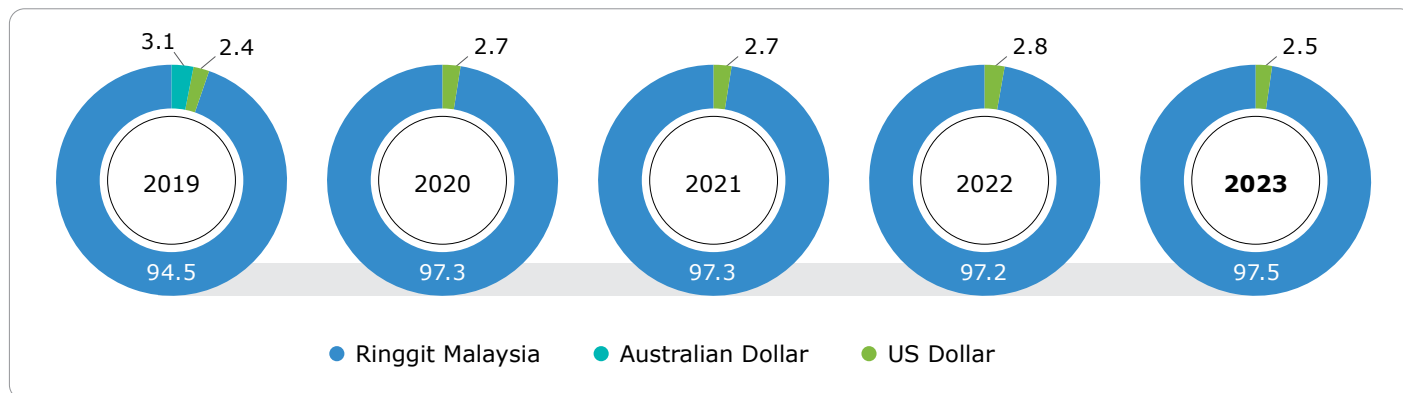
DEBT MATURITY (%)



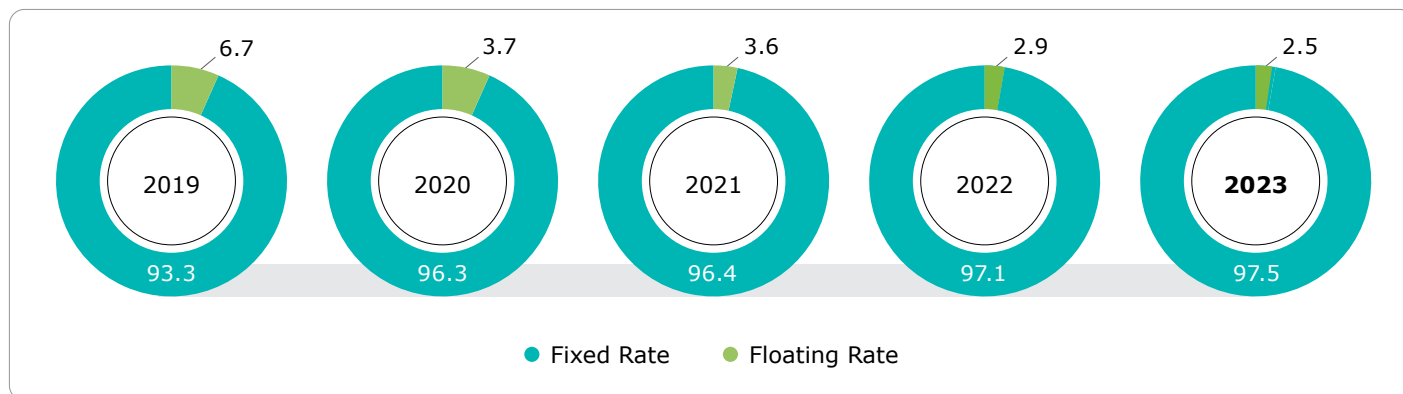
Our Performance

5-YEAR FINANCIAL HIGHLIGHTS

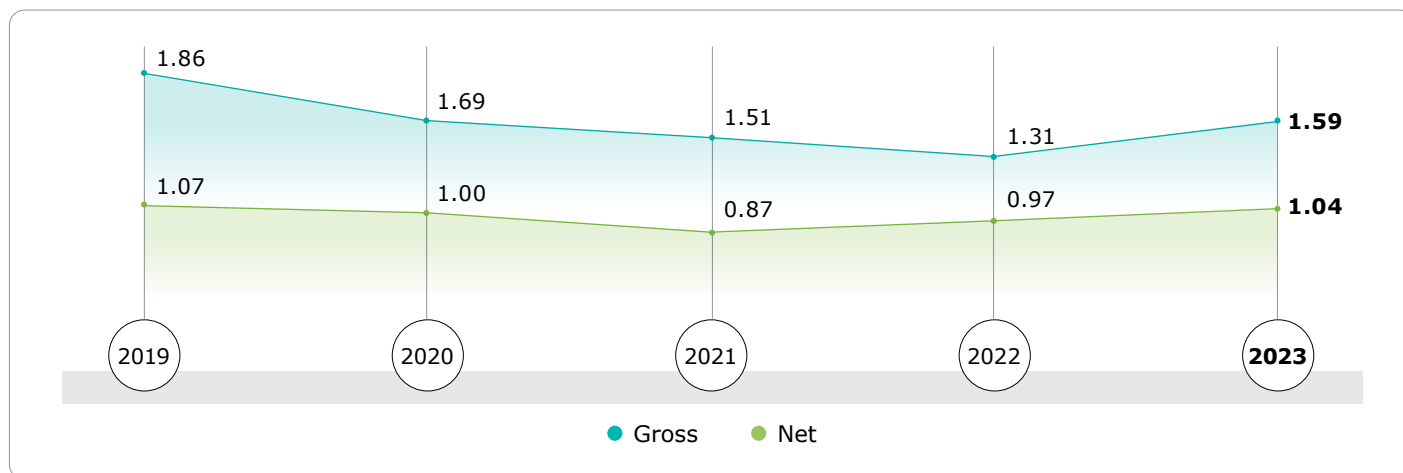
DEBT PROFILE BY CURRENCY (%)



DEBT PROFILE BY INTEREST RATE TERMS (%)



GEARING RATIO (X)



GROUP QUARTERLY FINANCIAL PERFORMANCE

	FY2023				
	Q1 RM'000	Q2 RM'000	Q3 RM'000	Q4 RM'000	Year RM'000
Revenue	2,285,148	2,364,894	2,154,493	2,262,419	9,066,954
Results From Operating Activities	19,462	(359,000)	(21,573)	263,826	(97,285)
Loss Before Tax (LBT)	(84,437)	(453,739)	(106,955)	(309,786)	(954,917)
Net Loss Attributable To Equity Holders Of The Company (LATMI)	(75,689)	(318,727)	(85,623)	(357,121)	(837,160)
Basic/Diluted Loss Per Share (sen)	(2.03)	(6.52)	(2.24)	(7.31)	(18.10)
Dividend Per Share (sen)	-	1.50	-	1.50*	3.00

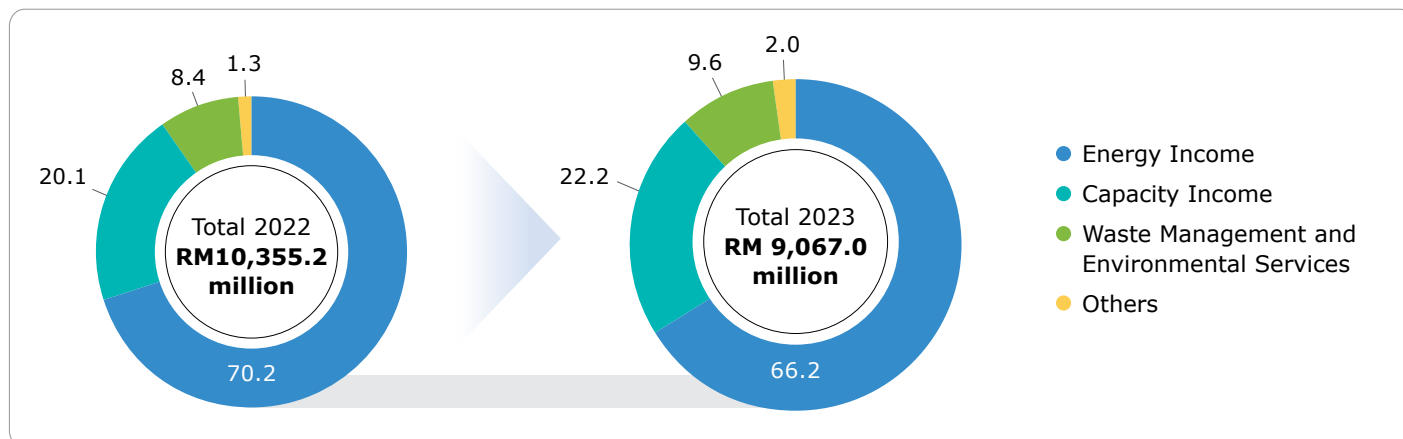
* Subsequent to the end of the current financial year, the Board of Directors has approved a final dividend of 1.50 sen per ordinary share on 4,886,961,300 ordinary shares in issue for the financial year ended 31 December 2023.

	FY2022				
	Q1 RM'000	Q2 RM'000	Q3 RM'000	Q4 RM'000	Year RM'000
Revenue	1,883,774	2,318,476	3,180,178	2,972,722	10,355,150
Results From Operating Activities	184,244	273,425	357,173	168,131	982,973
Profit Before Tax (PBT)	98,181	196,608	280,650	161,332	736,771
Net Profit Attributable To Equity Holders Of The Company (PATMI)	50,881	119,145	90,335	41,864	302,225
Basic/Diluted Earnings Per Share (sen)	0.56	2.44	1.36	0.86	5.22
Dividend Per Share (sen)	-	2.80	-	2.45	5.25

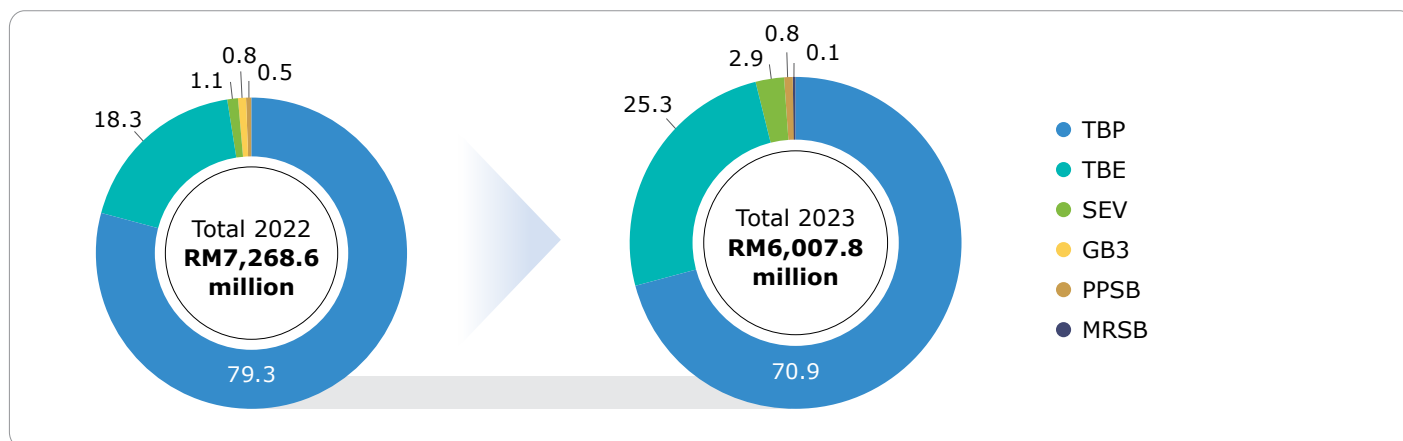
Our Performance

REVENUE MIX

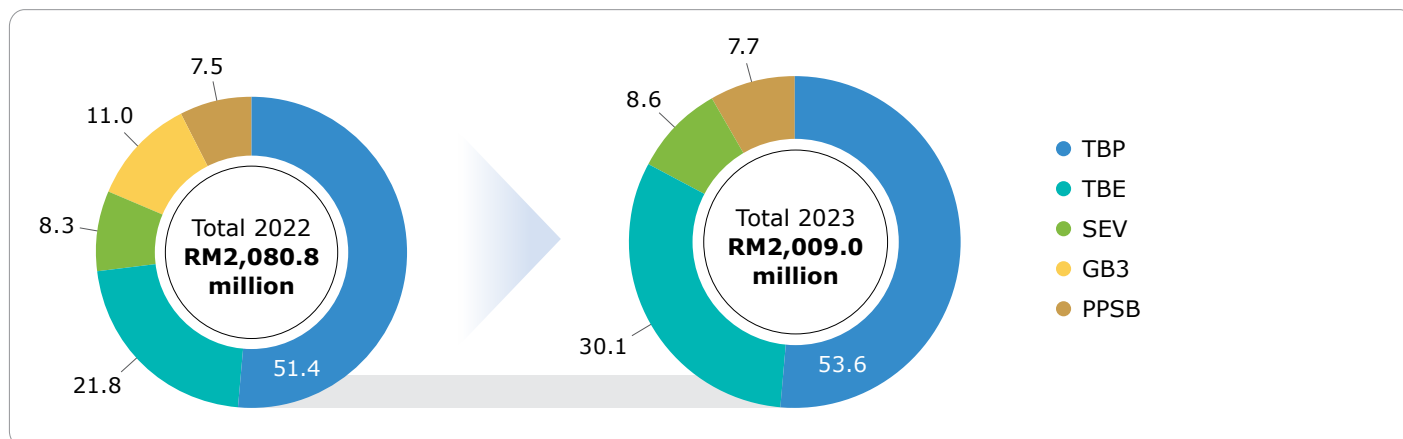
TOTAL REVENUE (%)



ENERGY INCOME (%)

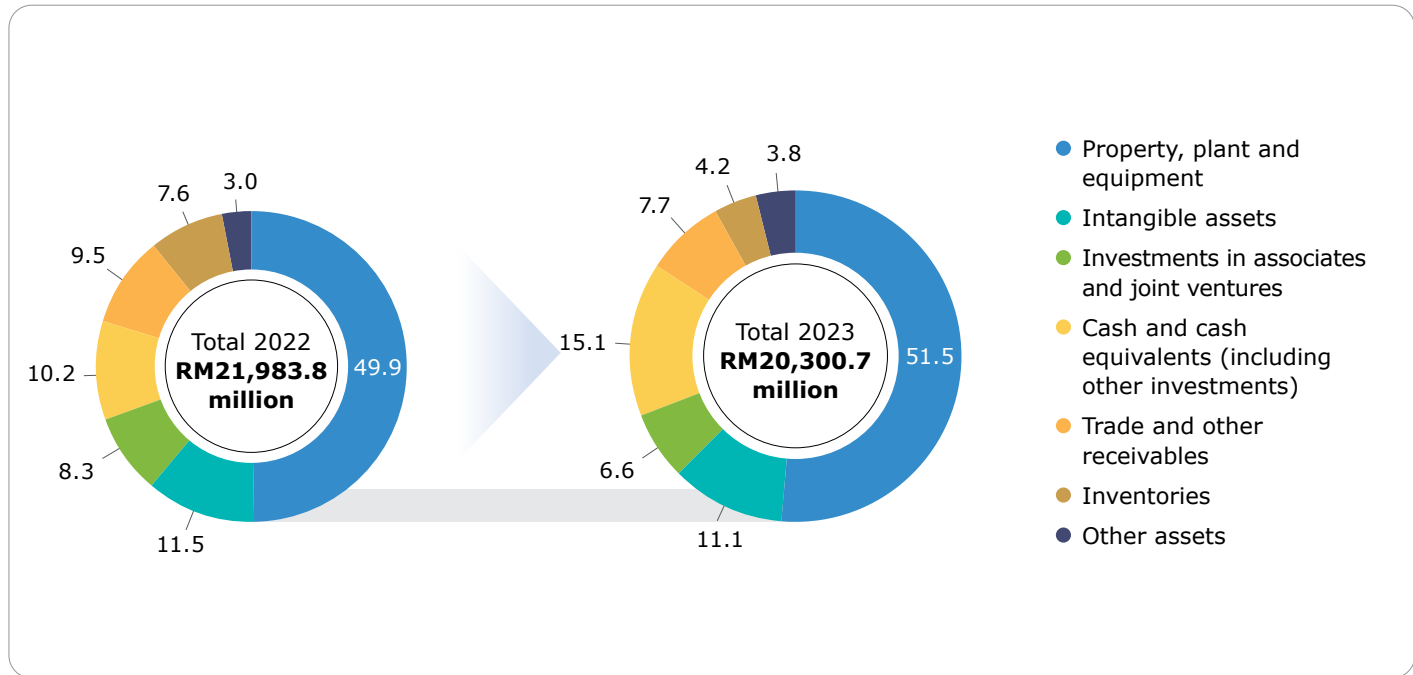


CAPACITY INCOME (%)

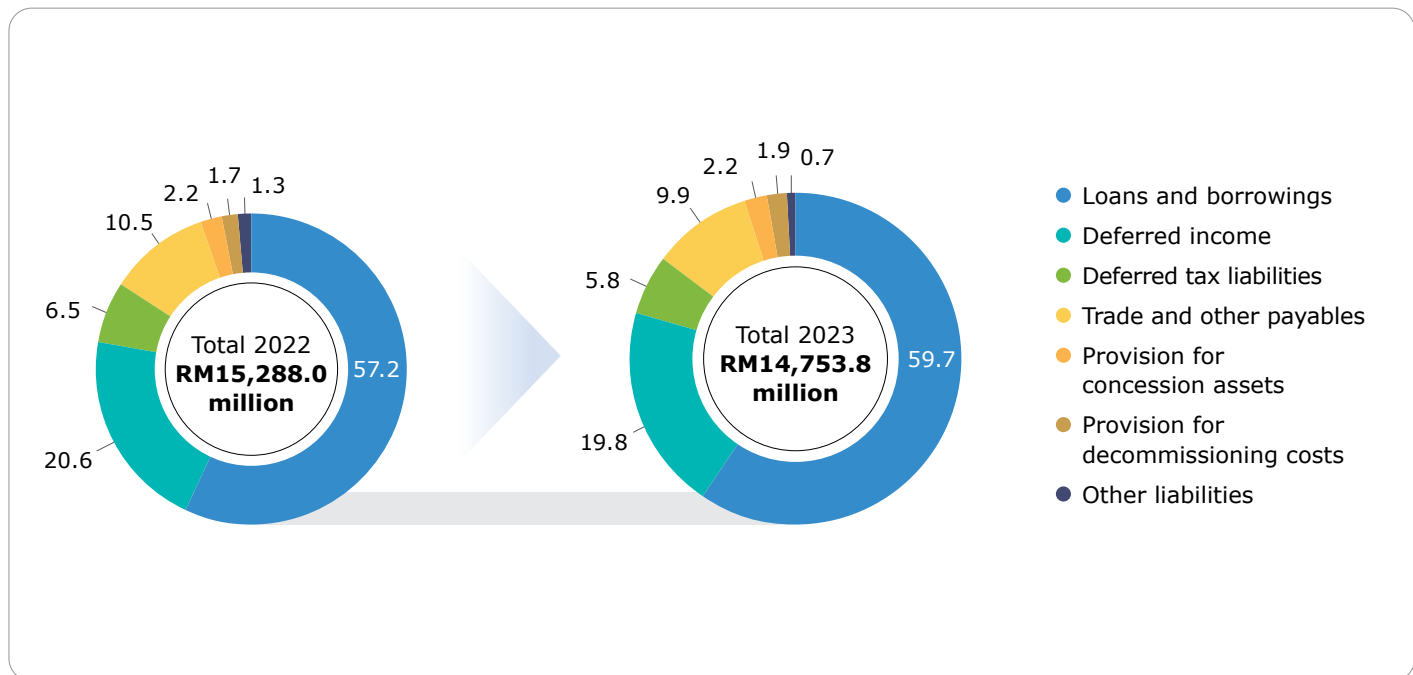


SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

TOTAL ASSETS (%)



TOTAL LIABILITIES (%)



The background features a light blue sky with several stylized birds in flight. Below the sky are white, stylized clouds. The overall aesthetic is clean and modern, with a focus on nature and sustainability.

BUSINESS REVIEW



malakoff
Green Solutions



Renewable Energy

Read more on pages
80 to 85.

Our Performance

Renewable Energy

WHO WE ARE AND WHAT WE DO

Malakoff's commitment to renewable energy (RE) is embodied in Malakoff Green Solutions, a business pillar introduced under the Malakoff 2.0 Strategic Transformation. Spearheading our RE expansion is Malakoff Radiance Sdn Bhd (MRSB). Malakoff also holds a 49% investment in ZEC Solar Sdn Bhd, operating and maintaining the 29 MW Kota Tinggi Large Scale Solar (LSS) project under a 21-year contract, effective December 2018, further reinforcing our focus in growing this sector.

One of Malakoff's main RE focus is in the solar photovoltaic segment, given its long-term potential. Malakoff is actively engaging in rooftop solar (RTS) projects with Commercial and Industrial (C&I) companies, as well as LSS initiatives. In 2023, we successfully expanded our partnership base to include DRB-HICOM, MMC Group, UMW Group, Railway Asset Corporation (RAC) Keretapi Tanah Melayu Berhad (KTMB) and Bank Muamalat. We also formed a collaboration with the Abu Dhabi Future Energy Company PJSC-Masdar (Masdar), a clean energy pioneer and powerhouse that has been at the forefront of the global energy transition with investments in RE projects, especially solar photovoltaic, across 40 countries.

As of end December 2023, our total portfolio stood at 153 MW, comprising projects acquired under LSS, RTS and small hydropower generation. We also secured 13.7 MW from RTS projects for commercial and industrial projects, which include both signed Solar Power Purchase Agreements (SPPAs) and Letter of Award (LoA).



KEY FOCUS AREAS

Rooftop Solar for Commercial and Industrial (C&I)

Large Scale Solar (LSS)

Renewable Energy Certificates (REC)

Small Hydropower Plant (SHP)

Battery Energy Storage System (BESS)

Biogas

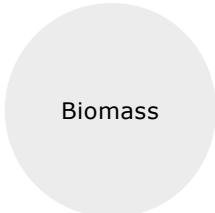


BUSINESS ENVIRONMENT

In July 2023, Malaysia launched the National Energy Transition Roadmap (NETR) to increase RE capacity from 40% to 70% by 2050. The 10 flagship catalyst projects identified under the NETR include a pilot RE zone, 100 MW centralised LSS parks, exploration of 2,500 MW hybrid hydro floating solar (HHFS) potential and utility-scale energy storage systems. Key NETR initiatives include the implementation of an RE third-party access framework, an RE exchange hub for cross-border trading and enhanced interconnections with neighbouring countries to unlock economic opportunities, promote self-contained RE systems, facilitate solar photovoltaic (PV) installations and cross-border RE trading.

The Government has also eased conditions under the Net Energy Metering (NEM) and Self Consumption (SelCo) for solar PV installations, raising capacity allowances from 75% to 85% for both programmes. Meanwhile, the Corporate Green Power Programme (CGPP) revisions include 200 MW quota expansion to 800 MW and eligibility for non-solar RE resource developers.

The second part of NETR was introduced a month later, focusing on Responsible Transition (RT), which essentially addresses the impact of energy trilemma challenges and expanded on the six energy transition levels, namely energy efficiency, RE, hydrogen, bioenergy, green mobility and carbon capture, utilisation and storage. The report also outlined five enablers, namely financing and investments, human capital and capabilities, policy and regulation, technology and infrastructure and governance. Following this, several key initiatives are expected to be implemented, including the upcoming launch of the national energy transition facility with an initial seed fund amounting to RM2 billion, carbon pricing mechanisms, policies and regulations, natural gas roadmap, among others.



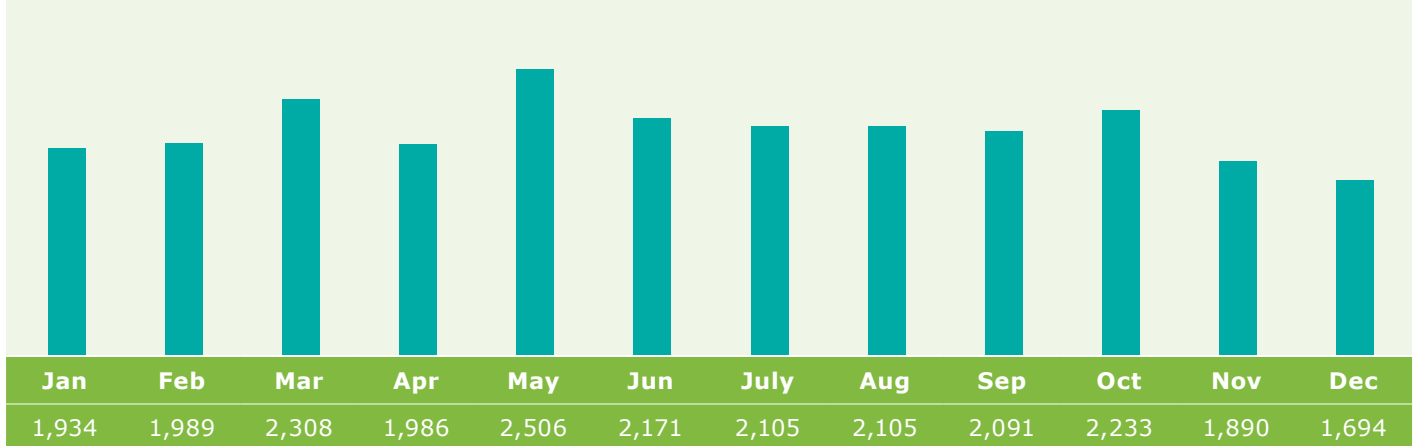
Our Performance

Renewable Energy



Through the operation of 23 MW rooftop solar PV facilities, a remarkable 2,501 MWh of clean energy was generated, leading to a substantial reduction of 14,632 tCO₂e in carbon emissions.

SOLAR POWER GENERATION 2023 (MWh)





PERFORMANCE REVIEW		
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Revenue Enhancement	<ul style="list-style-type: none"> Identified strategic RE partnerships, focusing on rooftop solar installations. Secured new RE projects, including solar and hydro. 	<ul style="list-style-type: none"> Signed MoUs with: <ul style="list-style-type: none"> Ports under the MMC Group of Companies (MMC Ports), namely Northport (Malaysia) Bhd, Johor Port Berhad, Tanjung Pelepas Sdn Bhd and Penang Port Sdn Bhd to explore various green power initiatives (CGPP, SelCo, cold ironing, EV charging stations and more). Gas Malaysia to develop, maintain and operate solar PV systems at three Gas Malaysia sites and to install electric vehicle (EV) charging stations at two Gas Malaysia sites. Kumpulan Melaka Berhad to invest in and/or develop solar PV and other RE projects aimed at improving clean energy in Melaka. Secured SHP projects in Kelantan with total capacity of 84 MW, namely Kemubu SHP (29 MW), Kuala Geris SHP (25 MW) and Serasa SHP (30 MW) via acquisition of 70% equity in RP Hydro (Kelantan) Sdn Bhd (RPHK), and successfully achieved Financial Close (FC) for these projects in July 2023. Signed SPPAs with: <ul style="list-style-type: none"> DRB-Hicom to develop, operate and maintain solar PV systems at 7 locations in Selangor, Perak, Kedah, Negeri Sembilan and Pahang. RAC and KTMB to develop, operate and maintain car park and RTS systems at 15 stations and depot in Perak, Penang, Selangor, Johor and Negeri Sembilan. Signed a Heads of Agreement (HoA) with Masdar to collaboratively develop a solar PV power project with an aggregate capacity of up to 1,000 MW and explore other potential RE projects across Peninsular Malaysia.
Product/ Solutions Innovation	<ul style="list-style-type: none"> Introduced innovative financing solutions to encourage RE adoption. Invested in new sustainable energy solutions. 	<ul style="list-style-type: none"> Engaged in partnership with Bank Muamalat to provide innovative financing options for businesses and individuals keen to adopt RE. Continued to explore and invest in new ventures such as BESS and expanded solar business model internationally. Completed preliminary feasibility study on the utilisation of hydrogen/ ammonia with ITOCHU, while other potential opportunities will continue to be explored.
Delivery of Operational Excellence	<ul style="list-style-type: none"> Ensured projects were delivered on time, meeting quality specifications. 	<ul style="list-style-type: none"> Delivered all projects on time, with zero Liquidated and Ascertained Damages (LAD).

FINANCIAL PERFORMANCE

In 2023, MRSB achieved a revenue of RM4.9 million, an increase of 44% from RM3.4 million registered in 2022. This was mainly attributed to the completion of 11 rooftop solar projects with a total capacity of 23.0 MW secured between 2020 and 2022. MRSB has further been awarded (signed SPPAs) with 27 rooftop solar projects with a total capacity of 12.8 MW, which are expected to be completed by 2024.

Our Performance

Renewable Energy

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Uncertainties due to changes in energy policies	<ul style="list-style-type: none"> Continuously monitored energy policies (local and global) via market research and frequent engagement with the relevant stakeholders/authorities to identify future opportunities.
Increasing market competition	<ul style="list-style-type: none"> Progressively enhanced internal capabilities and competitive edge. Advocated market liberalisation to disrupt monopolistic practices. Embraced innovation to remain resilient towards changing trends. Forged partnerships with competitors to strengthen competitive advantage.
Delays in project delivery	<ul style="list-style-type: none"> Employed measures to analyse potential project risks before committing to project delivery timelines.
Inability to meet forecasted revenue targets	<ul style="list-style-type: none"> Reevaluated Minimum Energy Output (MEO) based on the current on-site conditions. Enhanced power generation through power factor corrections. Sustained inverter availability at a minimum of 99%. Safeguarded power generation against external factors.
Emergence of new technology disrupting market forces	<ul style="list-style-type: none"> Embraced disruptive trends to identify new opportunities. Formed strategic alliances.
Emerging political and market risks in countries related to merchant markets	<ul style="list-style-type: none"> Enhanced exposure to established regions (UK, Australia and Singapore) to deepen understanding of merchant markets. Facilitated active discussions and forums with stakeholders. Expanded focus to new countries/regions to improve returns.
Heightened challenges in penetrating new energy markets for greenfield development, particularly in Southeast Asia markets (Vietnam and Indonesia)	<ul style="list-style-type: none"> Adopted a long-term business plan encompassing investment and pre-development expenses for five years. Continuously monitored energy policies, opportunities and requirements of the respective countries.
Highly competitive tariff/price for greenfield or M&A projects	<ul style="list-style-type: none"> Explored innovative Engineering, Procurement Construction and Commissioning (EPCC) and financing strategy/structure. Established partnerships with strong international/local players. Actively engaged with local and international financial institutions, including Export Credit Agencies (ECAs).
Complex regulations may hinder timely acquisition of necessary licenses and approvals	<ul style="list-style-type: none"> Collected and addressed queries received to prevent future issues. Ensured close collaboration with designated individuals to minimise queries/rejections.



ACHIEVEMENTS

- Secured RM975.00 million via the ASEAN Green SRI Sukuk Wakalah Issuance to partly finance RP hydro project with an aggregate installed capacity of 84 MW along Sungai Galas, Kelantan
- Secured 33 new rooftop solar projects with a total capacity of 13.17 MW (inclusive of SPPAs and LOAs), targeted for delivery in 2024
- Formed a collaboration with Masdar, a leading global clean energy company to develop a solar PV plant and identify other RE opportunities
- Partnered with MMC Ports to spearhead the development of 500 MW solar projects
- Issued 10,290.1 MW RECs

OUTLOOK

We are committed to achieve a net-zero future via cutting-edge innovations in clean energy. Additionally, we will be participating in competitive bidding for solar projects in Malaysia, focusing on LSS, RTS and the CGPP. Our strategic expansion includes entering the SHP space for uninterrupted electricity to off-grid homes and communities residing in rural areas. We are also considering potential acquisitions in operational greenfield ventures, particularly large-scale solar projects while exploring opportunities in waste management and environmental solutions/services.



BUSINESS REVIEW



malakoff
Environmental
Solutions



Environmental Solutions

Read more on pages 88 to 93.

Water Desalination

Read more on pages 94 to 97.

Our Performance

Environmental Solutions

WHO WE ARE AND WHAT WE DO

Alam Flora Sdn Bhd (AFSB) and its subsidiary, Alam Flora Environmental Solutions Sdn Bhd (AFES), are leaders in environmental solutions for commercial and residential clients in Malaysia. AFSB holds the concession to collect waste and provide public cleansing services in Kuala Lumpur, Putrajaya and Pahang. Our operational assets include a landfill and two incinerators. We also run leachate treatment plants, a Material Recovery Facility (MRF), buy-back centres and an anaerobic digester. Presently, Alam Flora manages 4,386 tonnes of waste daily across its three operational areas and non-concession areas, including recyclables that were collected.

In 2013, AFSB established a wholly-owned subsidiary known as AFES. This allows us to provide comprehensive environmental solutions, spanning from Asset Facility Management (AFM), Waste Management Facilities (WMF) & Infrastructure Cleansing and Waste Solutions (ICWS) catering to diverse corporations, government agencies and institutions nationwide in our non-concession business. We expanded our services to include energy audits and consultancy in 2019. Our operational portfolio comprises a landfill, two incinerators located on Pulau Pangkor and in Cameron Highlands, five leachate treatment plants, two recently established MRFs, which are Fasiliti Inovasi Kitar Semula (FIKS) Putrajaya and Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE@KL), ten buy-back centres (BBC) and an anaerobic digester.

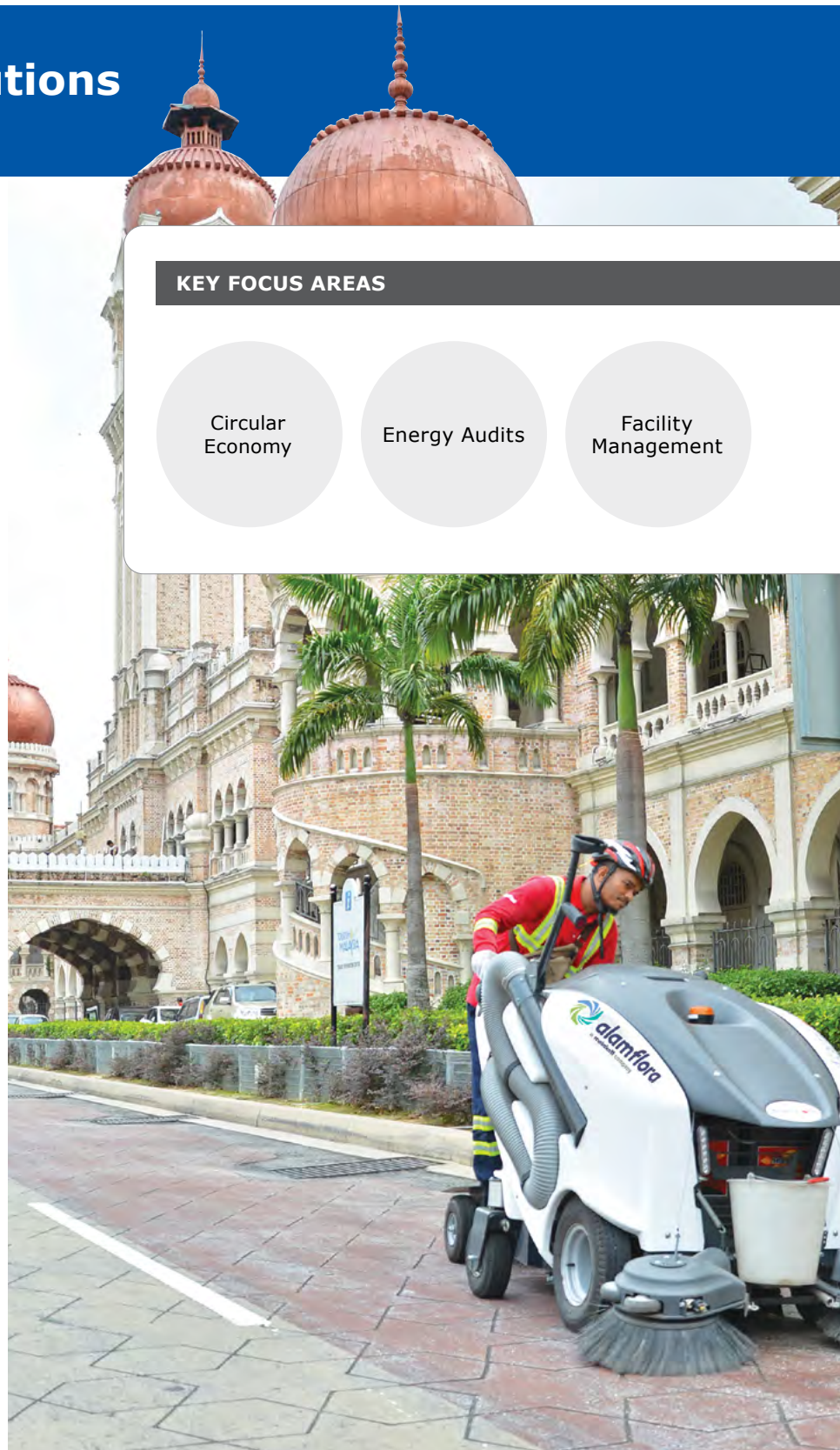
Our target is to collect, handle and manage waste volume of 10,000 tonnes per day by 2031, achieving a recycling rate of 15% to 20%. This reflects our commitment to driving responsible waste management and environmental stewardship in Malaysia.

KEY FOCUS AREAS

Circular Economy

Energy Audits

Facility Management





Infrastructure
Cleansing and
Waste Solutions
(ICWS)

Waste
Management
Facilities
(WMF)

Land &
Marine
Scheduled
Waste

Waste-To-
Energy (WTE)

Quality
Management

Digital
Transformation

BUSINESS ENVIRONMENT

Demand for waste management services continues to remain robust due to increased consumption and increased waste generation. In 2023, it was estimated that Malaysia generated over 40,000 tonnes of waste per day, equivalent to 1.2 kg per person. Aside from solid waste collection, demand for recycling, upcycling and WTE conversion is anticipated to grow further, primarily driven by heightened consumer awareness of environmental issues and the imperative to reduce landfill waste. In 2023, domestic waste in Kuala Lumpur, Pahang and Putrajaya increased by 2.2% to 12 million metric tonnes while recyclable material collected increased by 14.7%, mainly due to the higher waste collected and the implementation of a new buyback centre in Pahang. This further strengthens our commitment to meet the rising demand for sustainable waste management practices, aligning with global requirements.

Recognising the challenges involving cost in doing business today, including labour intensive operations and high fleet maintenance cost of aging vehicles, Alam Flora implemented operational initiatives such as resource rationalisation as well as mechanisation and automation of operations to minimise the impact.

OPERATIONAL RESULTS

Plant	2023 '000 Mt	2022 '000 Mt	2021 '000 Mt
Domestic Waste Collected	1,142.6	1,118.3	1,132.77
Recycling Tonnage for Kuala Lumpur, Putrajaya and Pahang	6,108.9	5,324.1	4,593.49
Total Waste Handled	452.2	924.2	889.10

Note:

The total waste handled in 2022 and 2021 included Eco Green/Green Waste.

Our Performance

Environmental Solutions

Plant	2023 Mt	2022 Mt	2021 Mt
KLTS (Contract expired on 14 June 2023)	372,830.59	798,309.70	771,273.30
Landfill	67,989.22	85,002.80	79,242.82
Cameron Highlands Incinerator (Contract expired on 23 July 2023. Incoming waste stopped entering from 15 March 2023 until end of contract with government)	3,424.51	16,069.20	14,355.35
Pulau Pangkor Incinerator	5,107.92	4,938.10	4,230.39
Port Reception Facilities	2,803.88	3,527.90	2,509.72

NON-INDUSTRIAL MATERIALS – RECYCLABLE ITEMS COLLECTED			
Items	2023 Mt	2022 Mt	2021 Mt
Paper	4,096.4	3,607.18	3,240.21
Aluminium	22.9	26.82	20.88
Metal	454.8	391.16	319.96
Plastic	811.0	662.40	535.68
Beverage Carton	20.9	18.94	6.68
E-Waste	31.8	32.89	11.52
Used Cooking Oil	229.7	149.30	155.60
Other	441.4	435.48	303.04
Total (tonne)	6,108.9	5,324.17	4,593.57

PERFORMANCE REVIEW		
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Business Expansion	Promoted programmes that contributed to a circular economy	<ul style="list-style-type: none"> Operated ten BBCs (three in Putrajaya, five in Kuala Lumpur and two in Pahang). Distributed WarOnWaste (WOW) Boxes to five locations and collected 6,420 points in total. Launched RISE@KL, Batu Caves, Selangor.
	Developed MRFs and pursued collaborations with businesses	<ul style="list-style-type: none"> Continued to partner with Nestlé via the joint kerbside recycling programme to increase the recovery of packaging materials. Partnered with Technip Energies to promote recycling and sustainability.
	Community engagement	<ul style="list-style-type: none"> Involved communities in recycling awareness activities, including visits to RISE@KL and FIKS. Conducted briefings to communities on recycling and its importance to the environment.



PERFORMANCE REVIEW		
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
	Technological applications	<ul style="list-style-type: none"> Implemented a waste sorting line, plastic shredder and press machine to optimise the efficiency of existing recycling processes.
Enhance Sustainable Waste Management	Implemented the circular economy concept	<ul style="list-style-type: none"> Developed and operated RISE@KL and FIKS Putrajaya. Introduced Drive-Thru Recycling Centre (DTRC) via our collaboration with a large number of retail grocery outlets.
	Implemented digital transformation initiatives	<ul style="list-style-type: none"> Introduced an automatic vehicle location system to monitor and report waste collection in real time.
	Made steady progress in the development of the Group's first WTE Project	<ul style="list-style-type: none"> Pursuing discussions with the Ministry of Local Government Development (KPKT) and the Solid Waste Management and Public Cleansing Corporation (SWCorp) to develop a WTE project. Targeted commencement of operations in 2028.
	Entered into a conditional Share Sales and Purchase Agreement (SSPA) dated 27 October 2023 between Metacorp Berhad and Tuah Utama Sdn Bhd in relation to the proposed acquisition of 49% equity interest in E-Idaman Sdn Bhd	<ul style="list-style-type: none"> The parties involved are in the process of fulfilling the conditions precedent under the SSPA.
Strengthen Energy Audit Portfolio	Engage with potential customers to drive new contracts	<ul style="list-style-type: none"> Conducted two electrical Energy Audits for PETRONAS Dagangan Berhad and one for Lumut Power Plant. Facilitated EMEER 2008 Regulations Consultation with POS Mel Nasional in Shah Alam and Senai International Airport. <ul style="list-style-type: none"> Implemented energy monitoring and saving measures through the EMIS system, ensuring compliance with standards and submission of reports every six months.

FINANCIAL PERFORMANCE

Alam Flora's revenue grew slightly in 2023, attributed to the increase in the cleansing services and the collection of solid waste activities under the concession business. Alam Flora's revenue and profitability for 2023 are within Malakoff's group expectations.

Our Performance

Environmental Solutions

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Lack of vehicles may hamper waste collection	<ul style="list-style-type: none"> Introduced the Fleet Recovery Programme to extend the life span of vehicles, optimise operational costs and ensure daily availability of vehicles to improve collection performance.
Limited public awareness on responsible waste management led to inadequate feedstock received at RISE@KL	<ul style="list-style-type: none"> Implemented Communication, Education and Public Announcement (CEPA) initiatives while supporting CEPA programmes by the government agencies such as SWCorp, JPSPN, DBKL, Perbadanan Putrajaya and local municipalities. Established a collaborative partnership with leading consumer packaged goods enterprises like Nestlé to execute the kerbside recycling initiative within Scheme 11 to boost the volume of recyclables for Separation @ Source (S@S). This collaborative effort incorporates Nestlé’s recyclable waste, if any, during the collection phase for S@S from 10,000 designated households in Kuala Lumpur. This initiative supports Nestlé’s target of zero waste going into landfills.
Lack of waste segregation practices by the public leads to waste that cannot be burned	<ul style="list-style-type: none"> Continued public education initiatives on separation at source to encourage waste segregation.



Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE@KL)



ACHIEVEMENTS

Waste Management Association of Malaysia

- Technological Advancement and Innovation Awards 2023
- Notable Achievement on Waste Reduction and Circularity Award 2023

National Energy Awards 2023

- Renewable Energy in Off-Grid (Thermal) Merit Winner for Production of Biogas from food waste through Anaerobic Digester

Malaysia Society for Occupational Safety and Health

- Gold 2 Class Award for Belenggu Halt Sanitary Landfill

UN Global Compact Network Malaysia and Brunei

- Forward Faster Sustainability Awards for Partnership for the Goals Recognition category

Human Resource Development Awards 2022

- Human Resource Minister Award - Large Employers' category

GeoInnovation Awards 2023

- Esri Malaysia GeoInnovation Award for geospatial platform, GeoFlora

Prime Minister Hibiscus Award 2021/2022

- Exceptional Achievement Award for Environmental Performance (FIKS Project)

Sustainability and CSR Malaysia Award 2023

- Company of the Year (Waste Management) for Excellence in Community Support Initiatives

OUTLOOK

Currently, Malaysians produce up to 38,142 MT waste per day while the government's recycling target is to achieve a recycling rate of 40% by 2025. This is in line with our 'beyond waste management' approach as it places emphasis on recycling and waste diversion initiatives.

In driving sustainable waste management, Malakoff's forthcoming WTE plant is poised to deliver substantial benefits to the community. By converting waste into energy, it is positioned to enhance waste management efficiency, curb dependence on open landfills and mitigate environmental impact. However, achieving full operational status for Malakoff's WTE plant will take four years as it involves at least a year to obtain the necessary regulatory permits and completion of construction. Once operational, the plant will emerge as a reliable and sustainable source of renewable energy for the area. Moving forward, Malakoff remains steadfast in its commitment to pursue more WTE projects, reinforcing its dedication to the community's sustainability efforts. This strategic initiative represents a positive step towards fostering a cleaner and more environmentally conscious future.

Moving into 2024, Alam Flora is poised to expand its business into Wilayah Persekutuan Labuan, Terengganu and Kelantan. Towards this end, a series of meetings with local authorities and the federal government are being conducted, including due diligence exercises to re-assess the latest expenses on the solid waste management of each state and acceptance of Act 672 by these states, an important step in expanding our business to these regions.

Our Performance

Water Desalination

WHO WE ARE AND WHAT WE DO

Malakoff's International Assets and Investment Development department oversees the Group's investments in an Independent Water Producer (IWP) and Independent Water and Power Producers (IWPPs) in Saudi Arabia, Bahrain and Oman. With a total effective capacity of 472,975 m³ a day, these ventures play a significant role in our portfolio. We contribute to Malakoff's business growth through strategic acquisitions and greenfield development.

Name	Location	Gross Capacity (m ³ /day)
Shuaibah Phase 3 IWPP (SIWPP)	Saudi Arabia	880,000
Shuaibah Phase 3 Expansion IWP (SIWEP)	Saudi Arabia	150,000
Al-Hidd IWPP	Bahrain	410,000
Al-Ghubrah IWP	Oman	191,000



OPERATIONAL RESULTS

Plant

Shuaibah Phase 3 IWPP

Shuaibah Phase 3 Expansion*

Al-Hidd IWPP Bahrain**

Al-Ghubrah IWP Oman

TOTAL WATER PRODUCTION (m³/day)

2023

2022

2021

301,730,066

295,350,580

289,330,153

45,112,253

51,771,706

52,436,720

99,505,502

117,848,255

135,062,459

66,577,497

66,926,208

66,188,226

Notes:

* Lower dispatch instruction by offtaker

** Phase 1 seawater pump header pipe breakdown



KEY FOCUS AREAS

Explore Merger and Acquisitions (M&A) opportunities and greenfield projects to drive growth in the desalination portfolio to replace expiring Power/Water Purchase Agreements (P/WPAs)

Pursue international expansion through renewable energy (RE) based desalination projects

Forge strategic partnerships in the Middle East and North Africa (MENA) region to enhance operational capabilities in water and power market

BUSINESS ENVIRONMENT

The desalination market is poised for continuous growth until 2030, primarily driven by the MENA region, accounting for 60% of global market expansion. We anticipate key projects in the Middle East, sub-Saharan Africa, North America and Latin America in 2024. Demand for desalination services remains in high water-stressed regions, where seawater desalination is crucial to meet local population needs.

To minimise the water sector’s carbon footprint, upcoming projects involving private-sector collaboration will focus on leveraging technology and innovations. This includes constructing greenfield seawater reverse osmosis (SWRO) plants and repurposing old thermal desalination plants into SWRO, and implementing digital twins and solar photovoltaic (PV) power plants to decrease reliance on the electricity grid. As P/WPAs approach expiration, extension negotiations are underway and new contracts in the MENA region are being explored. Additionally, efforts are being made to extend our services to markets beyond the MENA region to mitigate our geographic concentration risk.

EQUIVALENT AVAILABILITY FACTOR (%)

CAPACITY FACTOR (%)

2023	2022	2021	2023	2022	2021
93.94	92.00	90.00	93.93	92.00	90.00
96.83	96.00	95.00	82.40	96.00	95.00
90.10	96.00	95.00	66.63	79.00	90.00
95.18	97.00	95.00	95.54	96.00	95.00

Our Performance

Water Desalination

PERFORMANCE REVIEW		
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Business Expansion	<ul style="list-style-type: none"> Pursued strategic brownfield (acquisition) and greenfield opportunities. Explored strategic partnerships. 	<ul style="list-style-type: none"> Prequalified for competitive bidding for the following projects: <ul style="list-style-type: none"> Kuwait Al Khairan Phase 1 IWPP Kuwait Az-Zour North Phase 2 and Phase 3 IWPP UAE Hamriyah IWP Forged strategic alliances with global industry players for collaboration on upcoming power and water projects.
Contract Renewals	<ul style="list-style-type: none"> Explored contract extensions for existing assets. 	<ul style="list-style-type: none"> Engaged in continuous discussions with clients on potential contract extensions.
Cost Management	<ul style="list-style-type: none"> Evaluated cost-effective financing alternatives. Increased operational efficiencies. 	<ul style="list-style-type: none"> Successfully completed Shuaibah Phase 3 IWPP refinancing exercise. Consistently looked into strategies to optimise scheduled outages. Optimised approach on CAPEX projects and systematic inventory reduction based on utilisation.

FINANCIAL PERFORMANCE

- In 2023, both SIWPP and SIWEP plants recorded higher net profits, contributed by improvements in plant performance, leading to an increase in Availability and Capacity Factor.
- Al-Hidd IWPP recorded a significant net loss in 2023, primarily impacted by assets impairment as the Power and Water Purchase Agreement (PWPA) extension is projected on a short-term basis after expiry.
- Meanwhile, Al-Ghubrah IWP saw its net profit reduced by 6% in 2023, mainly due to plant outages caused by the cleaning of the seawater intake chamber, equipment replacements, and the upgrading of the plant automation system.

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Intense competition from major utilities, global trading firms and new players	<ul style="list-style-type: none"> Pursued strategic alliances with qualified partners to boost our competitive advantage. Proactively engaged with domestic and international financial institutions and export credit agencies.
Increased regulatory and governmental scrutiny on SWRO energy consumption and its effect on the marine environment	<ul style="list-style-type: none"> Consistently strengthened internal capabilities to foster innovation and resilience to effectively adapt to major trends.
Faced obstacles in entering new markets, encompassing factors such as political risks, changes in policies and market risks in the respective country/region	<ul style="list-style-type: none"> Rigorously tracked energy policies and opportunities in diverse markets. Engaged in active discussions/forums with stakeholders. Prioritised key countries/regions, strategically assessing risks against returns.



ACHIEVEMENTS

- Recorded zero Lost Time Injuries (LTI) or Lost Time Accidents (LTA) for Shuaibah Phase 3 IWPP, Shuaibah Phase 3 Expansion and Al-Ghubrah IWP
- Shuaibah IWPP
 - Successfully produced seedlings from the plant nursery under the Shuaibah Phase 3 IWPP Green Initiative Programme and distributed them to government agencies (MEWA, Taif National Park, Jeddah University)
 - Attained the ISO/IEC 17025:(2017) certification for Shuaibah Phase 3 IWPP
- Al-Hidd IWPP
 - Obtained the ISO 14001 and ISO 18001 recertification.
 - Received the Royal Society for the Prevention of Accidents (ROSPA) Gold Medal Award for the ninth consecutive year
 - Completed the transition from the London Inter-Bank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR)
- Al-Ghubrah IWP
 - Completed the transition from LIBOR to SOFR for Al-Ghubrah IWP
 - Awarded the Corporate Excellence Award 2023 to Muscat City Desalination Company (MCDC) under the Small-Cap companies category by Oman Economic Review (OER) Magazine based on Moore Global's Survey.
 - Obtained the ISO 14001:2015 (previously known as ISO 14001:2004) and ISO 45001:2018 recertification

OUTLOOK

Despite the subdued global economic outlook due to geopolitical uncertainties and fiscal challenges post the Covid-19 recovery period, the demand for potable water via desalination in the MENA region has been increasing steadily and is expected to persist through the coming years. The underlying driver for this trend is the growing concern over water scarcity, which may hinder long-term economic plans, causing it to emerge as an investment catalyst for improving the sector's capacity and efficiency.

Desalination projects in the MENA region are experiencing remarkable expansion in response to the challenges of prolonged water scarcity. Numerous countries in the region are confronted with the complex task of ensuring a reliable water supply in the face of arid climates, population growth and escalating water demands.

Subsequently, demand for the services provided by our IWPs and IWPPs are likely to remain constant, if not increase due to the abovementioned factors. In 2024, our focus is directed towards sustaining efforts in exploring potential greenfield projects that align with Malakoff's commercial and growth requirements while improving operations at the existing facilities within our portfolio.

The background features a light blue sky with several stylized birds in flight. Below the sky are white, stylized clouds. The overall color palette is light blue and white, with a green gradient at the bottom.

BUSINESS REVIEW



malakoff
Energy



Thermal Power Generation

Read more on pages 100 to 103.

Operation and Maintenance (O&M)

Read more on pages 104 to 105.

Project Management Services

Read more on pages 106 to 107.

Electricity Distribution and District Cooling System

Read more on pages 108 to 109.

Our Performance

Thermal Power Generation

WHO WE ARE AND WHAT WE DO

We operate five thermal power plants in Malaysia, collectively generating 5,342 MW of electricity. All our plants supply energy to Tenaga Nasional Berhad (TNB) through individual Power Purchase Agreements (PPAs). We also have international assets, namely the Shuaibah Phase 3 Independent Water and Power Producer (IWPP) in Saudi Arabia and Al-Hidd Independent Power Producer (IPP) in Bahrain.



KEY FOCUS AREAS

Strategic planning, cost optimisation, risk management and failure prevention to achieve our performance targets

Continuous process improvements to enhance the power plants' operational performance

Collaboration with local and international entities to explore new technologies to further enhance plant operations

Details of these power plants are as follows:

Plant	Location	Plant Type	Fuel Type	PPA Expiration	Generating Capacity (MW)	Effective Equity Participation	Effective Capacity (MW)
Prai Power Plant (Prai)	Penang	Combined-Cycle Gas Turbine (CCGT)	Gas	2024	350	100.00%	350
SEV Power Plant (SEV)	Perak	CCGT	Gas	2027	1,303	93.75%	1,222
Kapar Power Plant (Kapar)	Selangor	Multi-Fuel	Gas/Coal/Oil	2029	2,200	40.00%	880
Tanjung Bin Power Plant (TBP)	Johor	Coal	Coal	2031	2,100	90.00%	1,890
Tanjung Bin Energy Power Plant (TBE)	Johor	Coal	Coal	2041	1,000	100.00%	1,000
Shuaibah Phase 3 IWPP	Saudi Arabia	Fuel	Light crude oil	2030	900	24.00%	216
Al-Hidd IWPP Bahrain	Bahrain	Open Cycle Gas Turbine (OCGT)/CCGT	Natural gas	2027	929	40.00%	372
Total Effective Power Generation Capacity (MW)					8,782		5,930



BUSINESS ENVIRONMENT

Reduced grid demand, stemming from slow post-pandemic recovery, resulted in heightened commercial and industrial activities. Despite gas plant availability, year-on-year power generation declined. The Tanjung Bin Power Plant experienced stagnation offtake since 2021 due to rising coal prices, prompting a shift towards more cost-effective energy sources. The overall Capacity Factor was affected by several factors such as scheduled plant outages and changes in the plant dispatch pattern by the Grid System Operator (GSO).

On the international front, the MENA power market exhibited consistent growth in recent years and this trend is expected to continue in the foreseeable future. Saudi Arabia, a key player in power project ventures, is enhancing its electricity grid to meet the rising demand and accommodate expanding renewable energy capacity outlined in Vision 2030 during the execution phase.

OPERATIONAL RESULTS

Capacity Factor, CF (%)

Availability Factor, AF (%)

Plant	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
TBP	70.61	67.29	72.19	86.36	80.5	88.31	86.69	93.92	94.63	83.82
TBE	73.76	62.74	66.2	80.54	67.99	80.54	84.93	90.41	97.54	78.04
SEV	4.59	1.82	2.23	7.68	36.37	97.81	94.37	94.82	95.51	87.63
GB3	-	4.73	6.49	9.63	32.25	-	96.16	94.46	95.90	97.20
Prai	18.01	17.21	12.43	19.62	62.55	93.60	95.33	92.73	80.34	95.15
Kapar	42.25	42.13	34.08	56.55	45.37	83.27	86.68	78.85	94.67	90.03
Shuaibah IWPP	94.20	93.00	88.00	88.00	-	93.70	92.00	88.00	89.00	-
Al-Hidd IWPP	59.40	70.00	72.00	71.00	-	86.70	94.00	93.00	94.00	-

Electricity Sold and Generated

Plant	Power Generated (GWh)					Electricity Sold (GWh)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
TBP	13,693	13,118	14,104	16,767	15,593	12,990	12,424	13,279	15,931	14,808
TBE	6,766	5,486	6,117	7,460	6,244	6,462	5,192	5,800	7,074	5,956
SEV	535	217	263	905	4,191	524	211	257	879	4,151
GB3	-	277	376	559	1,846	-	268	364	542	1,808
Prai	576	537	390	614	1,934	563	525	381	603	1,901
Kapar	8,418	8,395	6,609	10,852	9,676	7,676	7,629	6,150	10,193	10,193
Shuaibah IWPP	7,425	7,315	6,925	6,924	-	7,425	7,315	6,925	6,924	-
Al-Hidd IWPP	4,832	5,708	5,850	5,775	-	4,832	5,708	5,850	5,775	-

Our Performance

Thermal Power Generation

PERFORMANCE REVIEW

Throughout FY2023, the Group's gas-fired power plants demonstrated robust performance, achieving generally high availability of 95.71% due to lower unplanned outages against 95.29% in 2022, except Kapar Energy Ventures (KEV). KEV recorded a decline in availability, registering 83.27% in FY2023 compared to 86.68% in FY2022.

Our coal-fired power plants continue to provide reliable and sustainable income with a steady availability factor. Tanjung Bin Power Plant (TBP) recorded an availability factor of 88.31% in FY2023, higher than the 86.69% recorded in FY2022, albeit with key planned maintenance activities conducted during the year.

However, Tanjung Bin Energy Plant (TBE) experienced a slight decline in availability factor, decreasing from 84.93% in FY2022 to 80.54% in FY2023. This reduction is attributed to an additional scheduled outage completed in the fourth quarter of 2023 for the replacement of key components at the plant, following recommendations from General Electric (GE).

In FY2023, our domestic electricity generation reached 29,988 GWh, an increase of 6.98% compared to FY2022 of 28,030 GWh, despite absence of contribution from GB3 Power Plant.

This growth trend in electricity generated has persisted since FY2021, when electricity generation was 26,231 GWh.

Demonstrating our commitment to reducing Greenhouse Gas (GHG) emissions and coupled with Malakoff's technical prowess in power generation, Malakoff has been recognised as the champion to lead a flagship initiative under the National Energy Transition Roadmap (NETR). This flagship initiative involves co-firing up to 15% of biomass with coal at TBP by 2027. Having successfully completed our trial run of up to 0.5% biomass co-firing in December 2022, we are set to scale up to 2% in the first quarter of 2024, increasing it further to 3% to 5% in 2025 with the ultimate goal of reaching 15% by 2027. This strategic initiative ensures that the reliability and performance of TBP remain uncompromised. Additionally, we have also completed preliminary feasibility study on the utilisation of hydrogen/ammonia, and we continue to explore other potential opportunities in this area.

Under Malakoff 2.0 Strategic Transformation, we continue to dive operational excellence while maximising returns without compromising our assets. Collaborating with the GSO, Single Buyer, third-party contractors and internal employees, we optimised the time spent on all planned scheduled outages in FY2023. Additionally, we continue to engage subject matter experts from industries and educational institutions to enhance the performance of our assets.

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES

MITIGATING ACTIONS

Optimise value through the closure of Prai assets

- Optimised employee planning and relocation.
- Implemented strategies for pre-PPA expiry operations and maintenance.
- Explored alternatives for selling or leasing surplus assets and inventories.
- Established a specialised task force for efficient asset and inventory disposal.

Ensure timely completion of all scheduled outages

- Engaged with GSO and relevant stakeholders to ensure efficient management of planned outages.
- Strategically planned tasks for scheduled outages.
- Conducted daily meetings for swift issue resolution and escalation, when necessary.



FINANCIAL PERFORMANCE

Despite improvement in performance capacity factor and efficiency at TBP and TBE's plants, rising from 67% and 63% in 2022 to 71% and 74% in 2023, respectively, both plants recorded substantial negative fuel margins for the first nine months of 2023. This was due to the higher weighted average coal costs recognised following a significant decline in global coal price which subsequently had a material adverse effect on the Malakoff Group's income statement for the financial year ended 31 December 2023. Nevertheless, TBP and TBE's financial performance improved in the fourth quarter of 2023, attributed to the recovery in fuel margin as global coal price began to stabilise, together with steady plant operations.

ACHIEVEMENTS

- Identified as co-champions alongside Ministry of Plantation and Commodities (KPK) under NETR to lead the Biomass co-firing initiatives at the 2,100 MW TBP, a key venture among NETR's Flagship Catalyst Projects
- Successfully initiated phased approach to achieve technical readiness of at least 15% Biomass co-firing capacity by 2027

OUTLOOK

In 2024, we anticipate a slightly improved outlook and are actively pursuing initiatives aligned with sustainable practices. Our focus includes harnessing bioenergy for circular economy benefits, optimising biogas plants for power generation in line with the NETR and exploring the potential of combined-cycle gas turbine (CCGT) and solar PV plants in Tanjung Bin for cross-border export of cleaner energy to neighbouring countries.

Additionally, we aim to increase our Biomass co-firing capacity by conducting ongoing assessments on other types of biomass fuels and possibility of higher co-firing ratios in the future to achieve at least 15% co-firing readiness by 2027. To ensure operational reliability, we have implemented strong due diligence and scheduled maintenance outages, enhancing the overall stability of our plants and their contribution to a reliable electricity supply for the country.

Our Performance

Operation and Maintenance (O&M)

WHO WE ARE AND WHAT WE DO

Malakoff Technical Solutions Sdn Bhd (MTSSB), serves as the operations backbone of Malakoff, specialising in delivering comprehensive operation and maintenance services to the power plant industry since 1993. Over the years, we have expanded our client base, comprising subsidiaries within Malakoff and external corporations across diverse industries. With a proven track record since inception, we have solidified our business footprint, operating seamlessly in both local and international markets.

KEY FOCUS AREAS

Broaden our client base to strengthen business stability

Diversify our business portfolio by exploring new services

Forge strategic alliances to elevate competitiveness and optimise business performance

BUSINESS ENVIRONMENT

In Peninsular Malaysia, the predominant operational framework for thermal power plants is the owner-operator model. Through this approach, plant owners manage operations, which in turn limits potential opportunities in the industry. To capture more opportunities, we have adopted a strategic approach, which is to expand our footprint beyond thermal power plants. We have since entered the renewable energy (RE) segment and intensified efforts outside Peninsular Malaysia.

PERFORMANCE REVIEW

OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Operational Efficiencies	<ul style="list-style-type: none"> Focus and strengthen core businesses. Strong client engagement. 	<ul style="list-style-type: none"> Successfully sustained high service quality. The average satisfaction rate for O&M and the Maintenance Repair Overhaul (MRO) segment is 84%. Secured 35 purchase orders in the MRO segment, following a recurring stream of client inquiries and service orders.
Business Expansion	<ul style="list-style-type: none"> Diversify service offerings and client base. Establish strategic partnerships with key players to maintain business relevance. Continuously engage with potential clients to pursue new business opportunity. 	<ul style="list-style-type: none"> Penetrated a new O&M segment by conducting a plant technical assessment for an existing power plant in East Malaysia. Pursued O&M services for a gas turbine power plant in East Malaysia. Strengthened our footprint in the oil and gas industry through the acquisition of the Non-Destructive Testing (NDT) services contract. Finalising the terms and conditions to supply key O&M personnel to operate and maintain a Combined-Cycle Gas Turbine (CCGT) power plant in Bangladesh.



Implement long-term contracts to drive consistent income stream

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Low market visibility	<ul style="list-style-type: none"> Identified potential clients and conducted roadshows to showcase MTSSB’s offerings.
Limited marketing funds	<ul style="list-style-type: none"> Obtained assistance from the Malakoff representative at industry events to drive new business opportunities.
Labour shortage	<ul style="list-style-type: none"> Engaged Malakoff personnel to execute MTSSB services at competitive rates.

ACHIEVEMENTS

- Awarded a RM1.738 million contract to execute NDT services in the oil and gas industry
- Successfully entered into Sabah’s market by conducting a plant technical assessment for an existing gas power plant
- At the phase of concluding the terms and conditions for the supply of key O&M personnel to operate and maintain a CCGT power plant in Bangladesh

OUTLOOK

In 2024, we will aggressively pursue O&M opportunities in both traditional thermal power plants and RE sectors, not only in Malaysia but also internationally. Despite challenges in Peninsular Malaysia’s thermal power prospects, we have taken a proactive approach to identify strategic opportunities elsewhere.

In the MRO segment, we aim to shift our focus towards external corporations and continue to increase sales of existing services for both the power plant and oil and gas industries. We expect to progressively increase our order book in the future.



Our Performance

Project Management Services

WHO WE ARE AND WHAT WE DO

Malakoff Engineering Sdn Bhd (MESB), our Project Management Services department, offers project management services for in-house projects. With over 24 years of experience and a proven track record in thermal plant development, construction and commissioning, the installation of Large Scale Solar (LSS), Rooftop Solar (RTS) and plant demolition projects, we are now broadening our range of capabilities to encompass Waste-to-Energy (WTE) and Biomass co-firing projects.

KEY FOCUS AREAS

Development of a WTE project in Melaka

Open Cycle Gas Turbine (OCGT) and Combined-Cycle Gas Turbine (CCGT) plant decommissioning and demolition

Implementation and execution of RTS projects

Implementation and execution of Biomass co-firing projects

BUSINESS ENVIRONMENT

During the year under review, MESB was involved in the demolition of an OCGT plant, site preparation for a new thermal plant project, execution of RTS projects and the development of a Biomass co-firing pilot project.

In terms of challenges, plant demolition encountered delays attributed to prolonged approval process by local authorities. The absence of detailed engineering design data regarding bridges by the authorities hindered the smooth transportation (via land) of very heavy equipment from the plant to designated delivery locations. For RTS projects, contract agreements did not encompass new and additional requirements outlined by the building owners, leading to potential delays to the timely completion of the RTS projects and necessitated commercial variations to the Engineering, Procurement, Construction and Commissioning (EPCC) agreement.

PERFORMANCE REVIEW

INITIATIVES

PROGRESS/OUTCOMES

Timely completion of RTS projects by Malakoff Radiance Sdn Bhd (MRSB)

- Continued to provide project management support for MRSB on RTS projects.
- Secured two new Project Management Agreements (PMAs) for RTS projects at Toyota Assembly Services Sdn Bhd in Bukit Raja, Selangor and Senai Airport Terminal in Senai, Johor.

Timely completion of demolition of Port Dickson Power Plant

- Commenced the demolition of the Port Dickson Power Plant on 1 August 2023, and this was scheduled for completion by 31 July 2024. Previously, MESB provided project management services to Port Dickson Power on asset dismantling and sales.



CHALLENGES AND MITIGATING ACTIONS

CHALLENGES

Uncertainties over progress and commencement of mega power plant projects

Decrease in new PMAs and manpower services

MITIGATING ACTIONS

- Provide support and secondment of team members to business development activities, specifically the WTE project.
- Deliver manpower support to Tanjung Bin Power Plant (TBP) and Tanjung Bin Energy Power Plant (TBE) O&M team during outages.
- Provide manpower and technical support to TBP for Biomass co-firing project, as well as identified CAPEX for New Lab and Coal Workshop project.

ACHIEVEMENTS

- Timely completion of the physical installation works for the RTS Project at Northport, Klang, with zero Lost Time Incidents (LTI)

OUTLOOK

We will ensure the provision of both skilled personnel and technical assistance for the identified in-house projects through the execution of Project Management Agreements and/or Manpower Service Agreements.

Our Performance

Electricity Distribution and District Cooling System

WHO WE ARE AND WHAT WE DO

Malakoff Utilities Sdn Bhd (MUSB), a wholly-owned Malakoff subsidiary, is a key player in electricity distribution and district cooling infrastructure in Malaysia. We exclusively distribute power in the 72-acre Kuala Lumpur Sentral, with a robust capacity of up to 153 MW. We also own and manage a district cooling plant within KL Sentral, providing chilled water for the air conditioning needs of 10 buildings within the commercial and residential transit hub.



KEY FOCUS AREAS

Strengthen the overall reliability of our Electricity Distribution System (EDS)

Streamline payment collection process for increased efficiency

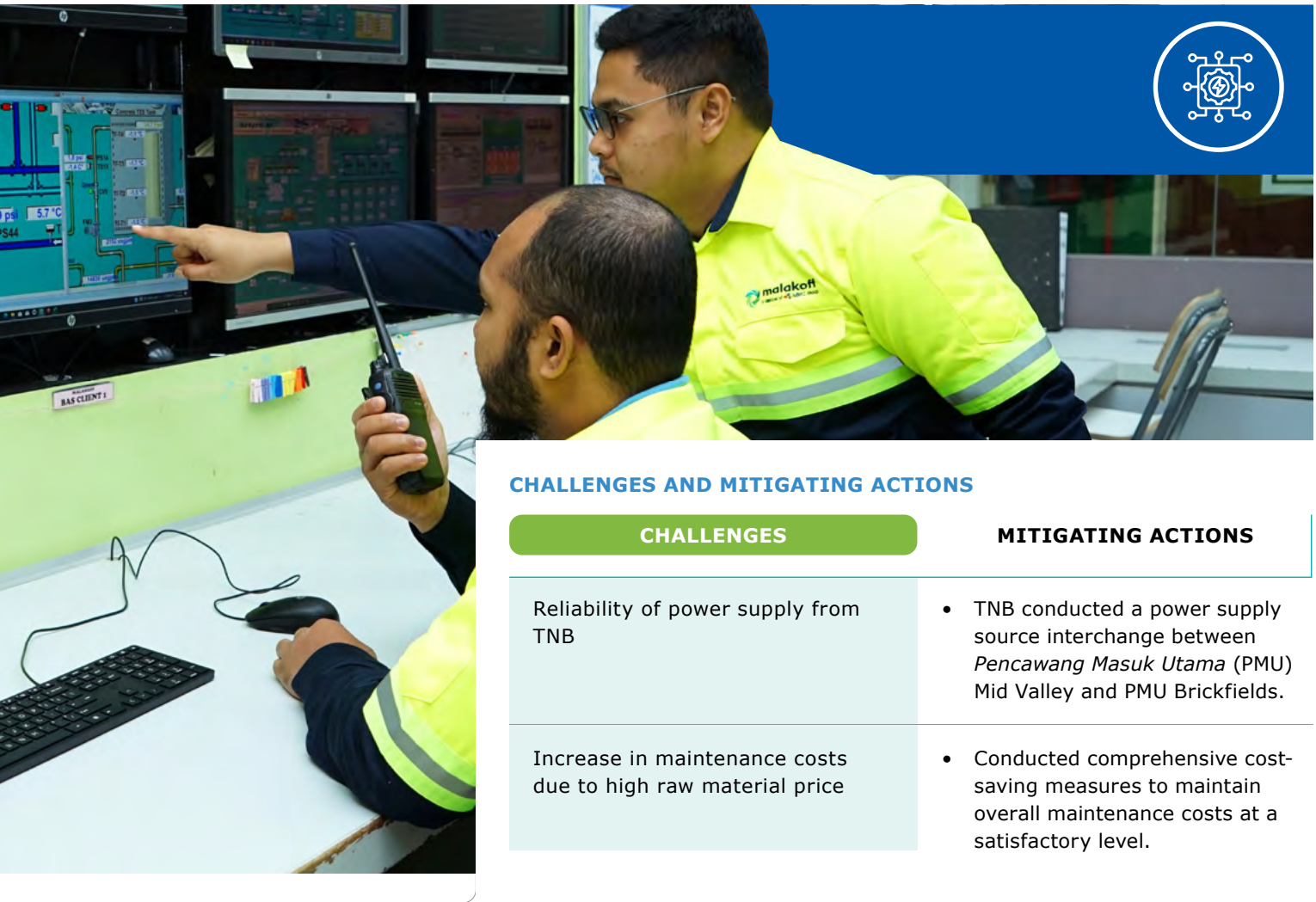
Continuously enhance our Conditions of Supply agreement and customer charter

BUSINESS ENVIRONMENT

In 2023, electricity demand experienced a 7% improvement compared to the previous year, while demand for chilled water remained steady. However, the overall consumption for 2023 has yet to reach the pre-pandemic level in 2019.

PERFORMANCE REVIEW

OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Operational Efficiencies	Improved EDS reliability.	<ul style="list-style-type: none"> Carried out modifications in the power supply from TNB within the KL Sentral area. Currently in progress of providing an additional 33 kW power cable into the KL Sentral area.
Billing and Credit Control	Enhanced efficiency of payment collection.	<ul style="list-style-type: none"> Introduced cashless payment collection for electricity bills, effective 1 November 2023.



CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Reliability of power supply from TNB	<ul style="list-style-type: none"> TNB conducted a power supply source interchange between <i>Pencawang Masuk Utama</i> (PMU) Mid Valley and PMU Brickfields.
Increase in maintenance costs due to high raw material price	<ul style="list-style-type: none"> Conducted comprehensive cost-saving measures to maintain overall maintenance costs at a satisfactory level.

ACHIEVEMENTS

- Achieved exceptional operational performance and reliability in providing electricity and chilled water supply, with zero major breakdowns in plant equipment
- Attained 98% in Customer Satisfaction Index

OUTLOOK

Given the post-Covid-19 market trends, we project an increase in demand for utilities within KL Sentral in 2024. In response to this, we will enhance the efficiency of the District Cooling Plant while ensuring reliable electricity supply to customers. On the customer service front, we will be enhancing our smart app to facilitate cashless payments and streamline communications for the convenience of all our customers.



Environmental
Stewardship

SUSTAINABILITY REVIEW

Transitioning to a Cleaner Energy and Circular Economy Future

MATERIAL MATTERS

Renewable
Energy

Energy
Consumption

Waste
Management

Water
Management

Biodiversity
Conservation



RENEWABLE ENERGY

Why It Is Important

Climate change and waste management are two pressing issues that are threatening the environment and the overall well-being of people. Since these two issues are also closely related to Malakoff’s core business, it is imperative for us to prioritise sustainable operations. Our waste management initiatives extend beyond plastics as we embrace the concept of 5R for all solid waste types and we actively explore innovative technologies through research and development to minimise waste-to-landfill.







Our Approach

Malakoff’s Environmental Policy, which is aligned with the Malaysian Environmental Quality Act 1974 and other relevant regulations and adheres to the ISO 140001 standards, continues to guide us in our operations. The Policy is accessible to all employees on our intranet and MaCNet and is also made available to new recruits.

The Local Generation Division (LGD), responsible for the majority of the Group’s carbon emissions, holds ISO 14001:2015 certification, affirming the implementation of processes and procedures for operational and environmental integrity. Our environmental performance is monitored by the Environmental Management Committee (EMC), which includes the Environmental Performance Monitoring Committee (EPMC) and the Environmental Regulatory Compliance Monitoring Committee (ERCMC).

Key Initiatives

For FY2023, our achievements include:

 <p>Secured 33 new solar PV installation projects with a total capacity of 13.17 MW</p>	 <p>Achieved financial close for three Small Hydropower Plants (SHP) in Kelantan, with a total capacity of 84 MW</p>	 <p>Successfully commissioned 23 rooftop solar PV projects in 2023</p>
 <p>Signed 27 Solar Power Purchase Agreements (SPPAs) to develop and operate solar PV facilities with a total capacity of 12.8 MW</p>	 <p>Kick-started decarbonisation efforts of our 2,100 MW thermal plant through a successful pilot run of up to 0.5% biomass co-firing and set to scale up to 2% in the first quarter of 2024</p>	 <p>Completed preliminary feasibility study on the utilisation of hydrogen/ammonia with ITOCHU, while we continue to explore other potential opportunities</p>

Our Performance

RENEWABLE ENERGY

Impact Story

Our Sustainability Team was part of the working group that provided input for the World Economic Forum (WEF) Community Report entitled Mobilising Investments for Clean Energy in Malaysia via various engagement sessions with the WEF.

The Report, in collaboration with Khazanah Nasional Berhad and Accenture, has been submitted to the Malaysian government for further consideration and action for future policies. This initiative comes as part of our efforts to position Malakoff as a key opinion leader in the industry and simultaneously, we have also leveraged the platform to learn from industry players of their challenges and issues in accelerating clean energy investments.



Highlight

For our continuous efforts in progressing towards low-carbon development, our subsidiary, Alam Flora Environmental Solutions Sdn Bhd (AFES) has been awarded:

- National Energy Awards 2023 – Renewable Energy in Off-Grid (Thermal) Merit Winner for Production of Biogas from food waste through Anaerobic Digester

This recognition enhances AFES's commitment towards sustainability and technological innovation.

▶▶ Going Forward

We have set a bold target to increase our renewable energy (RE) capacity to 1,400 MW by 2031, a significant leap from our current capacity of 153 MW. Despite this considerable growth, we are confident in achieving our goal through active participation in competitive bidding for solar projects in Malaysia, with a focus on Large Scale Solar (LSS) initiatives and the Corporate Green Power Programme (CGPP). In addition to this, we plan to enter the Small Hydropower Plant (SHP) sector to provide uninterrupted electricity to off-grid homes and rural communities.

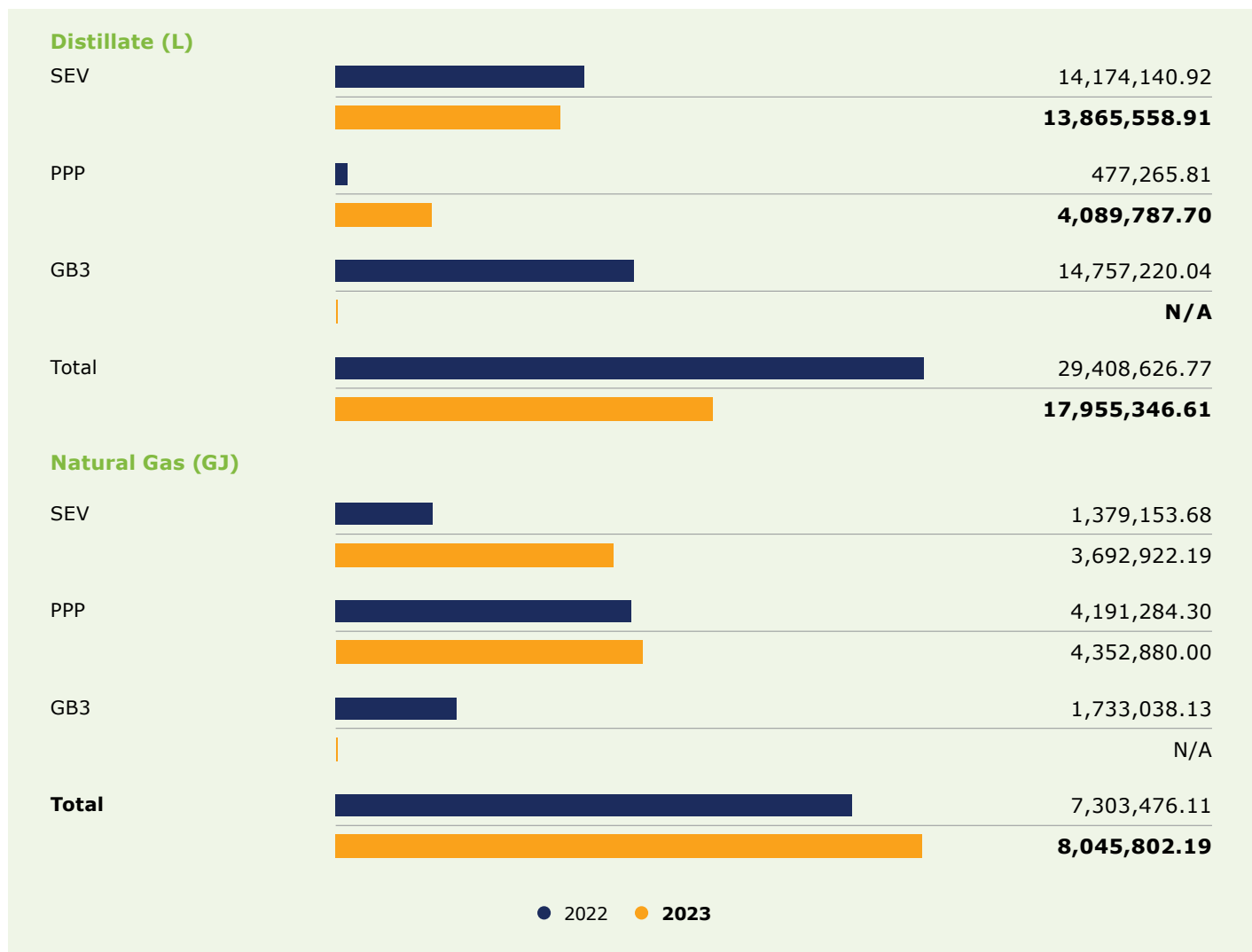
We are also exploring opportunities for potential acquisitions in operational greenfield ventures, particularly in LSS projects. Concurrently, we are evaluating prospects in waste management and environmental solutions, aligning with our commitment to sustainable growth and environmental stewardship.

ENERGY CONSUMPTION

Sustainable energy consumption is paramount in the way we generate and use energy, emphasising responsible and eco-friendly practices that mitigate environmental impact. This transformative concept not only addresses the urgent need to combat climate change but also promotes environmental stewardship and resilience. As the largest Independent Power Producer (IPP) and environmental management company in Malaysia, Malakoff ensures that our operations seek ways to reduce our carbon footprint through efficient conversion rates at our plants and higher energy-efficient systems in our offices.

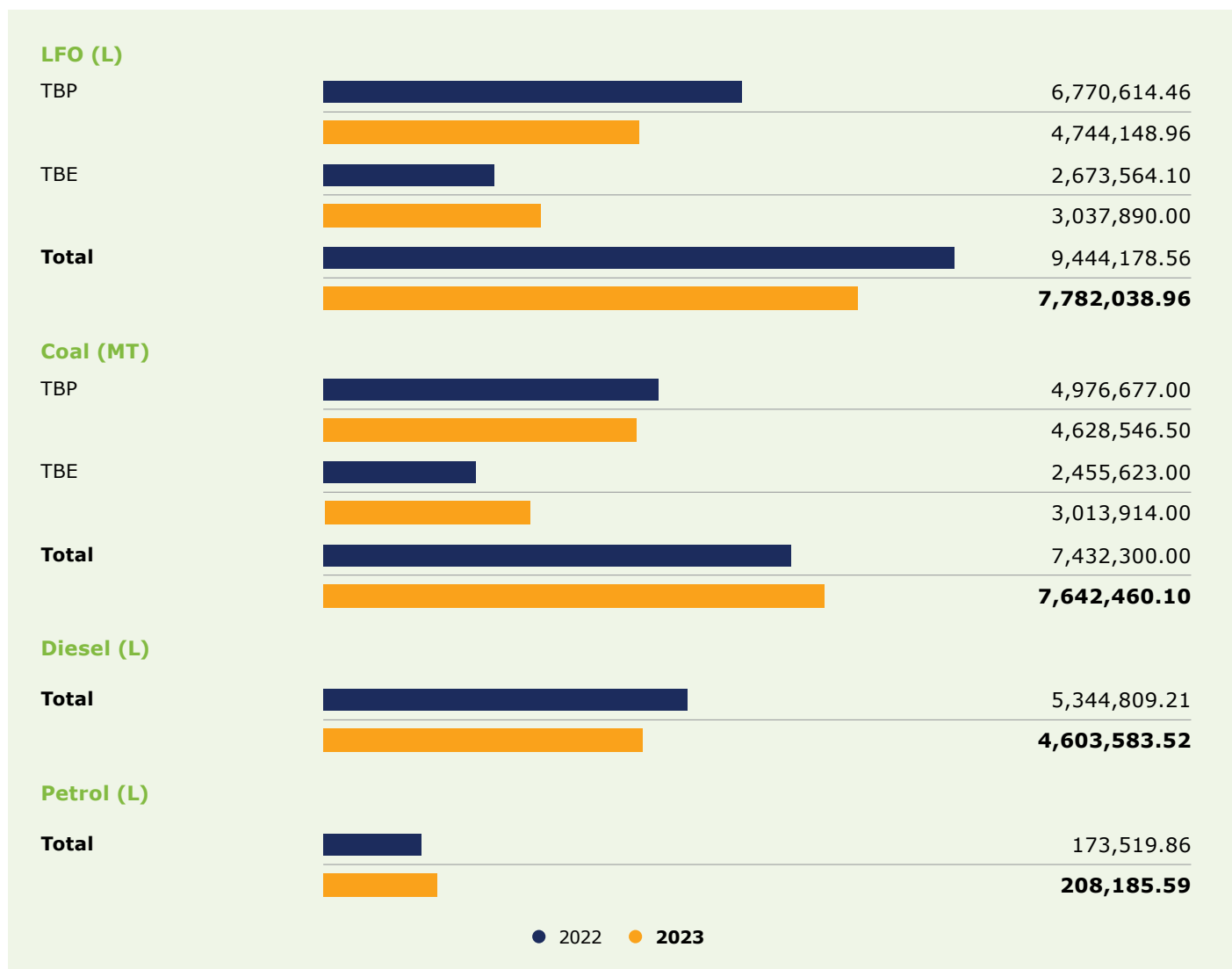
Our energy consumption is mainly for primary fuels, which are natural gas and coal, and secondary fuels, namely diesel and light fuel oil (LFO), for power generation.

We have recorded the following for our energy consumption at our plants, facilities and HQ:

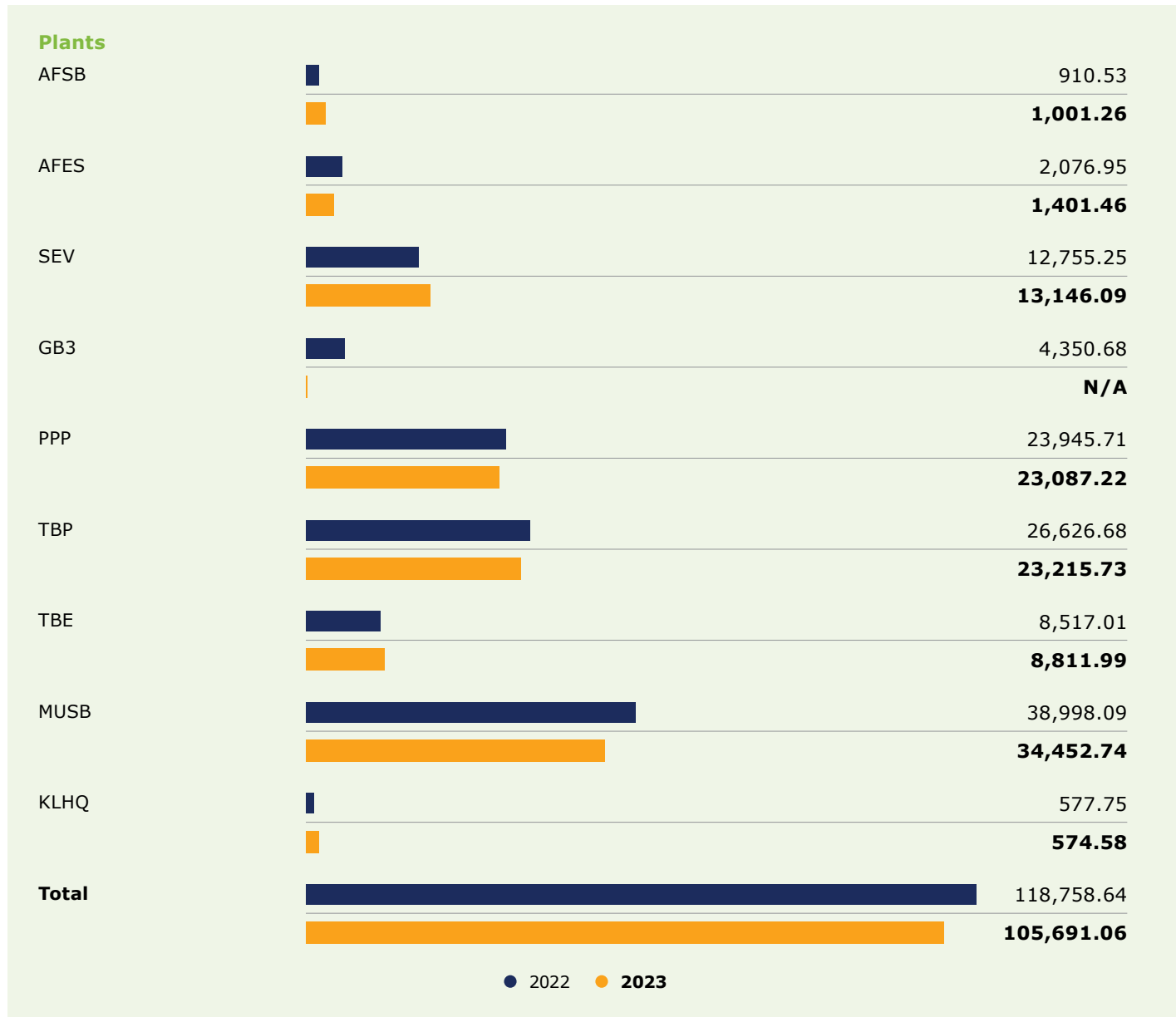


Our Performance

ENERGY CONSUMPTION



Meanwhile, the following shows electricity consumption at our plants, facilities and HQ (MW):



AFSB – Alam Flora Sdn Bhd
 AFES – Alam Flora Environmental Solutions
 SEV – Segari Energy Ventures
 GB3 – GB3 Sdn Bhd

PPP – Prai Power Plant
 TBP – Tanjung Bin Power Plant
 TBE – Tanjung Bin Energy Plant
 MUSB – Malakoff Utilities Sdn Bhd
 KLHQ – Kuala Lumpur Head Quarters

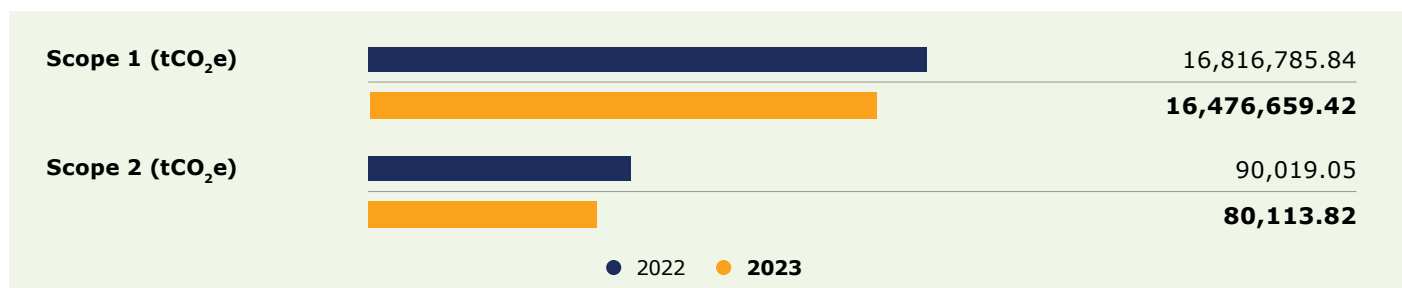
Our Performance

ENERGY CONSUMPTION

Carbon Emissions

Our carbon and non-greenhouse gas (GHG) emissions such as sulphur and nitrogen oxides are monitored from our plants and facilities. Since 2021, we have tracked and disclosed our Scope 1 (direct emissions from operations) and Scope 2 (indirect emissions from purchased electricity) emissions. This year, we have extended our reporting to encompass Scope 1 emissions from our fleet fuel usage and Scope 2 emissions from imported power used in Alam Flora's business.

In improving our reporting, we are utilising an online carbon accounting platform with real-time data to enhance coverage of Alam Flora's operations, including incinerators and its avoided emissions through anaerobic digesters (AD) and recycling. Additionally, we are currently undergoing carbon emissions data assurance in accordance with ISO 14064. It's significant to highlight that our Scope 1 emissions experienced a reduction of 2.02%, while our Scope 2 emissions decreased by an impressive 10.99% than in 2022, underscoring our steadfast commitment to reducing our carbon footprint and contributing to sustainability efforts.



Note:

1. Covers all assets operated and maintained by Malakoff and its subsidiaries, including Alam Flora's fleet and electricity consumption, based on equity approach
2. Excludes offsets generated from our business activities

Non-GHG emissions, in mg/m³

Year	Plant	SEV						TBP				
		Unit 11	Unit 12	Unit 13	Unit 21	Unit 22	Unit 23	PPP	U10	U20	U30	TBE
2021	SOx	0.00	0.00	0.00	2.58	0.00	0.00	4.81	286.66	294.20	262.68	176.18
	NOx	0.00	0.00	0.00	0.02	0.00	0.00	17.99	262.19	278.66	249.05	163.70
2022	SOx	0.00	0.00	0.00	3.42	0.00	0.00	5.75	186.88	281.35	291.89	193.92
	NOx	0.31	0.00	0.75	0.38	0.00	0.60	21.29	196.45	208.97	280.32	128.55
2023	SOx	0.00	0.00	0.00	0.79	0.00	0.00	1.79	270.71	366.67	155.39	247.58
	NOx	7.59	1.14	7.46	2.08	0.74	1.95	14.28	276.71	412.13	150.00	169.99

Note:

All data are daily averages for the year, and all limits are within the allowable emissions limits.

▶▶ Going Forward

In advancing the industry, we will hold frequent engagements with our stakeholders, especially the authorities and regulators that supply fuel for the power sector, for better management of sustainable energy consumption. We will also explore new investment opportunities and prepare them in accordance with targeted dispatch, in view of fuel prices to maximise generation revenue. It is also important for us to focus on ensuring that our business assets and operations are prepared to be dispatched to meet the demand by Single Buyer in line with the changing dispatch patterns.

WASTE MANAGEMENT

The expansion of Malakoff Environmental Solutions' core business in waste management is crucial as effective waste management not only supports the growth of the Company but also plays a vital role in minimising pollution, safeguarding human health and preserving biodiversity. In managing waste generated from our operations, we adhere to the Solid Waste and Public Cleansing Management Act 2007, the Environmental Quality Act 1974 and the Alam Flora Environment Policy.

Additionally, our approach to waste management is enhancing the efficiencies of our Alam Flora and AFES subsidiaries as part of our efforts to increase the recycling rate in Malaysia. Our approach is aligned with the government's recycling agenda and the target of achieving a 40% national recycling rate by 2025. Apart from supporting the agenda, we also ensure that we responsibly execute our waste management services as toxic waste pollutants may lead to negative health impacts within the community and subsequently cause environmental degradation.

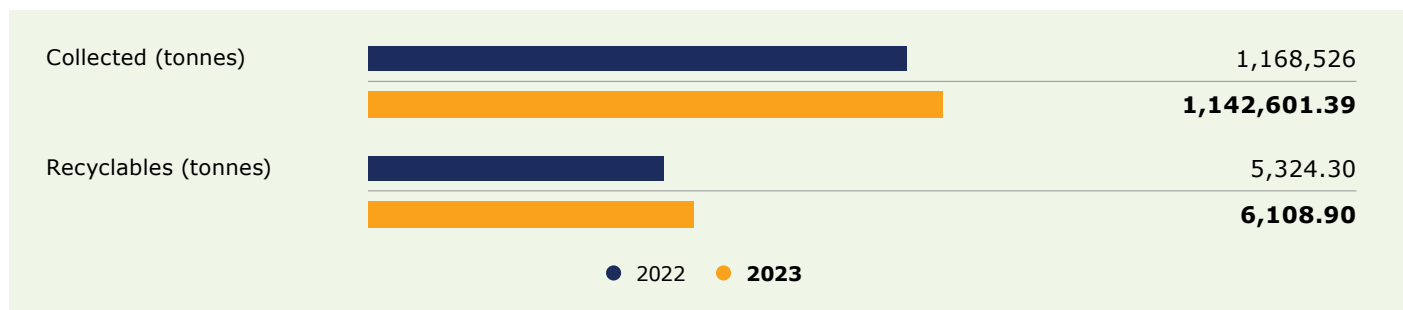
We will continue to strengthen our relationships with stakeholders and develop more business opportunities to achieve carbon neutrality and provide access to a clean and healthy environment for our stakeholders.

Key Initiatives

Waste Collection by Alam Flora

Alam Flora, serving as the concessionaire for solid waste collection and public cleansing services in Kuala Lumpur, Putrajaya and Pahang, is responsible for directly engaging with a significant number of households. As we acknowledge our extensive reach, Alam Flora embraces the task of fostering mindset change among Malaysians, gradually shifting waste disposal habits by encouraging separation at the source and enhancing recycling efficiencies.

In FY2023, we collected and recycled:



Our Communications, Education and Public Awareness (CEPA) initiatives during the year under review included:

WASTE IS AMAZING 2023 FASHION DESIGN COMPETITION

The campaign promoted the 3R concept of Reduce, Reuse and Recycle through fashion design. This year, the theme 'Met Gala: Romantic and Glamorous Hollywood Design' marked Alam Flora's 10 years of championing sustainability.

Accomplishments

The competition witnessed the participation of 100 designers and produced 10 finalists who turned their designs into 3R Couture.

Our Performance

WASTE MANAGEMENT

SUSTAINABILITY HUNT 2023

Held for the second consecutive year, the event aimed to foster community participation and cultivate environmental awareness through education. Participants had to write an article or caption related to the sustainability task given at five checkpoints. To create awareness, they were required to upload photos or videos on their respective social media platforms with hashtags including #AlamFloraSustainabilityHunt2023, #WorldEnvironmentDay, #JomRawatBumi, and #EnhancingLifeEnrichingCommunities.

Accomplishments

The participation of 35 local celebrities, media representatives, bloggers, key opinion leaders (KOLs) and influencers and members of the public in the event helped to create more awareness about proper waste management and waste diversion initiatives.

CYBER ECO HUNT 2023

Themed 'Towards Sustainable Cities', the annual Cyber Eco Hunt 2023 had an objective similar to the Sustainability Hunt. The event's innovative approach to tackling operational challenges and advocating essential waste management practices made a substantial contribution to a cleaner and more environmentally friendly future.

Accomplishments

Twenty-six Key Opinion Leaders, influencers, bloggers and a local celebrity participated in the event, which successfully engaged the online community, the majority of which are youths.

KARNIVAL SAYA SAYANG BUMI

The event aimed to create awareness and acted as a reminder of our responsibilities towards the environment. The activities lined up in the carnival included a competition to create music instruments from waste and other upcycling competitions.

Accomplishments

More than 2,000 people from the local community in Kuantan, Pahang attended the half-day carnival where various 3R-related activities were conducted.

RECYCLING AWARENESS PROGRAMMES

We conducted recycling awareness programmes through talks, workshops, webinars, recyclable collection and school engagements.

Accomplishments

A total of 83 programmes were organised, and through our activities, we collected 41,444.5 kg of recyclables in 2023.

FASILITI INOVASI KITAR SEMULA (FIKS) VISIT

We continued to organise visits to our FIKS to educate and create awareness on recycling and proper waste management.

Accomplishments

Conducted a total of 85 activities at FIKS, clocking in 1,878 visitors.

We continue to work towards achieving a zero-waste circular economy goal through various initiatives including the following:

In September 2023, AFES launched RISE@KL at Batu Caves, an innovative recycling facility that doubles as an education centre to promote best practices and knowledge for recycling and waste segregation. This initiative came after the crucial need to address the increasing waste disposal issue in Kuala Lumpur.

RISE@KL has the capacity to manage 50 tonnes of waste in a day, optimising recyclable material capacity and machinery operations productivity. The facility is slated to assist AFES in producing 65 tonnes of recyclable waste from KL and its surrounding areas in the next five years.

The facility first started as a manual recycling facility and gradually transitioned into a semi-automated process, evolving from either a single-stream or dual-stream source. It was fully operational by January 2022.

PARTNERSHIP WITH NESTLÉ

We continued our kerbside recycling with Nestlé Malaysia for the second year to drive plastic waste collection and recycling.

Accomplishments

Upon renewing our partnership, we recorded 968,955 kg of total plastic waste collected.

PRESERVE NATURE FOR FUTURE, AN ENVIRONMENTAL-FOCUSED EVENT

The event was organised for our internal employees, held at the Malakoff Academy of Excellence (MAX). Staff were educated by various speakers on the importance of recycling for a greener and more sustainable future, especially on replacing single-use plastics. The event engaged employees via fun activities and interactive booths.

Accomplishments

The event was attended by more than 100 employees and they shared their thoughts about the importance of recycling and imparted their knowledge to others, essentially acting as 3R ambassadors for Malakoff.

Waste Management at Plants

At our plants, we produce a substantial amount of both scheduled and unscheduled waste. In managing our waste, we have implemented policies and procedures to ensure the responsible treatment in compliance with the Department of Environment (DoE) regulations and the Environmental Quality Act (Scheduled Waste) Regulations 2005.

It is crucial for us to treat our waste responsibly. Otherwise, when improperly treated waste reaches downstream, the excessive release of methane gas and exposure to landfill burning will pose serious risks to human health. Additionally, improper leachate management can lead to leakage into the soil, which will eventually flow into the main water stream.

In managing our generated waste, we continuously engage with the authorities in charge of landfill operations and incinerators to manage gas emission release and leachate emissions. We collect and analyse our waste for Board reporting and the data is collected at service areas and monitored by the DoE through the eSWIS system.

Scheduled Waste

We manage our scheduled waste, including fly ash, bottom ash, used oil, and chemicals from the power plant and incinerators, in accordance with our Scheduled Waste Management Policy. This policy establishes clear procedures for consistent Group-wide practices. Additionally, we also ensure our scheduled waste is appropriately stored at maintenance sites before an appointed licensed contractor collects and disposes the waste, complying with the DoE regulations.

Our Performance

WASTE MANAGEMENT

The plants at TBE and TBP employ the Life Cycle Assessment, a tool for analysing and evaluating potential alternatives to reduce, reuse and recycle (3R) waste. Internally generated scheduled waste, including used lube oil, distillates and contaminated solid waste, is collected by licensed domestic contractors and directed to either landfills or incinerators.

Unscheduled Waste

Our plants produce metal and rubber waste, which are gathered in scrapyards and are responsibly disposed of by licensed contractors. In our offices, we encourage recycling among employees by strategically placing recycling bins.

▶▶ Going Forward

We strive towards progressing in our waste management by ensuring robust facilities development. We will continue to identify, source and implement the best technologies for waste management treatment and improve:

- our Sustainable Facility & Eco-Park Centre (SAFE) Perak and SAFE Terengganu for scheduled and clinical waste
- the production of biomass pellet plant for alternative fuels and reducing our dependency on coal
- continuous research and innovation on the treatment of plastic-to-fuel

Advancing our recycling efforts, AFES has signed an MoU with the Malaysian Nuclear Agency (MNA) to explore the concept of recycling plastic waste using radiation pyrolysis. AFES will take charge of collecting and sorting recyclable waste, while MNA will utilise its innovative expertise to convert these sorted materials into fuel and create new value-added products more efficiently at a lower cost.

Awards

As a result of our efforts in safeguarding the environment, Alam Flora Group has been recognised with several accolades throughout the year. This year, we were award recipients of:



Waste Management Achievement Award 2023 for the categories of:

- Technological Advancement & Innovation Award - Large Enterprise Category
- Notable Achievement on Waste Reduction and Circularity Award



Prime Minister Hibiscus Awards 2021/2022

- Exceptional Achievement Award for Environmental Performance (FIKS Project)



Sustainability & CSR Malaysia Award 2023

- Company of the Year (Waste Management) for Excellence in Community Support Initiatives



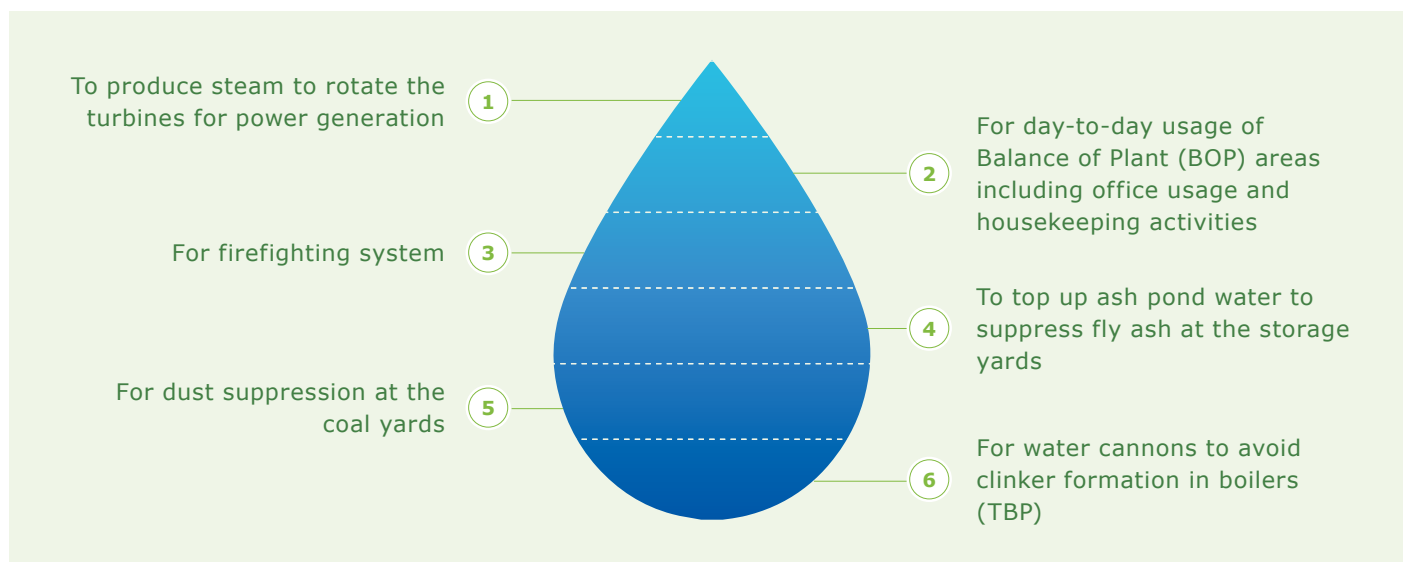
National Energy Awards 2023

- Renewable Energy in Off-Grid (Thermal) Merit Winner for the Production of Biogas from Food Waste through Anaerobic Digester

WATER MANAGEMENT

In 2023, UNESCO, on behalf of UN-Water reported that two billion people do not have access to safe drinking water while 3.6 billion lack access to safely managed sanitation. At least for a month in a year, two to three billion people experience water shortages which adversely impact their livelihood via food security. Additionally, climate change, which has caused extreme natural disasters such as prolonged droughts, is also stressing the ecosystem. As water scarcity is a global phenomenon, Malaysia will eventually be affected if we continue with our consumption patterns, lack of efficient amenities and conservation awareness.

Water plays an important role in Malakoff’s core business as we use water intensively in our power generation, waste management and district cooling system:



Our power plants utilise seawater for cooling purposes and raw water for general administrative and process needs. Meanwhile, raw water is primarily employed in the electricity generation process to replenish water and steam losses to the environment during operations. We source raw water from supply companies such as Pembekalan Air Pulau Pinang (PBAPP), Syarikat Air Johor (SAJ) and Lembaga Air Perak (LAP).

In 2023, we utilised a total of 2,532,082.45 m³ of water.

Key Initiatives

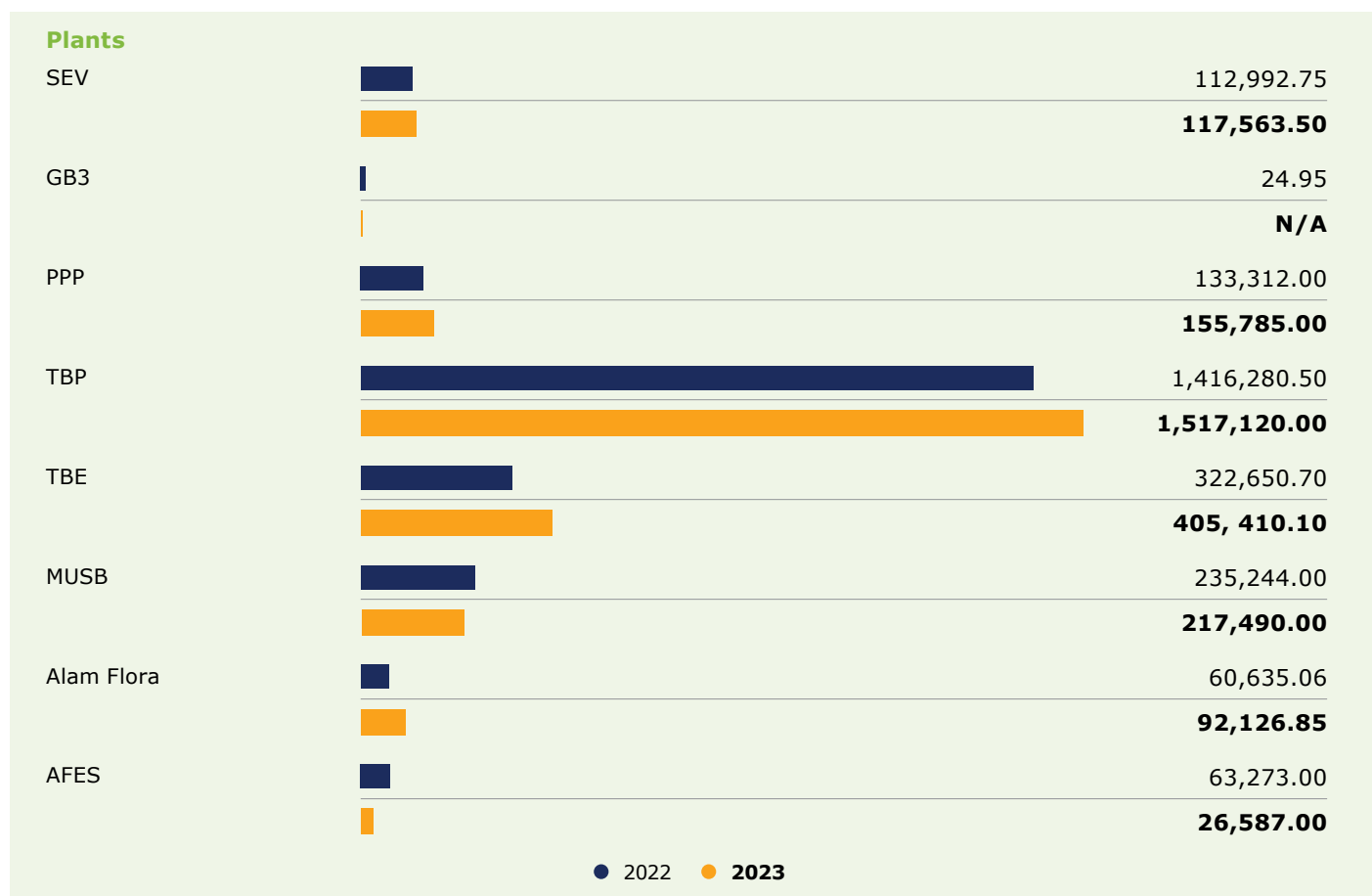
To foster sustainable practices and minimise water consumption across our operations and office premises, we have implemented various initiatives, including:

Incorporating rainwater harvesting systems for housekeeping and landscaping purposes	Implementing leachate water treatment methods to reduce raw water consumption in incinerators for temperature control	Conducting studies on consumption patterns at TBP to optimise water usage efficiency
--	---	--

Our Performance

WATER MANAGEMENT

Raw Water Consumption at Our Plants and Operations (m³)



▶▶ Going Forward

Our strategic focus remains on exploring brownfield and greenfield opportunities aligned with Malakoff's growth objectives while enhancing operational efficiencies across our existing portfolio. Notably, the global water crisis, as highlighted by UNESCO and UN-Water, underscores the urgency for sustainable water management practices. As Malaysia faces potential impacts from global water scarcity trends, Malakoff is committed to integrating water conservation measures into its core business operations, leveraging initiatives such as rainwater harvesting, leachate water treatment, and consumption pattern optimisation to promote sustainability and mitigate water consumption across its power generation, waste management, and district cooling systems. Through strategic partnerships and proactive measures, Malakoff aims to navigate the evolving landscape of water scarcity while reinforcing its commitment to sustainable development.

BIODIVERSITY CONSERVATION

Biodiversity conservation is crucial for preserving the balance of the environment. Acknowledging the potential impact of our business operations on local ecosystems, we are committed to minimising our negative impacts. We ensure that our efforts in safeguarding marine biodiversity are aligned with our business operations, which use seawater as a cooling agent for our plants.

Key Initiatives

Impact Story

Save Our Sea Campaign – Kenali Penyu, Sayangi Penyu Initiative

Partnering with the Perak State Fisheries Department (JPNP) and Jabatan Taman Laut Malaysia for our Save Our Sea programme since 2011, we have been conducting activities such as beach cleanups and coral conservation. Local communities, authorities and tertiary students participate in these activities to improve the marine biodiversity in the surrounding areas.

This year, we organised our seventh instalment of the turtle conservation programme known as the Kenali Penyu, Sayangi Penyu initiative at the Turtle Conservation and Information Centre Pasir Panjang (PKPPP) at Segari in Lumut, Perak. The event aimed to create awareness on the importance of safeguarding endangered species and actively work towards the expansion of the turtle population. Various attendees were at the event including local communities of Kampung Segari, students from the Kolej Perikanan Sultan Nazri Muizzuddin Shah, the Perak Fisheries Department and the Lumut Power Plant (LPP) staff.

As part of the programme, our volunteers took part in different activities such as the planting of “ambong-ambong” trees, which are crucial for helping endangered turtles. These trees function as protection for the turtles against bright lights and land erosion, making it easier for them to build nests and hatch their eggs safely. Apart from tree planting, volunteers also cleaned up the area around the centre. Another team of volunteers had the special job of cleaning the turtle ponds, allowing the volunteers to understand these incredible creatures up close through direct interaction.

We also contributed to the centre’s main information board by adding the latest information and its new logo, replacing the old board from 2012. Additionally, we presented two motor pumps to PKPPP which will be used for the centre’s daily operations. The eventful activity is a strong testament of our ongoing commitment to caring for the environment and staying connected with our community.



Our Performance

BIODIVERSITY CONSERVATION



International Coastal Cleanup Day

In collaboration with the Department of Fisheries of Johor, we organised a beach cleanup activity at Pulau Tinggi, Mersing, Johor. We ensured all trash and recyclables were removed from the site, collecting tonnes of waste at the end of the session. The initiative also doubled as an opportunity to introduce and promote reusable bags as a replacement for single-use plastic which has detrimental effects on the environment, especially the marine ecosystems. Malakoff employees, the Department of Fisheries and the Johor State Education Department Co-curriculum Centre participated in the activity.

To commemorate this ongoing initiative, an official installation of a Malakoff signboard and its officiation by the Pulau Besar Village Head was held at the Pulau Besar public jetty before proceeding with an educational visit to the Marine Park Information Centre in Pulau Tinggi. While on Pulau Tinggi, Director of the Department of Fisheries Johor Puan Nur Afifah binti A. Rahman hosted an informative session dedicated to marine life, with a particular emphasis on the department's ongoing turtle conservation initiatives. We also distributed reusable bags to the island community.



Mangrove Planting and National Environment Day 2023 Celebration

We continued our long-standing mangrove conservation programme in 2023 by planting 2,000 mangrove trees along the Sungai Pulai Mukim, Sungai Karang, bridge in Pontian, Johor. The initiative is our contribution towards 'The Planting of 181,000 Mangrove Trees in One Day Programme' organised by the Pontian District Office, Johor. The programme was held in conjunction with the National Environment Day which falls on the 21 October annually.

The event is also part of our efforts in supporting the Malaysian government's goal of planting 100 million trees from 2020-2025.

Monitoring Seawater at Intake and Release Points

We regularly check the water temperature at both the intake and release points in our plants, ensuring it stays below 40°C to avoid disturbances to marine life. Additionally, our team conducts weekly monitoring of water discharge to uphold its quality, with external parties verifying the collected data.

▶▶ Going Forward

We will continue to nurture strong relationships with the local communities in our operational areas via outreach programmes that emphasis environmental consciousness. Simultaneously, we believe that it is also important to inculcate the values of biodiversity preservation as everyone can play a role in contributing towards a resilient and sustainable environment.



Nurturing
Our
Community

SUSTAINABILITY REVIEW

Empowering Our People and Supporting Our Communities

MATERIAL MATTERS

Occupational
Safety & Health

Employee
Engagement &
Well-Being

Community
Investment &
Development

Talent
Management

Human Rights &
Labour Relations



Our Performance

OCCUPATIONAL SAFETY & HEALTH

Why It Is Important

We are committed to protecting the health and safety of all stakeholders, including our employees, contractors, workers and the communities in areas where we operate. Our business thrives on robust safety measures designed to protect our people and assets. Our endeavours in occupational safety and health (OSH) enable us to achieve our sustainability objectives and help us to meet the requirements and needs of our customers. This, in turn, builds trust with partners, suppliers, communities, investors and the government. To this end, we continue to invest efforts to improve safety, protect everyone within our premises, sustain business growth, and gain support and confidence of our stakeholders.

Our Approach

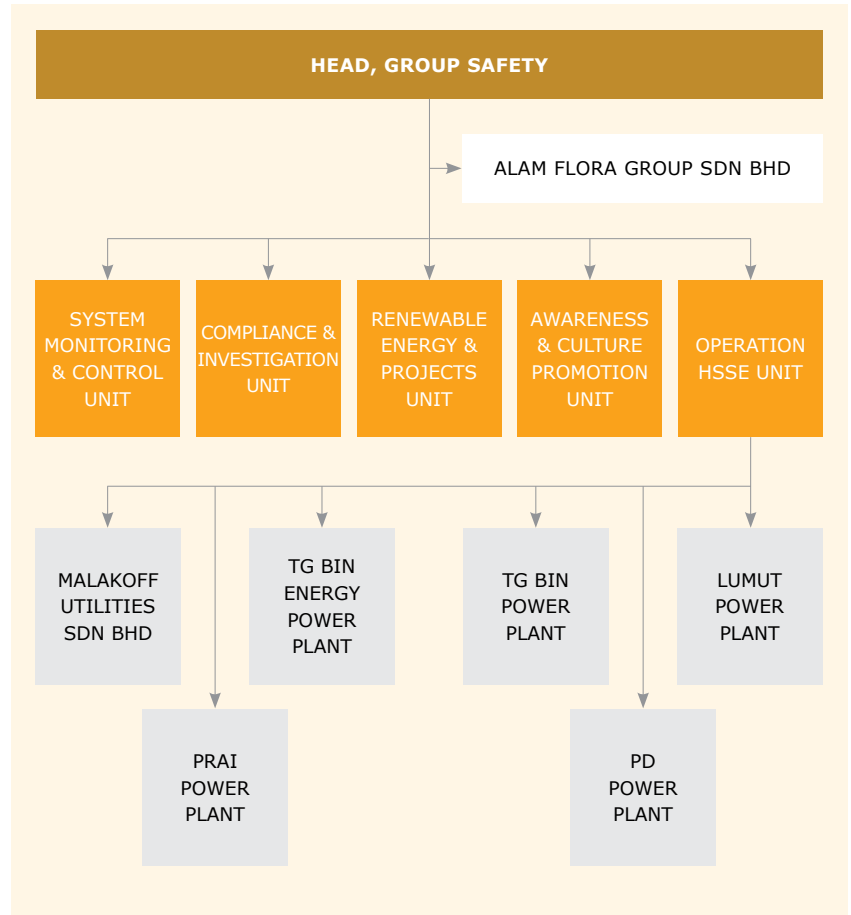
Our management of OSH is guided by the Occupational Safety and Health Act 1994 (Act 514) and the Occupational Safety and Health (Amendment) Act 2022. As we are accredited with the ISO 45001:2018 Occupational Health and Safety Management System, we continue to ensure that our operations conform to these standards. This framework enables us to enhance our OSH performance, prevent work-related injuries and provide a safe workplace for employees, workers and contractors.

OSH Management System

We have in place an OSH management system that adheres to the Occupational Safety and Health Act 1994 (Act 514) and the Occupational Safety and Health (Amendment) Act 2022. Our implementation and management of Health, Safety, Sustainability and Environment (HSSE) are based on Hazard Identification, Risk Assessment and Risk Control (HIRARC) and ISO 45001:2018 OHSMS requirements.

Our OSH management system covers all staff and contractors, in line with Part IV of the Occupational Safety and Health Act 1994 (section 24), which emphasises that our employees are 'to take reasonable care for safety and health for oneself and others'. The ISO 45001:2018 also features clause 5.3 on Organisational Roles and Responsibilities, which requires companies to develop an organisational chart with clearly defined authorities, roles and responsibilities, along with processes and procedures to manage health and safety, and communication strategies to enhance safety awareness.

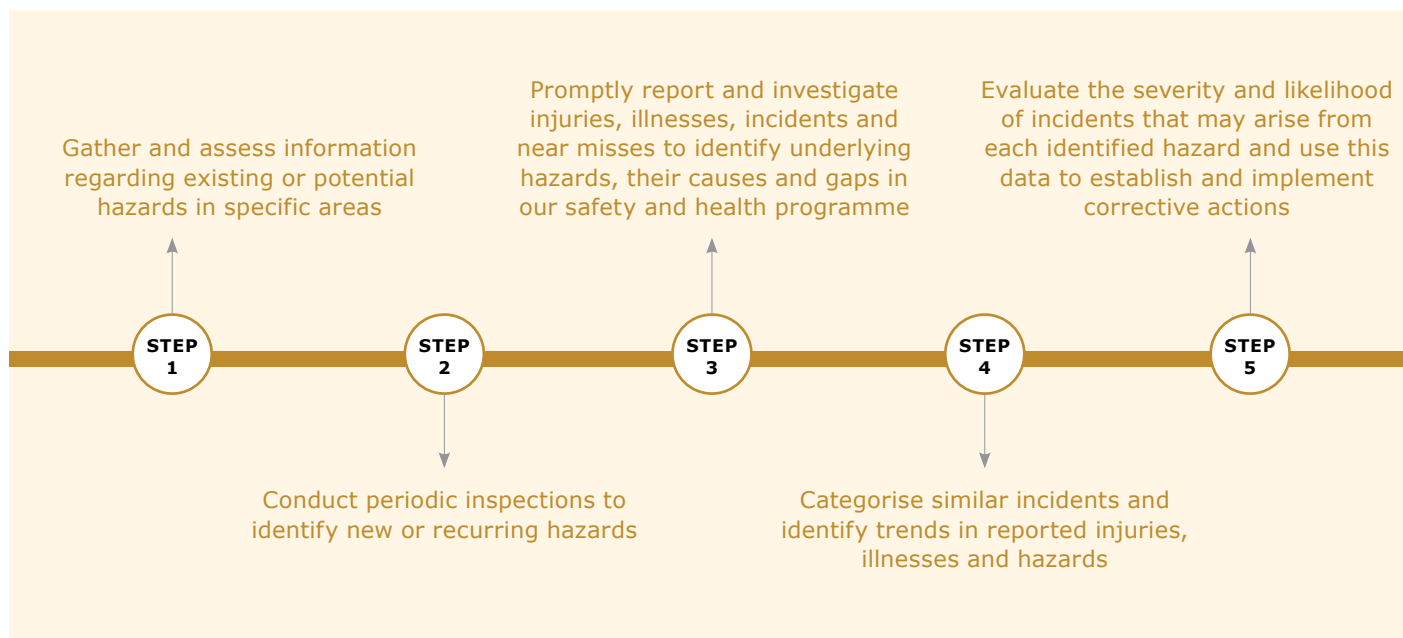
Our safety committee consists of management and non-management representatives who convene quarterly to discuss safety issues.



Hazard Identification, Risk Assessment and Risk Control

All health and safety activities begin with the identification of specific processes and relevant hazards. This is followed by implementing HIRARC, encompassing elimination, substitution, implementation of engineering controls and adopting the use of personal protective equipment. Special precautions are taken particularly for activities involving working at heights and heavy lifting.

In the event of a work-related safety incident, an investigation committee will be established to investigate the likely root cause of the incident. This committee will conduct a comprehensive root cause analysis, engaging in brainstorming sessions to identify all potential corrective actions and improvements that need to be implemented. To identify and evaluate hazards in our operations, the operations team and HSSE will undertake these steps:



To ensure that these processes are implemented effectively, the Corporate HSSE Department conducts inspections and audits. Training is also continuously provided to staff conducting HIRARC to ensure that they remain competent. Additionally, internal controls are implemented to ensure the efficacy of our HIRARC measures, which include incident investigations, safety and health committee meetings, and conducting continuous safety audits and inspections throughout our entire operations. Additionally, HIRARC review workshops

are conducted periodically to evaluate the effectiveness of measures taken and to improve hazard control measures.

We also have in place a HOPE card system which serves as a platform for workers, employees and contractors to provide feedback on safety concerns, especially those related to identified hazards. This system categorises input into leading indicators or positive reporting, which represent the proactive measures taken by both contractors and staff.

Our Performance

OCCUPATIONAL SAFETY & HEALTH

In the event of an incident that could lead to injury or ill health, our management is guided by the Safety and Health Policy which commits to the following:

Providing a safe and healthy working environment, focusing on preventing injuries and illnesses resulting from exposure to hazards	Mitigating hazards and risks associated with our operations and maintenance activities
Establishing OSH objectives, defining targets and implementing relevant programmes	Complying to all relevant regulatory requirements on OSH and electrical safety, adopting the best industry practices when feasible
Fostering awareness on OSH, enhancing employee knowledge through diverse activities, training and educational programmes	Prioritising employee participation in OSH programmes and activities
Ensuring the continuous improvement of processes and practices related to OSH management and performance	Embracing a caring organisational ethos to all stakeholders including communities in areas where we operate
	Contributing to nation-building

This policy is embedded in our company’s work culture and upheld by every member of our organisation, underscoring our commitment to societal well-being.

Our Initiatives

During the year under review, we implemented the following initiatives:

<p>HSSE Implementation Units</p> <p>In 2023, the Corporate Group Safety office established five distinct implementation units to ensure the effective implementation of our OSH management throughout our operational sites. Each Group Safety implementation unit is dedicated to addressing specific key areas such as System Monitoring and Control, Compliance and Investigation, Communication and Promotion, Operations HSSE and Security Management.</p>	<p>Medical Health Surveillance Programmes</p> <p>To prevent and mitigate OSH impacts, we also conducted Medical Health Surveillance Programmes at our Tanjung Bin Power Plant (TBP) and Tanjung Bin Energy Power Plant (TBE), which included audiometric tests, urine tests and continuous programmes to enhance workers’ health and safety.</p>	<p>HSSE Programmes</p> <ul style="list-style-type: none"> • Wellness Centre Open Day • Preserve Nature for Future • Mental Health Day • Health Surveillance Test • Malakoff Safety Passport Training for In-House Contractors • Toolbox Talk • Ergonomic Assessment and Awareness • HIRARC Refresher Training • Management Walkdown • AESP Refresher and New Training • Contractors’ Forum • HSSE Week Day • Hazard Hunt (Safety Campaign)
--	---	--

41st Malaysian Society for Occupational Safety and Health (MSOSH) Award 2023

In November 2023, we were awarded the following:



Gold 1 Class Award:
TBEPP



Gold 2 Class Award:
Belenggu Halt Sanitary
Landfill



Recognition for Alam Flora
Environmental Solutions
(AFES) for outstanding
performance

OSH Training

As we believe that safety is a collective responsibility, we strive to foster a culture where each employee takes ownership of their own safety and those around them. To achieve this, we actively collaborate with our partners to organise training and awareness sessions for our employees and third-party workers engaged in our site operations.

We also conduct internal and external audits and inspections to ensure that our operations adhere to safety principles. In 2023, we conducted external training sessions for over 120 employees, workers and contractors, encompassing ERT training, ASEP training, Basic First Aid and CPR, HIRARC training, and Fire and Safety awareness.

Training Programmes	No. of Participants
Authorised Entrant and Standby Person (AESP) for Confined Space	5
Authorised Entrant and Standby Person (AESPR) for Confined Space Refresher	1
Authorised Gas Tester and Entry Supervisor for Confined Space Refresher (AGTESR)	6
Authorised Gas Tester and Entry Supervisor for Confined Space (AGTES)	7
Basic Safe Handling of Forklift Truck Training	1
Plant Safety Training (PST)	18
Emergency Response Team (ERT) Training	33
Fire Safety Training	1
HIRARC and Ergonomics Safety Training	58
Emergency Response Planning	1
Safety and Health Committee Training	18
Basic Occupational First Aid, CPR & AED Training	19
Seminars	
Noise Hazards at the Workplace Seminar	2
Guidelines on Medical Surveillance Programme at the Workplace Seminar	1

Our Performance

OCCUPATIONAL SAFETY & HEALTH

Health & Safety Performance

The majority of our work-related hazards are associated with working at heights, heavy lifting operations and coal-handling. To manage these hazards, we gathered input based on reported incidents and conducted safety and health committee meetings, inspections and audits. We aim to establish proper method statements, HIRARC, Permit to Work (PTW) and implement on-site internal controls to mitigate these hazards at our operating sites. Additionally, we will organise safety awareness and improvement programmes to eliminate other work-related hazards and ensure the safety of our personnel.

In the year under review, there was one non-employee fatality which was recorded as a result of a work-related injury. This was due to an unsafe act by a contractor. Immediate control measures were taken, including enhancement of communication, revision of SOP and Hazard Identification, Risk Assessment and Risk Control documents. Furthermore, a total of 14 work-related injuries were recorded among

both employees and non-employees due to incidents caused by unsafe acts. In 2023, our employees collectively worked 6,983,212 hours, resulting in a Lost Time Incident Rate (LTIR) of 0.73.

In relation to work-related ill health, no fatalities were reported among employees. We continually pursue our health promotion programmes through our regular medical surveillance, health bulletins and physical awareness programmes such as mental health talks, health clinical checks, and promotions by medical professionals. In order to ensure, as far as practicable, the optimum safety and health performance for the company, we continue to apply HIRARC controls, including elimination and substitution of risks, implementation of engineering and administrative controls, and the enforcement of the use of PPEs.

All employees and contractors are covered by our OHS (Occupational Health and Safety) management system, as well as all workers whose work is controlled by the organisation but who are not employees.

Work-Related Injuries

Malakoff

Safety Performance Indicators	2022	2023
Total Manhours Worked	7,130,563	6,983,212
Number of Incidents Recorded	9	35¹
Number of LTI Cases (Operations)	2	4
Number of LTI Cases (Projects)	0	0
Lost Time Injury Frequency Rate (LTIFR) – Operations	0.29	0.73
Lost Time Injury Frequency Rate (LTIFR) – Projects	0.00	0.00
Legal Compliance	0	2²

¹ Includes near miss incidents

² Notice of prohibition and notice of improvement for fatality incident on 18 October 2023 at Tanjung Bin Energy Power Plant

Alam Flora

Safety Performance Indicators	2022	2023
Total Manhours Worked	36,822,718 ¹	46,466,129
Lost Time Injury Frequency Rate (LTIFR)	0.68	0.86

¹ Figures have been restated to reflect data up to December 2022.

AFES

Safety Performance Indicators	2022	2023
Total Manhours Worked	1,626,521	12,048,476
Lost Time Injury Frequency Rate (LTIFR)	1.84	0.50

▶▶ Going Forward

We are committed to continuously enhancing our OSH management and we will actively encourage participation from all stakeholders to optimise our safety performance.

EMPLOYEE ENGAGEMENT & WELL-BEING

Why It Is Important

The commitment of our employees and their overall well-being are fundamental to the triumphs of Malakoff, as they have a substantial influence on the levels of productivity, innovative capabilities and the general efficacy of the organisation. An energised and healthy workforce is the bedrock of a thriving corporate culture and the linchpin of enduring business prosperity.

Employees who are both engaged and in good health are typically more industrious, creative and dedicated. Such employees are the driving force behind a constructive work atmosphere and the collective achievements of the organisation.

In recognition of our employees' value and to boost their performance, we are dedicated to creating a work environment that is engaging, stimulating and inclusive. This environment is designed to enable our employees to unleash their full potential.

Our Approach

For Malakoff, our dedication is unwavering when it comes to ensuring employees can effectively balance their professional and personal lives. We prioritise robust health and safety protocols, actively provide support for mental well-being, and offer ongoing opportunities for professional training and development. Such commitments are integral to our corporate values.

These priorities are deeply integrated into the objectives and performance indicators of our People Division. It plays a crucial role in the operationalisation of these significant matters, reflecting our holistic approach to employee welfare and our strategic focus on nurturing a supportive and progressive workplace.

Our Initiatives

At Malakoff, our engagement initiatives are designed to support the holistic well-being and professional growth of our employees. These initiatives encompass wellness programmes that cater to both physical and mental health, adaptable work schedules to ensure a better work-life balance and a range of professional development opportunities that encourage continuous learning and skill enhancement.

We have established various channels for employee feedback, such as the Employee Engagement Survey (EES), town hall meetings and our HR2U Day to maintain open lines of communication and address employee concerns promptly. Cultural and community-building events, like the Hari Raya gathering reinforces our commitment to inclusivity and diversity within the workplace. Recognition of service is celebrated through our Long Service Award, honouring the dedication of our long-standing team members.

To raise awareness and provide support for mental health, we run targeted campaigns and offer comprehensive health insurance plans to ensure our employees have access to the necessary healthcare services. Furthermore, we engage our workforce with quarterly activities aimed at strengthening team cohesion and we host an Annual Wellness Programme to promote health and fitness across the company.



Our Performance

EMPLOYEE ENGAGEMENT & WELL-BEING

Employee Welfare

To secure the best talent, we go beyond the provision of competitive remuneration and benefits. Our approach encompasses a comprehensive employee value proposition that nurtures their physical, emotional and mental well-being. Our direction in this endeavour is steered by our Employee Welfare Procedures, which align with industry-leading best practices.

Medical (Outpatient & Inpatient) - covers dependants	Maternity Benefits & Maternity Leave	Paternity Leave
Compassionate Leave due to Death of family member, Marriage Leave and Natural Disaster Leave	Group Personal Accident and Term Life Insurance	Training and Development
Haj/Umrah Benefits	Welfare Benefits (Newborn & Get Well Gifts)	Dental Benefits

In 2023, Human Resources launched a revised salary framework and conducted a comprehensive salary reassessment throughout the Group, effective 1 January 2023, to ensure competitive standing within the industry. Additionally, we now offer 98 days of maternity leave to female employees, facilitating adequate recovery time post-childbirth, bonding with the infant and acclimation to the new responsibilities of motherhood. Furthermore, male employees are granted seven days of paternity leave, enabling fathers to play an active role in the initial phase of their child's life, share caregiving duties and foster a nurturing family setting.

►► Going Forward

At Malakoff, our commitment to excellence and employee satisfaction is ever ongoing. We consistently evaluate and enhance our policies to remain in step with the latest and most effective industry practices. Our aim is to ensure that our operational standards reflect contemporary benchmarks of excellence.

Understanding the critical importance of employee well-being, we are dedicated to broadening the scope of our wellness programmes. This includes comprehensive mental health support, recognising that a healthy workforce is vital to our company's success.

Investment in our employees' professional journeys is a cornerstone of our strategy. We are focused on providing substantial opportunities for development and career progression, ensuring that our team members have the pathways and resources to grow within Malakoff.

Furthermore, we are proactive in seeking and valuing our employees' perspectives through regular surveys. This feedback is crucial, enabling us to tailor our strategies to meet their needs and expectations better. By adjusting our approach based on direct input from our staff, we reinforce a culture of mutual respect and continuous improvement.

COMMUNITY INVESTMENT & DEVELOPMENT

Why It Is Important

Community investment and development are vital for us, as they cultivate social responsibility, boost our reputation, strengthen stakeholder relations, mitigate risks and drive the long-term sustainability of our business operations. Through active engagement in the community development, we can fulfil our social responsibility by providing multifaceted support to foster economic growth and enhance the overall well-being of society, giving back to the communities that support us.

Our commitment to serving communities by managing waste responsibly with minimal impact on the environment is reflected through our subsidiary, Alam Flora Sdn Bhd. Social responsibility and environmental stewardship serve as its social compass, which guides the leading waste management company in the country to create a sustainable living environment and leave a clean legacy for future generations.

Our Approach

In our commitment to contribute to the well-being of our local communities, we strive to provide support and aid to the underprivileged and underserved through diverse outreach initiatives aimed at reducing socioeconomic gaps. We are guided by our ESG strategy, sustainability framework, and CSR pillars, which ensure that we support our communities in meaningful ways. Our programmes focus on critical areas such as providing educational support, skills development, disaster relief and community enrichment.

In line with our commitment to fostering a sustainable society, we constantly engage with stakeholders, as evident at Alam Flora, which employs Communication, Education, and Public Awareness (CEPA) as part of its strategy to nurture a society that supports sustainable living and makes recycling a culture. Through our subsidiary, we continue to carry out environmental conservation and social development initiatives to achieve the United Nations' Sustainable Development Goals by 2030.

Our Initiatives

In the year under review, we invested RM240,500.00 in sustainability programmes, focusing on education and community enrichment initiatives. These programmes, which included initiatives such as buka puasa events and zakat contributions, impacted over 4,000 beneficiaries. As part of our commitment to giving back to the communities around us, we conducted the following programmes in 2023:

Malakoff's Educational Programmes

Zakat Handover Ceremony for IPT Students in Kampung Segari, Perak

MPH Book Donations for Adopted Schools in Segari

MPH Book Donations for Adopted Schools in Prai

Zakat Handover Ceremony for IPT Students in Mukim Serkat

'Jom Ke Sekolah' Programme with Adopted Schools in Mukim Serkat

School Fees Handover Ceremony for Children in Kawasan 1, Mukim Serkat

Motivational Camp for Adopted Schools, Mukim Serkat



Our Performance

COMMUNITY INVESTMENT & DEVELOPMENT

Malakoff's Community Enrichment Programmes

- "Jom Kitar Semula" Collection Day, Mukim Serkat
- Ceramah Perdana Segari by Ustaz Harryanto Rizal Rokman
- Majlis Berbuka Puasa & Penyerahan Zakat Asnaf Mukim Serkat
- Majlis Berbuka Puasa & Penyerahan Zakat Asnaf Kampung Segari
- Iftar with JPKK Mukim Serkat
- Majlis Penyerahan Lembu Korban Aidiladha 2023 (Prai)
- Majlis Penyerahan Lembu Korban Aidiladha 2023 (Mukim Serkat)
- Majlis Penyerahan Lembu Korban Aidiladha 2023 (Segari)
- Financial Aid for Accident Victim (Adik Rayyan)
- Jemputan Majlis Maulidur Rasul 1445H/2023M Masjid Al-Amin Kampung Sungai Dinar, Mukim Serkat, Pontian
- Majlis Sambutan Maulidur Rasul & Ceramah Perdana Mukim Serkat
- Sports Carnival Mukim Serkat
- Community Engagement Programme with Kampung Semangat Residents Association, Segari, Perak
- Sports Carnival Segari



Alam Flora's Educational Programmes

- Recycling Awareness Exhibition & Recycling Collection at DECTAR Universiti Kebangsaan Malaysia (Climate Action Festival @ UKM YSD)
- Recycling Awareness Talk at SMK Seri Hartamas
- Recycling Awareness Talk and booth exhibition at IIUM Gombak
- Recycling Awareness Exhibition Booth at British International School KL.
- Upcycle Activity - FIKS Visit by the Japanese School of Kuala Lumpur
- Recycling Awareness Talk at SJKC Foon Yew 2
- Recycling Awareness Talk at SMK Putri Titiwangsa
- Recycling Awareness Talk at SK Seri Pandan
- Pameran di Karnival Minggu Sains Negara dan Malaysia Techlympics 2023
- Recycling Awareness Talk at Kiaramas Kuala Lumpur
- Recycling Awareness Talk with Politeknik Ungku Omar
- Recycling Awareness Talk with SMK Raja Perempuan, Ipoh
- Recycling Awareness Talk with UNITEN
- Recycling Awareness Talk with Ican College Kuala Lumpur



Alam Flora's Community Enrichment Programmes

Program Perasmian dan Penyampaian Hadiah Grand 1 Skim 1 Transformasi 1S1T

Opening Ceremony of the Drive-Thru Recycling Centre (DTRC) by the SWCorp Wilayah Persekutuan Director

Majlis Pelancaran Bawa Pulang Sampah Anda oleh Naib Presiden Perkhidmatan Bandar, Perbadanan Putrajaya

Agihan Bubur Lambuk oleh Naib Presiden Perkhidmatan Bandar, Perbadanan Putrajaya

Sustainability Hunt Programme 2023

Soft Launch of Housing Bin by YBr. Dr. Mohd Helmi Bin Abdul Hamid, Director of Environmental Health Putrajaya

Programme Cyber Eco Hunt 2023

Karnival Saya Sayang Bumi 2023

Waste is Amazing Hunt 2023



During the year, Malakoff organised two key community development programmes:

Inspiring Young Minds Through Malakoff's Motivational Camp

Malakoff held a three-day motivational camp at D'Bemban Camp and Eco Resort in Kulai, Johor, from 7 to 9 December 2023. The camp engaged with 140 students and 14 teachers from seven adopted primary schools in Mukim Serkat. While promoting academic awareness and responsibility, the camp also strengthened relationships among participants to nurture a love for nature. The programme included an exciting lineup of activities, such as teamwork workshops, survival training, cultural performances and an exploratory race, emphasising skills development and camaraderie. This initiative is aligned with Malakoff's CSR focus on community enrichment, which underscores the company's commitment to fostering relationships and giving back to society.

Community Fun with 'Karnival Sukan Rakyat'

As part of its ongoing commitment to local communities, Malakoff hosted a 'Karnival Sukan Rakyat' on 19 November 2023 at Kompleks Penghulu Mukim Serkat in Pontian and on 2 December 2023 at Sekolah Kebangsaan Segari in Lumut. The event aims to enhance community engagement by bringing Malakoff and the communities closer together in an informal event. Aside from the competition in sports activities, we also take the opportunity to raise awareness with information booths on health and environmental awareness for participants.

At Alam Flora, CEPA programmes were conducted in FY2023 to increase public awareness of our recycling and waste diversion initiatives, strengthening our efforts to promote a circular economy. An example is organising and hosting educational and awareness visits at our Fasiliti Inovasi Kitar Semula (FIKS), the country's first integrated recycling and awareness facility. Since its opening in 2020, FIKS has received over 11,000 visitors of all ages and backgrounds.

▶▶ Going Forward

We will explore other meaningful ways of improving our engagement with communities in areas where we operate. In our commitment to driving community development, we strive to create lasting changes that positively impact lives and ensure our communities thrive sustainably.

Our Performance

TALENT MANAGEMENT

Why It Is Important

Our workforce is our most valuable asset. They are the key drivers of our daily operations and are essential in achieving Malakoff's corporate goals. Now, more than ever, it's crucial that our employees are aligned with our vision of transforming Malakoff into a company centred on ESG principles, with a focus on clean/renewable energy and environmental solutions.

Our Approach

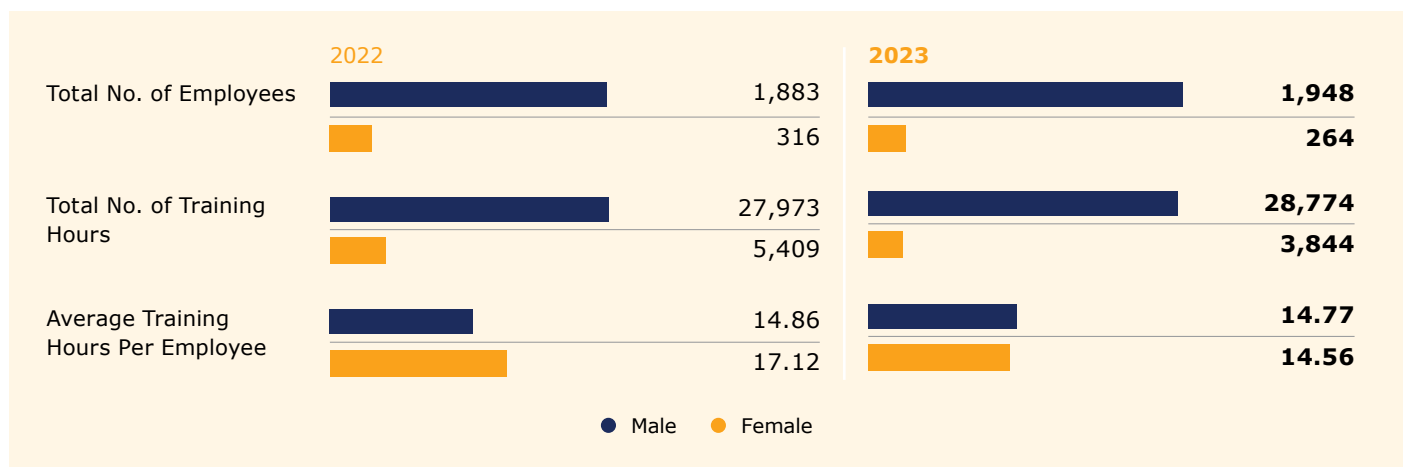
Integral to this is our approach to talent management, which is crucial for Malakoff's success. It encompasses acquiring, developing and retaining skilled and motivated employees. Talent management influences our capacity to innovate, remain competitive, and achieve sustainability objectives. By investing in our employees' growth, we enhance their abilities and ensure the continued progress and success of Malakoff as a whole.

Our Initiatives

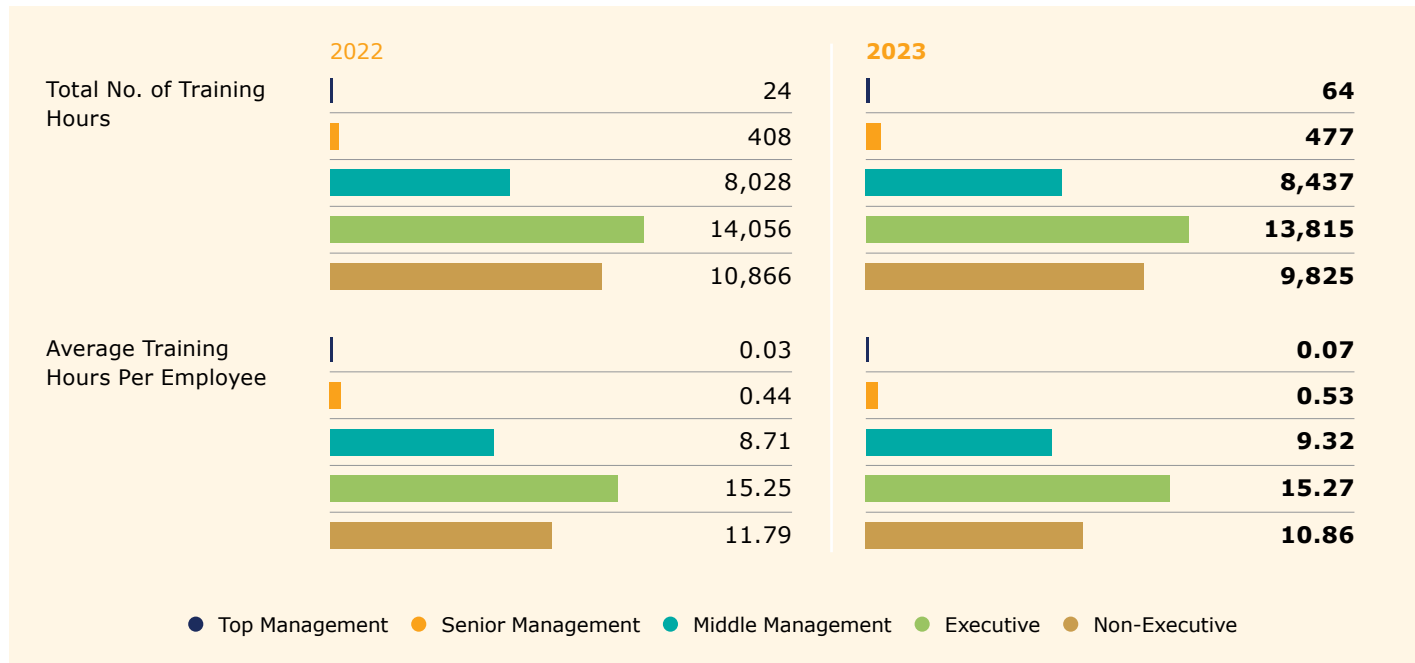
Training and Development

We invest in continuous training and development to empower our workforce and enable them to reach their full potential. Our goal is to ensure our employees are adaptable in rapidly changing industries. The People Division identifies skill gaps within the Group. It organises tailored training programmes to address these gaps, encompassing both soft skills and technical capabilities. We invested RM1.46 million in employee training programmes in the year under review, providing 32,468 training hours.

Total Training Hours by Gender and Age Group



Total Training Hours by Employee Category



Malakoff has launched various initiatives, including the establishment of a structured leadership development programme for its future leaders and talents, alongside encouraging ongoing learning for its employees through in-person and online training platforms, such as "EDGILE".

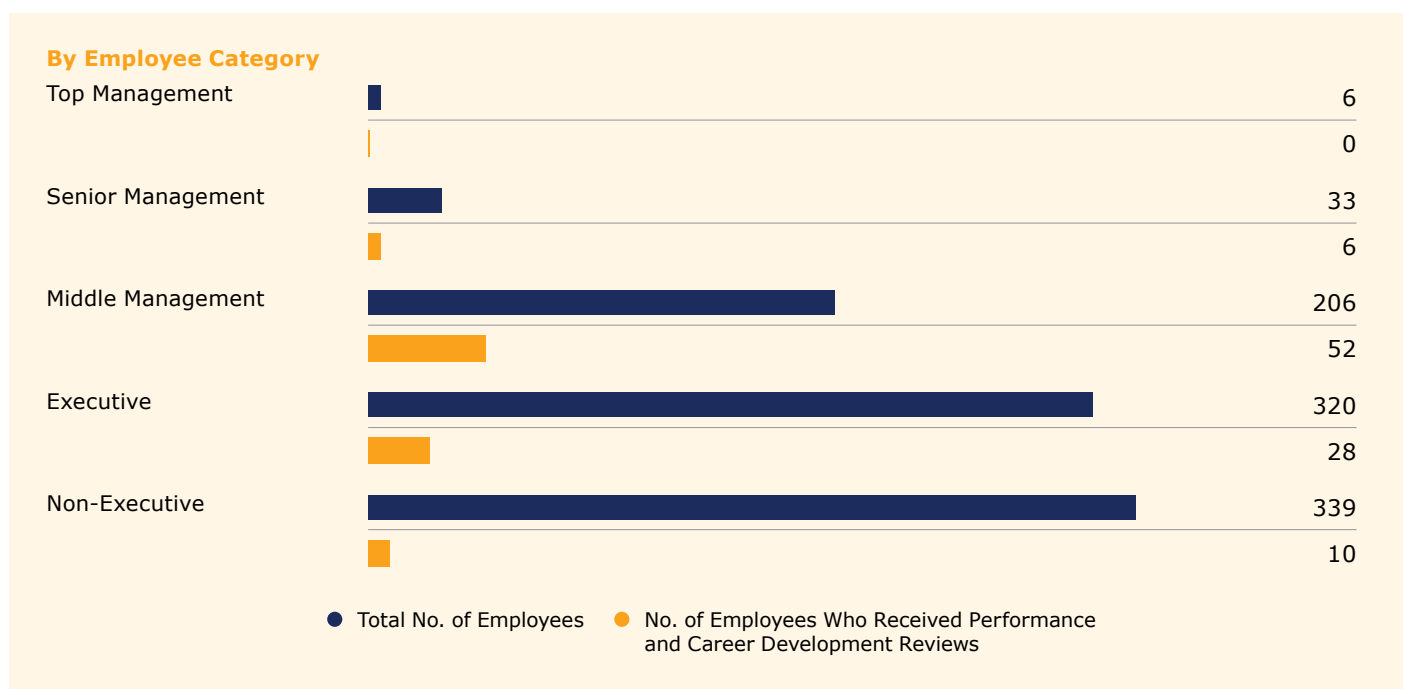
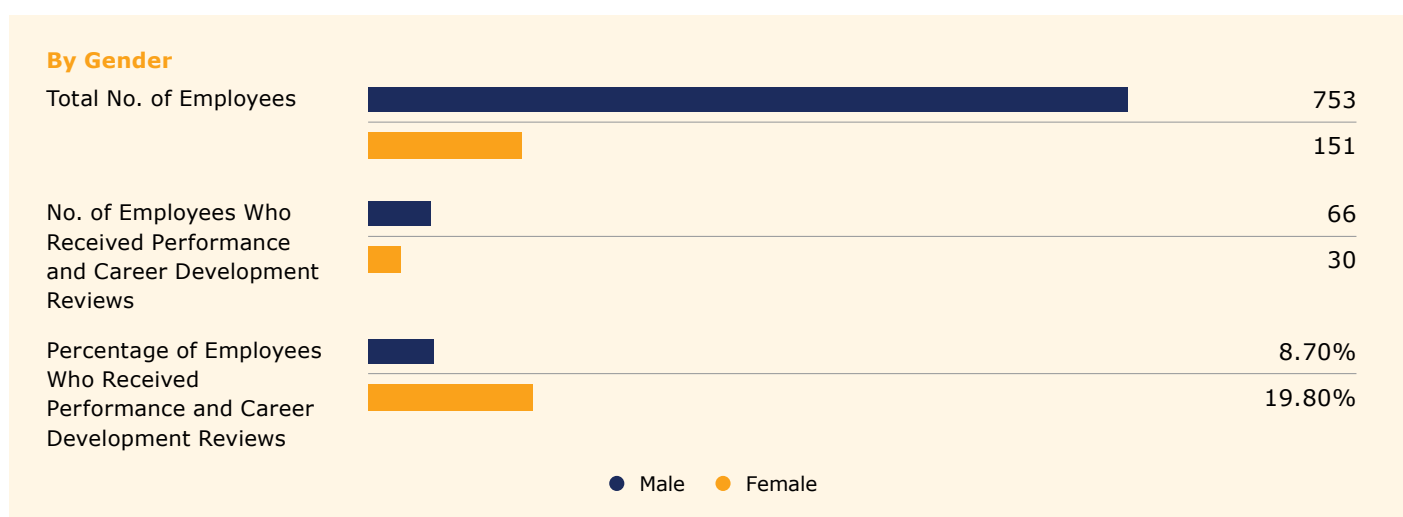
Name of Programme	Objective	No. of Participants
Training Workshop	Facilitate the development and enhancement of specialised technical, interpersonal or leadership competencies needed for employees' specific roles	1,498
EDGILE Online Learning	Motivate Malakoff employees to undertake and complete essential monthly courses, demonstrating their dedication to lifelong learning	529
Leadership Development Programme for Managers (six months programme)	Provide Malakoff's emerging talents with the essential skills and knowledge required for effective leadership within the organisation	25
Leadership Development Programme for Executives (six months programme)	Offer Malakoff's executives the requisite skills and understanding needed to steer the organisation successfully	25
Leadership Development Programme for Malakoff's Successor	Prepare Malakoff's future leaders with the critical skills, capabilities, and insight necessary for assuming senior positions within the organisation	17 successors

Our Performance

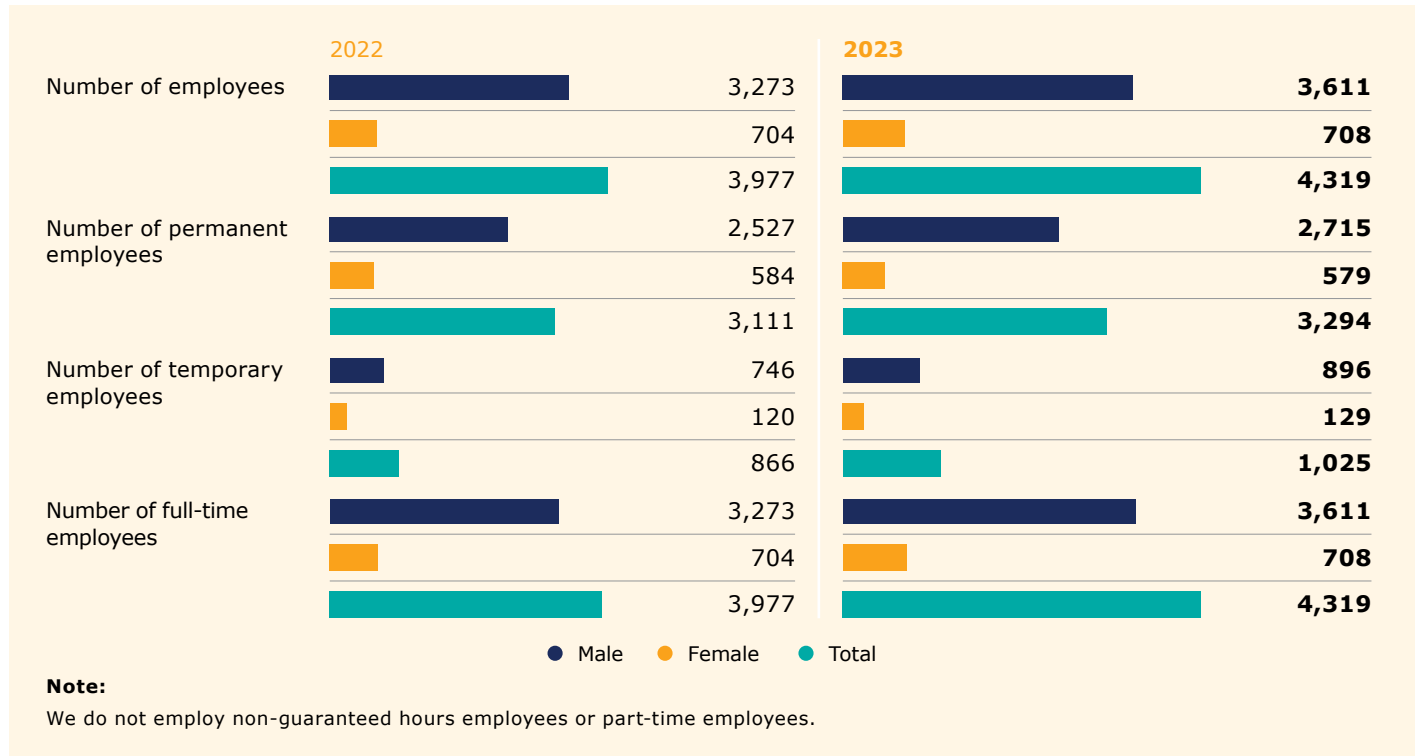
TALENT MANAGEMENT

We acknowledge the significance of employees being aware of what is expected from them. Concurrently, we need to grasp their career ambitions to assist their professional development. These conversations typically occur in the annual appraisal sessions conducted for all staff members. These appraisals involve private discussions between employees and their direct supervisors, where they openly discuss performance and career objectives. In 2023, 28.5% of our employees underwent performance and career development reviews.

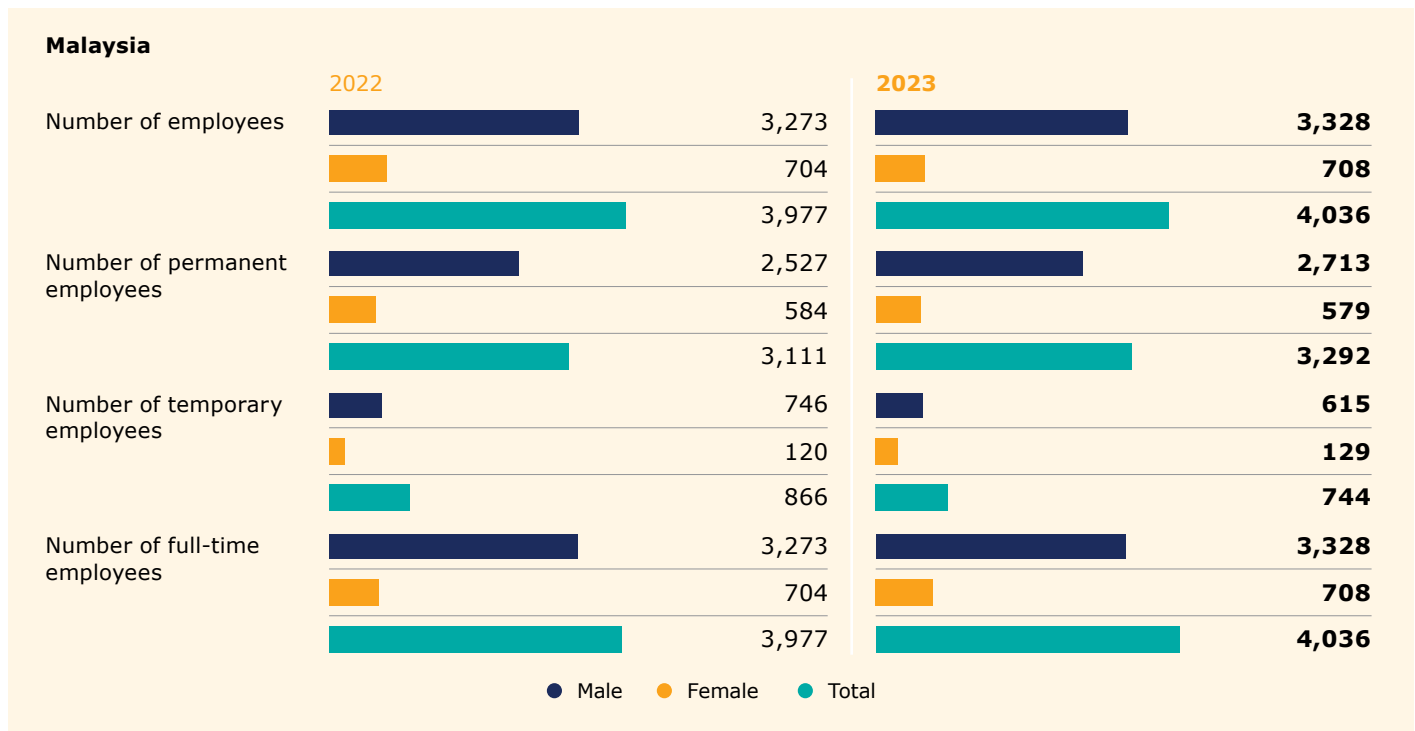
Percentage of Employees Receiving Regular Performance and Career Development Reviews



Total Employees by Gender (headcount/FTE)



Employees by Region (headcount/FTE)

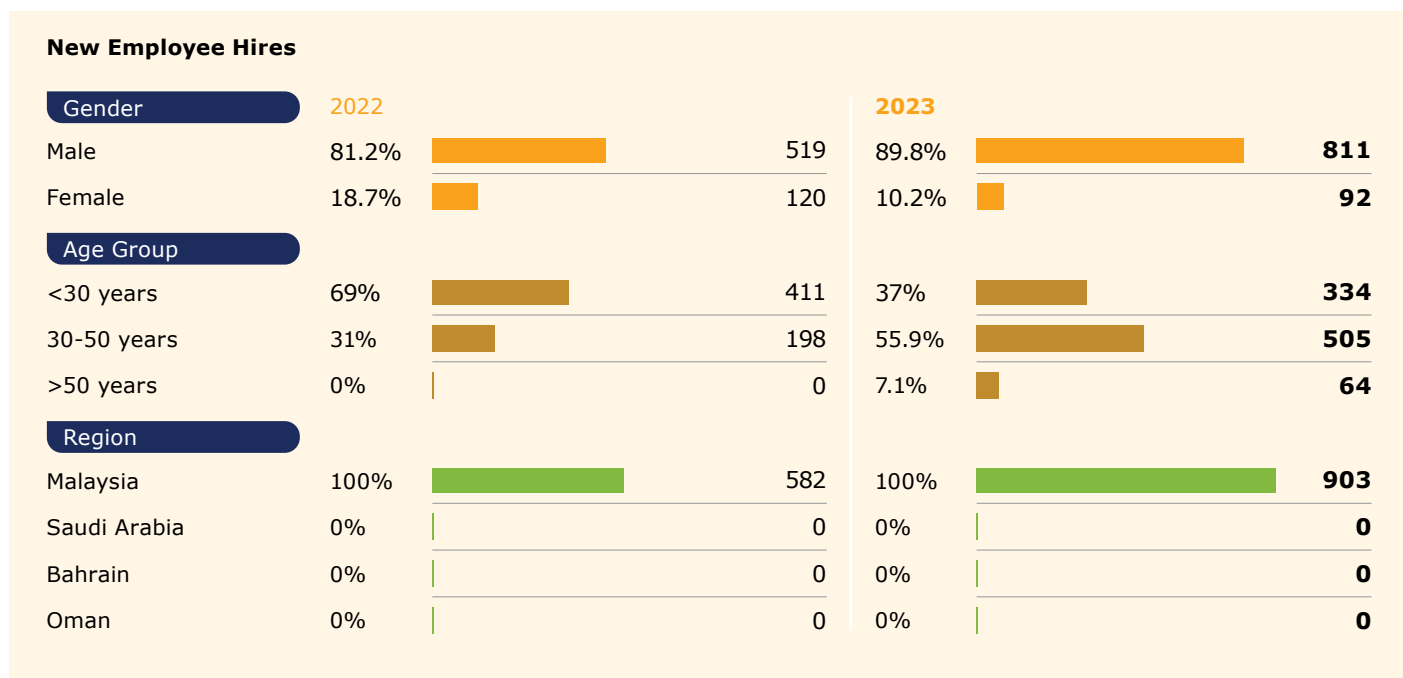


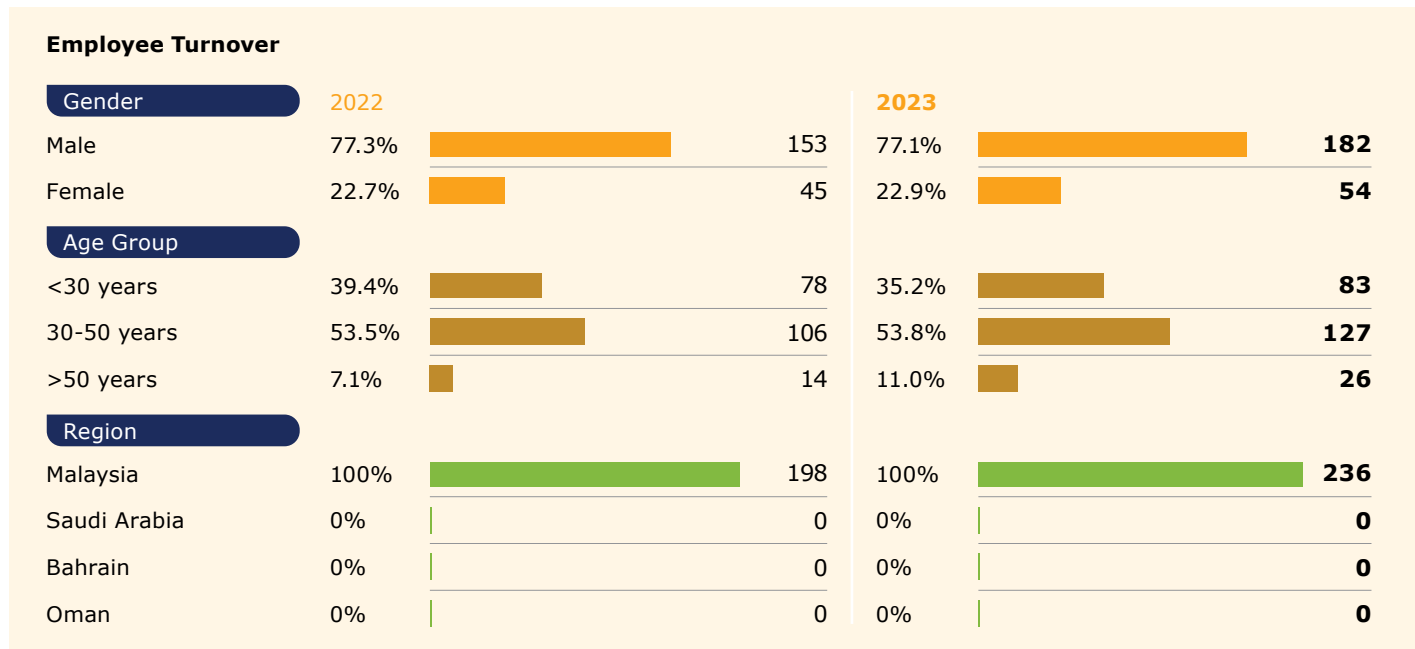
Our Performance

TALENT MANAGEMENT

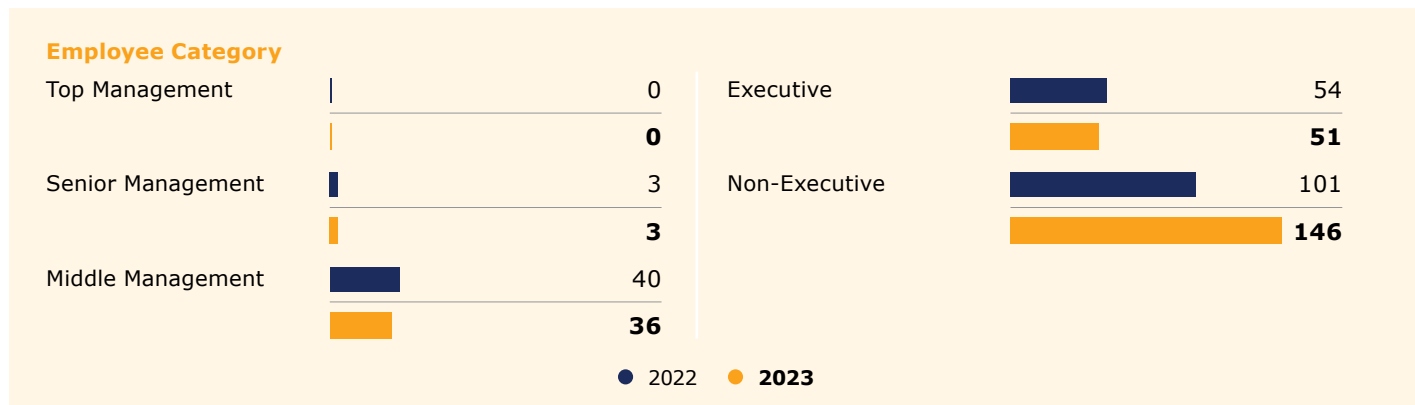


New Employee Hires and Employee Turnover

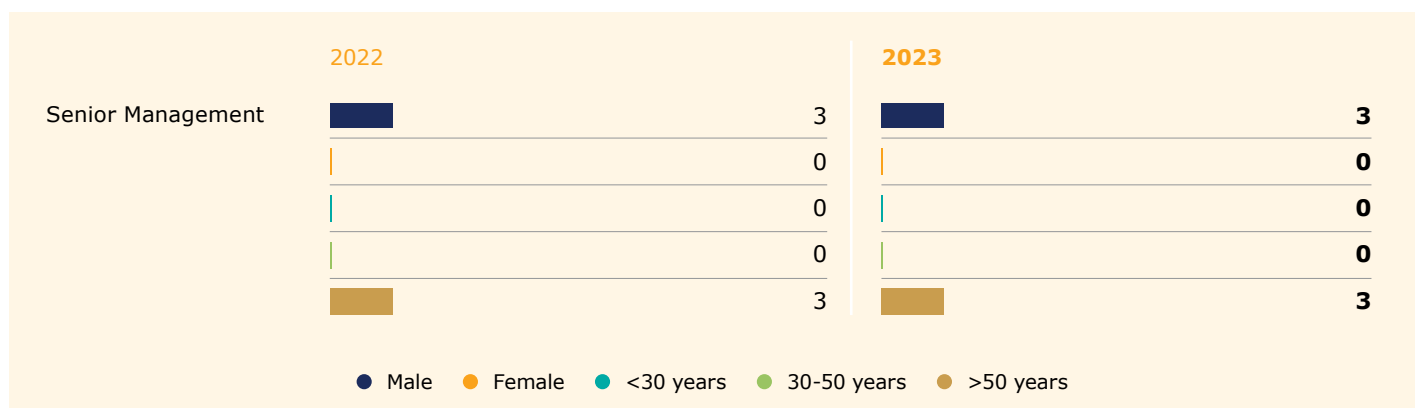




Employee Turnover by Employee Category



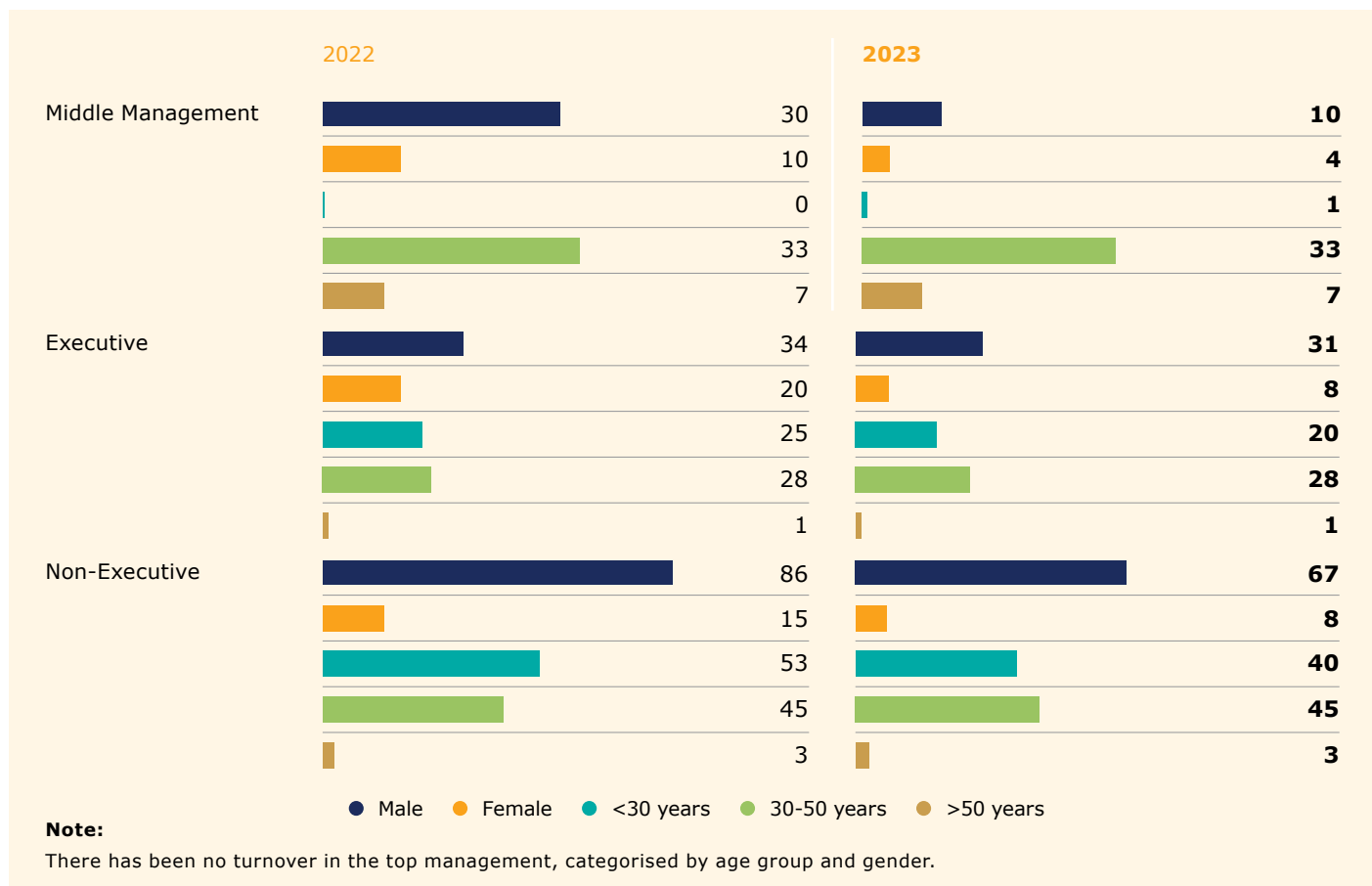
Employee Turnover by Age Group and Gender



Our Performance

TALENT MANAGEMENT

Employee Turnover by Age Group and Gender



▶▶ Going Forward

It is essential to continuously refine our talent management strategies as we aim to stay ahead of industry standards. This involves developing robust policies and ensuring their effective implementation, as well as our unwavering commitment to owning the process. We recognise that talent acquisition, development and retention are vital pillars of our success, and we are dedicated to optimising these areas to benefit the company.

We prioritise the professional growth of our employees by significantly increasing funding for development programmes and training opportunities. These initiatives aim to enrich their current skill sets while also preparing them for future challenges and roles within the industry. By investing in our people, we aim to address both present and future needs, ensuring that our workforce remains competent with no shortages in talent or capabilities.

In addition, we are proactively implementing diversity and inclusion programmes to cultivate a workforce that reflects a rich tapestry of backgrounds and perspectives. This diversity is integral to driving innovation and reflecting the communities we serve.

We are also dedicated to regularly evaluating and improving employee satisfaction and engagement. By actively seeking and responding to employee feedback, we can create a more dynamic, responsive, and fulfilling workplace that encourages loyalty, productivity, and collective success.

HUMAN RIGHTS & LABOUR RELATIONS

Why It Is Important

Effective labour relations are crucial for organisational well-being, impacting various aspects of the workplace. Enhancing labour relations contributes to a harmonious work environment, increasing job satisfaction and boosting productivity. It also plays a crucial role in resolving conflicts, minimising disruptions to business operations and ensuring a stable work environment. Our commitment to adhering to labour laws builds trust with employees and drives our organisation's long-term sustainability.

At Malakoff, we strive to create a culture of collaboration, innovation and adaptability, engaging with employees constantly to ensure a healthy and productive work environment. We believe in treating all stakeholders, including workers and contractors, with dignity and respect, regardless of their background, identity or personal characteristics. We are committed to keeping our operations free from issues such as forced labour, child labour, discrimination, harassment and unfair labour practices. As a responsible employer, we prioritise upholding human rights to protect our employees' well-being and safeguard our organisation from legal, financial and reputational risks.

Our Approach

Several frameworks ensure we uphold human rights and labour relations across our operations. Our management of human rights and labour relations is guided by the following:

Malakoff Code of Conduct	Performance Improvement Programme Manual
Malakoff Employee Handbook	Grievances Management Manual
Disciplinary Management Manual	Gift and Business Courtesy Policy
Sexual Harassment Manual	

Child Labour, Forced Labour and Compulsory Labour

We are committed to eliminating child labour, forced labour and compulsory labour, aligning with international standards, ethical principles and guidelines, such as the International Labor Organization's (ILO) Forced Labour Conventions and the Protocol of 2014. We also comply with the Employment Act 1955 and Industrial Relations Act 1967, which prohibits such labour practices, imposing penalties and providing robust reporting mechanisms. We conduct supply chain due diligence, audit our suppliers and address instances of forced labour. Our workers are also educated on recognising and reporting coercion and exploitation at our operational sites. We strive to inculcate ethical recruitment practices to prevent unfair

hiring processes and by conducting rigorous monitoring to identify and mitigate any violations of human rights and labour relations.

Additionally, we are establishing mechanisms for due process and remediation to resolve issues of workers who have experienced forced labour. We are committed to providing transparent reporting, such as in our annual reports, to build trust and accountability with stakeholders. We also conduct and participate in awareness campaigns to disseminate knowledge on forced labour risks and advocate for ethical practices.

Our Performance

HUMAN RIGHTS & LABOUR RELATIONS

Minimum Notice on Operational Changes

We strive to provide employees with advance notice of changes to their work location, roles or other employment-related matters throughout all operating sites. Operational changes undergo deliberation and negotiation between employee unions and management. The effective date is determined upon reaching a mutual agreement on

these changes. With Collective Agreements, the period for consultation and negotiation is six months. The notice period and provisions for consultation and negotiation are outlined in Article 5: Date and Duration of Collective Agreement and Article 15: Notice of Termination of Service.

Collective Bargaining

We allow our employees the freedom to participate in labour unions and collective bargaining, under local regulations. In 2023, 32% of our employees were covered by collective bargaining agreements. For employees who

are not covered by collective bargaining agreements, working conditions and employment terms are determined by the organisation.

Our Initiatives

Enhancing Labour Relations

In the year under review, we have implemented a comprehensive set of measures to effectively manage labour relations through various channels, including quarterly town hall meetings, newsletters and internet platforms. These channels were established to facilitate open and transparent dialogue between management and employees, keeping everyone informed on our organisational updates and decisions. We also have a "The Tarik Session with CEO," a monthly breakfast gathering with the Managing Director or Group CEO to encourage meaningful interaction and sharing of experiences and challenges in the workplace. This initiative aims to promote transparency, collaboration and strengthen the bond between leadership and staff in a relaxed setting.

In relation to training and development, we offer programmes to enhance communication skills, conflict resolution and leadership capabilities, demonstrating a commitment to empowering employee growth through continuous professional development opportunities. To ensure fair compensation and benefits to employees, we conduct regular reviews of our compensation structure, benchmarked against industry standards. We believe that offering a comprehensive benefits package, including healthcare, retirement plans and other advantages, enhances employee satisfaction.

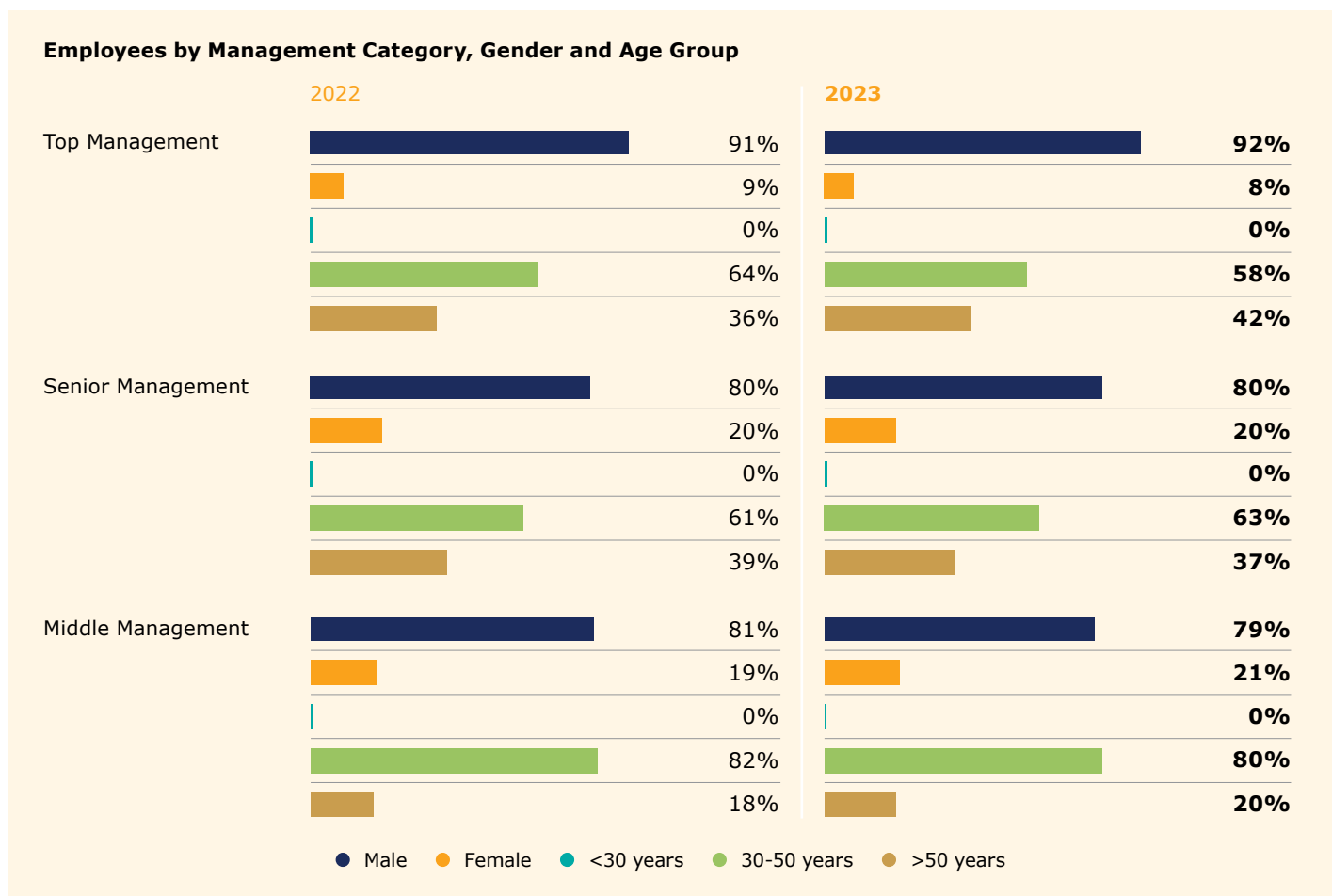
We have also established a fair and transparent performance evaluation system with regular feedback sessions. This is complemented by recognition programmes and initiatives to reward long-term employee achievements. At Malakoff, we promote work-life balance by introducing flexible work arrangements and scheduling. We encourage our employees to fully utilise their leave, and our policies discourage excessive overtime.

In addition, to resolve conflicts, we have clear and effective processes, such as our grievance mechanism, mediation services and training programmes for supervisors and managers to enhance their knowledge of addressing issues and preventing escalation. We prioritise workplace safety through health and safety programmes, communicating and enforcing safety policies and procedures to protect our employees. To support the holistic well-being of our employees, we implemented wellness initiatives focusing on physical and mental health, encompassing aspects such as stress management, counselling services, and other related programmes. There were no substantiated complaints concerning human rights violations.

Promoting Diversity and Equal Opportunity

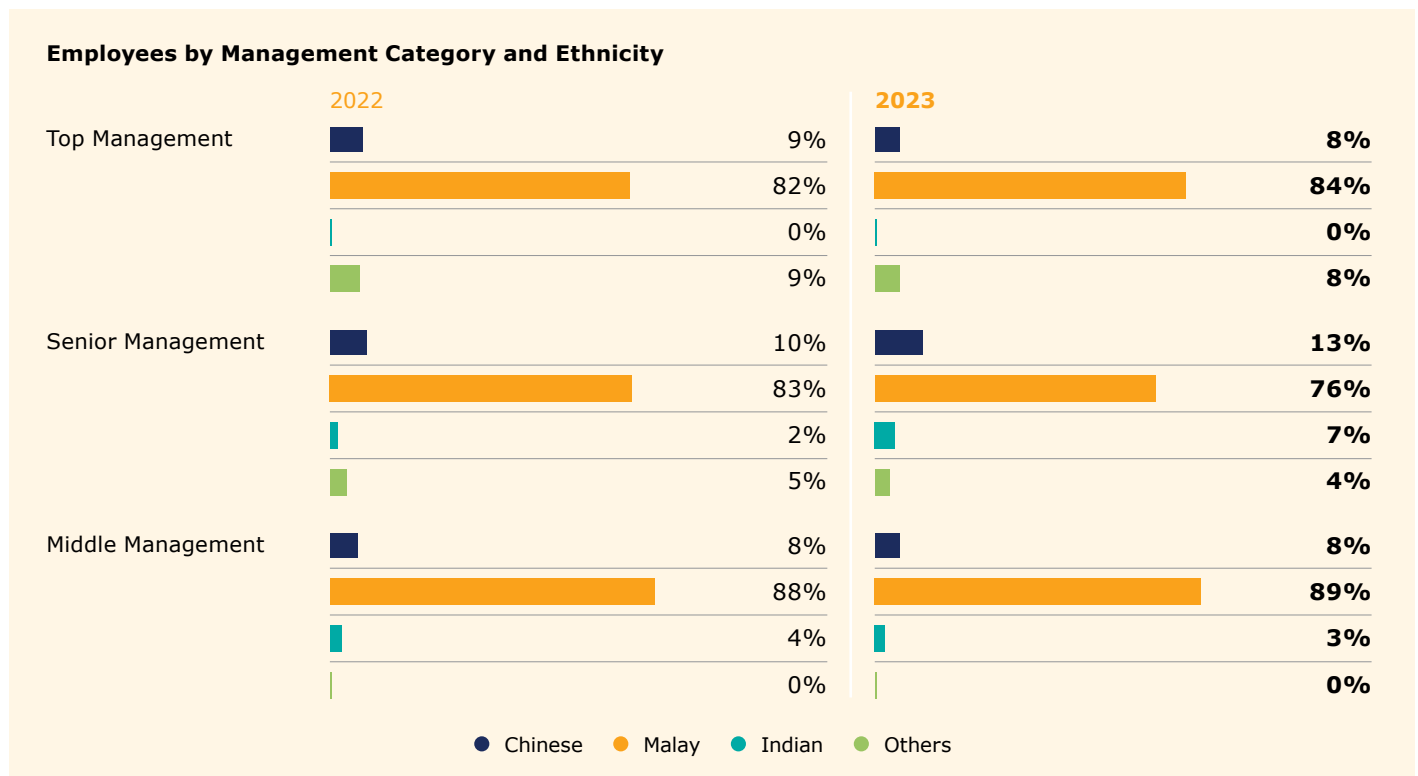
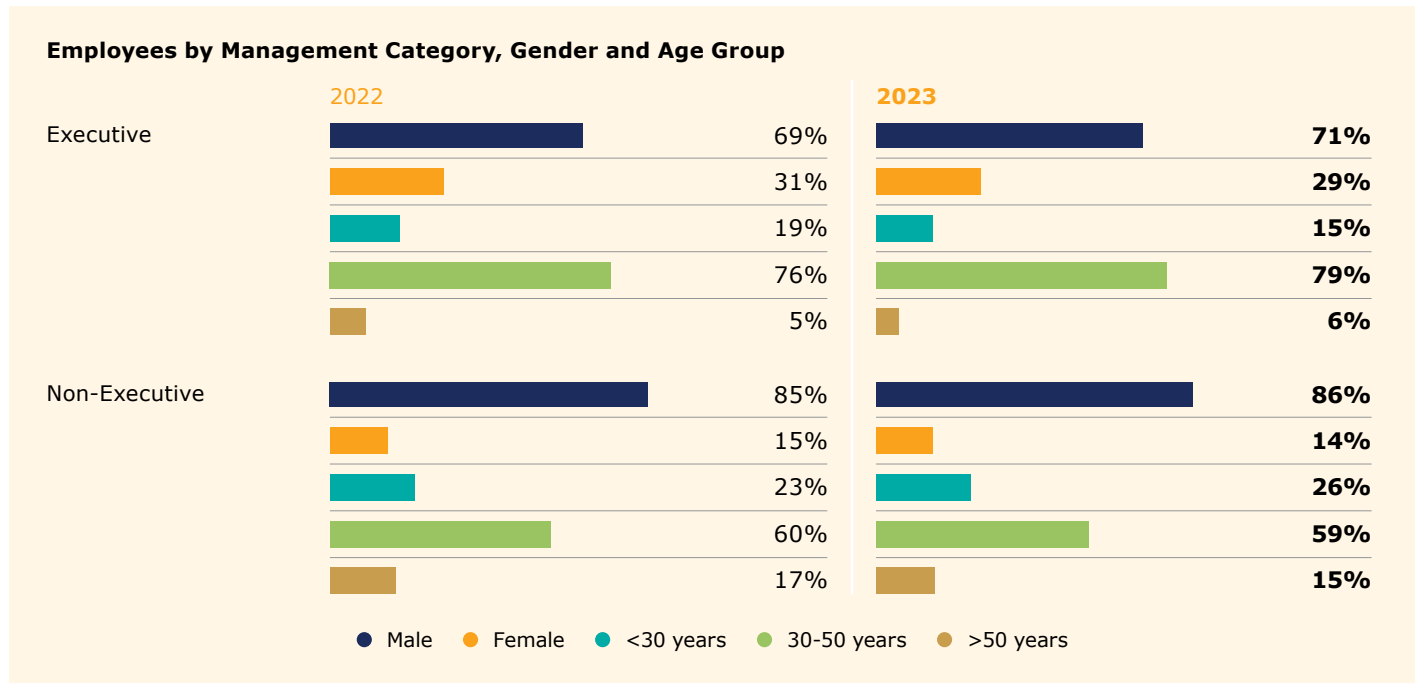
At Malakoff, diversity and equal opportunity is crucial for creating an inclusive and vibrant work culture. With a diverse workforce, we benefit from various perspectives, backgrounds and experiences, enriching our creativity, innovation and problem-solving capabilities, and contributing to a more dynamic and resilient talent pool. We gain access to a wider talent pool and attract a broader customer base through diversity and equal

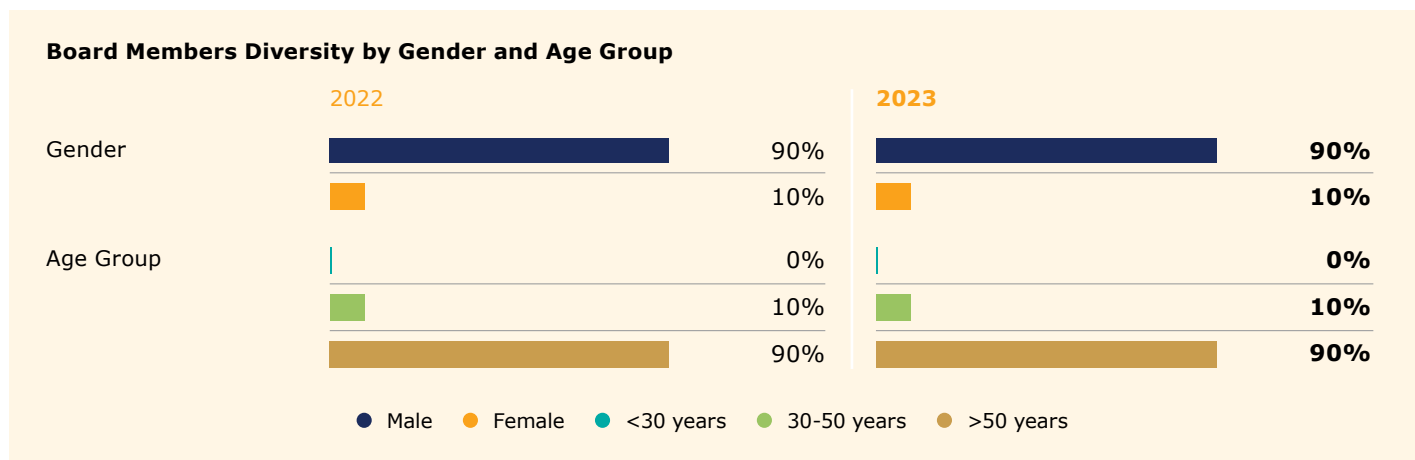
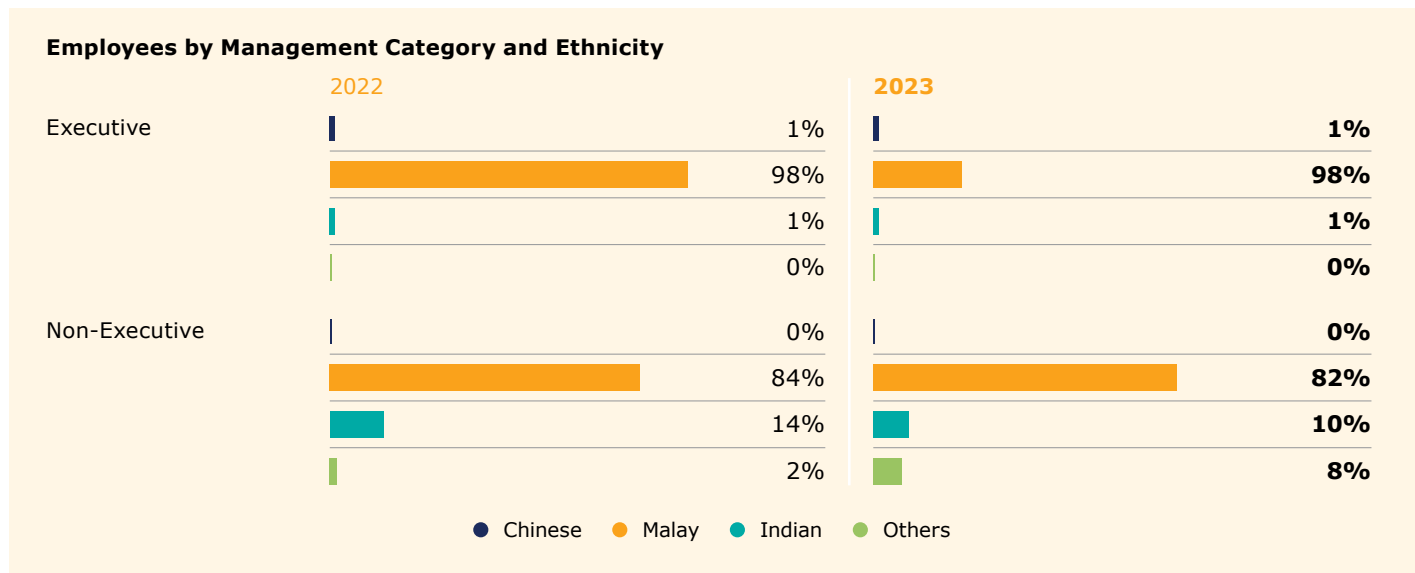
opportunity. To this end, we are committed to providing equal opportunities, ensuring individuals are judged based on their skills, abilities and potential, and emphasising merits. This commitment boosts employee morale and strengthens our reputation as an employer. Our focus on diversity and equal opportunity is a strategic approach that drives our business’s success, innovation and sustainable growth in the modern era.



Our Performance

HUMAN RIGHTS & LABOUR RELATIONS





Our Performance

HUMAN RIGHTS & LABOUR RELATIONS

Ratio of Basic Salary and Remuneration of Women to Men

	Ratio 2023
Top Management	
Basic salary	0
Remuneration	0
Senior Management	
Basic salary	0.15
Remuneration	0.19
Middle Management	
Basic salary	0.2
Remuneration	0.14
Executive	
Basic salary	0.23
Remuneration	0.09
Non-Executive	
Basic salary	0.12
Remuneration	0.04

In Alam Flora, our employees are compensated by wages subject to minimum wage rules at a ratio of 1:4. In addition, employees across all genders and work categories who work beyond the regular working hours are entitled to overtime pay, enabling them to earn more than the minimum wage. The minimum entry-level wage at Alam Flora is RM7.89 per hour or RM1,500 a month.

No cases of discrimination were reported in the year under review.

▶▶ Going Forward

To address the potential challenges in labour relations, Malakoff will implement strategic action plans to foster communication and transparency. We will continue establishing channels for open dialogue, organising employee engagement initiatives and providing comprehensive training, wellness, and health and safety programmes. We aim to continuously improve our human rights and labour management efforts through regular assessments, gathering employee feedback and adapting to business landscape challenges. This will help us to instil a culture of collaboration, fairness and holistic well-being among employees.



**Upholding
Ethical
Leadership**

SUSTAINABILITY REVIEW

**Embedding Sustainable,
Innovative Business Practices and
Acting with Integrity**

MATERIAL MATTERS

Governance,
Ethics and
Integrity

Regulatory
Compliance

Economic
Performance

Data Privacy
and Security



Our Performance

GOVERNANCE, ETHICS AND INTEGRITY

Why It Is Important

Governance, ethics, and integrity are fundamental pillars of Malakoff's success. These pillars establish trust with stakeholders, mitigate risks, ensure compliance, safeguard reputation and drive sustainable growth. By adhering to ethical standards and governance principles, we demonstrate accountability, foster a positive work culture and attract stakeholders who value integrity. Ultimately, prioritising governance, ethics and integrity is essential for building a resilient and reputable organisation capable of thriving in today's dynamic business landscape.

Our Approach

Our approach to governance, ethics, and integrity is deeply embedded in our organisational culture, guided by a comprehensive set of policies, frameworks, and guidelines. These serve as the cornerstone of our organisational culture, ensuring transparency, accountability, and adherence to ethical principles. Key components of our approach include:

Aligned with the ISO 37001 standard, our ABMS framework is robust and proactive. We have implemented a suite of policies designed to uphold good governance practices. These include the Anti-Bribery and Anti-Corruption (ABAC) Policy, Corruption Risk Assessment, Internal Compliance Audit Protocol, Gift Policy and Whistleblowing Policy. Each policy plays a vital role in managing bribery risks effectively, thereby safeguarding the integrity of our operations.

KEY COMPONENTS

Anti-Bribery & Corruption Management System (ABMS)

Adequate Procedure (TRUST Principles)

In compliance with Section 17A of the MACC Act, our Adequate Procedure framework is founded on the TRUST Principles. These principles incorporate Top Management Commitment, rigorous Risk Assessment, implementation of Control Measures systematic Review mechanisms and continuous Training initiatives. By adhering to these principles, we ensure a proactive approach to mitigating corruption risks, fostering a culture of integrity and accountability at every level of our organisation.



AIGA 2023 Gold Award for Excellence in Governance and Integrity

We proudly received the Gold Award at the 2023 Integrity, Governance and Anti-Corruption Awards (AIGA 2023), hosted by the esteemed Malaysian Institute of Integrity (MIM). This remarkable achievement underscores Malakoff’s unyielding dedication to governance and integrity, setting a shining example in shaping Malaysia’s global integrity landscape.

Our journey to excellence is illuminated by our steadfast adherence to rigorous standards like the ISO37001 Anti-Bribery Management System (ABMS) and ISO31000 Enterprise Risk Management Guideline certification. Moreover, we have consistently raised the bar for integrity, seamlessly aligning with the National Anti-Corruption Plan, led and guided by our Integrity and Governance Unit.

Our Initiatives

During the year under review, we successfully implemented the following initiatives:

<p>1</p> <p>ABAC AWARENESS PROGRAMME</p>	<p>2</p> <p>CORRUPTION RISK REGISTER ONLINE DATABASE</p>
<p>1 Quarterly sessions raised awareness of anti-bribery and corruption, fostering ethical conduct and enhancing vigilance against corrupt practices.</p>	<p>2 Implemented via the TRICOR System, this centralised database streamlines corruption risk assessment, ensuring systematic identification and mitigation of potential threats.</p>

▶▶ Going Forward

Continuing our commitment to integrity and governance enhancement, we are dedicated to developing of the Malakoff Organisational Anti-Corruption Plan (OACP). This document serves as a cornerstone in our ongoing efforts to address governance challenges and foster a culture of transparency and accountability within our organisation. Aligned with the National Anti-Corruption Plan 2019 – 2023, the OACP outlines comprehensive strategies and measures to combat corruption effectively. By implementing this proactive framework, we aim to strengthen our resilience against corrupt practices, uphold ethical standards, and promote a culture of integrity across all aspects of our operations.

Our Performance

REGULATORY COMPLIANCE

Why It Is Important

We strongly emphasise regulatory compliance, recognising its significance in driving success in our organisation. Adhering to laws and regulations minimises risks, ensures legal compliance and protects our reputation. Furthermore, through a commitment to regulatory compliance, Malakoff demonstrates its dedication to ethical conduct and builds trust with stakeholders, paving the way for sustainable growth in the current regulatory landscape.

Our Approach

In our dedication to regulatory compliance, we have established and followed a robust set of policies, frameworks and guidelines, such as:

Audit and Verification Programmes

Our Anti-Bribery & Corruption Policy highlights our dedication to continually enhancing governance at Malakoff Group. In 2023, we conducted three distinct audit programmes to uphold this commitment:

Third-Party Surveillance Audit

Internal Compliance Audit

Group Internal Audit

These initiatives, guided by our policies and guidelines, enable us to proactively manage regulatory compliance and strengthen our governance structures, fostering trust and transparency in all our operations.

Our Initiatives

During the year under review, we implemented the following initiatives:

Employees who have received training on anti-corruption by employee category

In the year under review, 85% of our 941 Malakoff employees received information and attended training related to anti-corruption.

Employee category	No. of employees who received training on anti-corruption	Percentage of employees who received training on anti-corruption	Initiatives or programmes implemented for anti-corruption training (e.g.: e-module on anti-corruption)
Top Management	4	1%	Anti-Corruption Training Module
Senior Management	30	3%	
Middle Management	203	22%	
Executive	312	33%	
Non-Executive	249	26%	

Communication and training about anti-corruption policies and procedures

We disseminated our anti-corruption policies and procedures to our Board of Directors, employees, and business partners such as suppliers and vendors through various channels, including awareness sessions, posters, banners, and email communications. These efforts aimed to ensure comprehensive understanding and adherence to the company's commitment to combating corruption across all levels and stakeholders within the organisation and its external partnerships.

All relevant stakeholders within the organisation, including the Board of Directors, Top Management, Senior

Management, Middle Management, Executives, and Non-Executive Employees are 100% thoroughly informed about the anti-corruption policies and procedures through various channels such as policy statements, email communication, and the company's intranet. Additionally, all 49% of our business partners have been informed about the anti-corruption policies and procedures through Vendor Day Awareness Sessions. One member of the Board of Directors has received formal training on anti-corruption, representing 11%, which was conducted as part of the On-Boarding Programme.

Operations assessed for risks related to corruption

We assess operations for Malakoff's risks related to corruption by conducting a comprehensive examination of operational activities to identify and mitigate potential corruption risks.

Indicators	2023
Total number of operations	218
Total number of operations assessed for corruption-related risks	218
Percentage of operations assessed for corruption-related risks (%)	100

Confirmed incidents of corruption and actions taken

In 2023, there has been zero number of confirmed incidents of corruption reported within our organisation.

▶▶ Going Forward

We are committed to strengthening our verification, awareness, and enforcement mechanisms to ensure robust adherence to regulatory standards. By prioritising continuous improvement and investing in resources dedicated to compliance, we aim to meet and exceed regulatory expectations, safeguarding our reputation and ensuring sustainable business practices for the future.

Our Performance

ECONOMIC PERFORMANCE

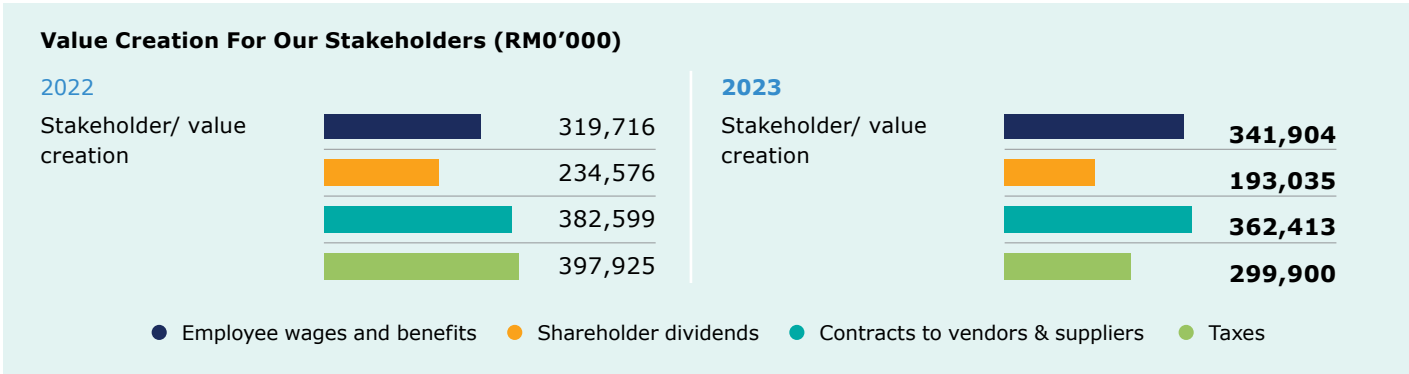
Why It Is Important

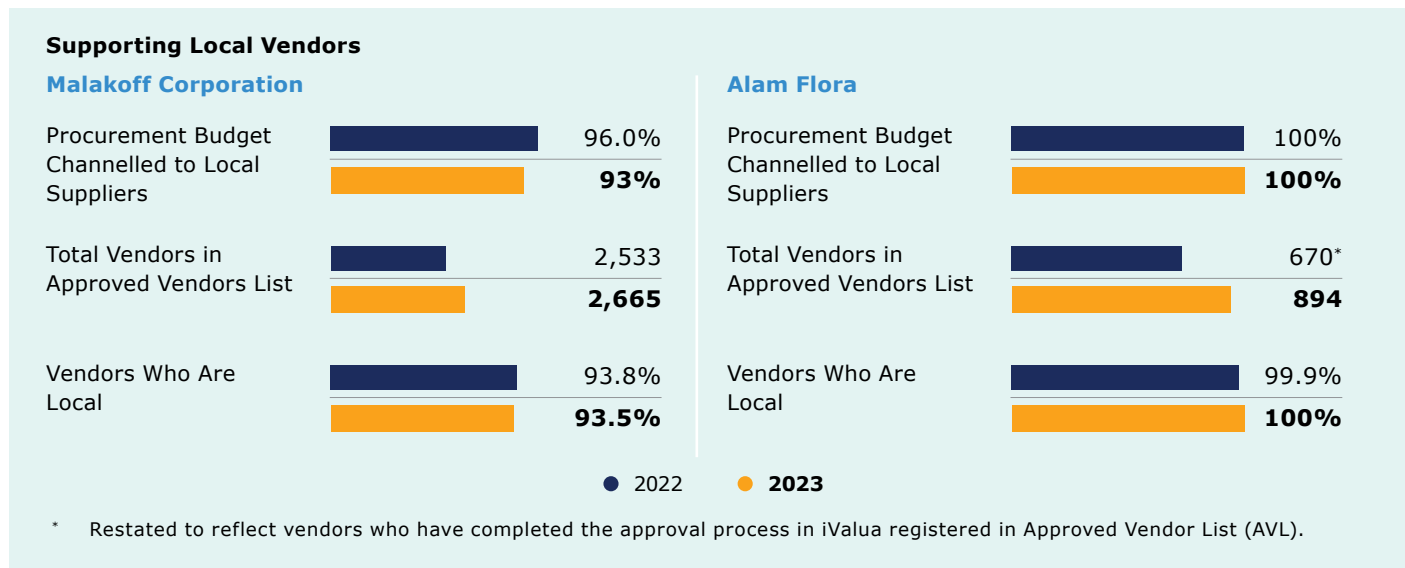
Our commitment to driving economic performance is grounded in its power to stimulate innovation, attract investment, and foster job creation—critical drivers of overall economic growth. We actively prioritise value creation for our stakeholders and underscore local procurement practices’ importance, ensuring prosperity resonates within the communities we serve. Furthermore, we recognise that a resilient economy depends on the seamless flow of essential goods and services. Central to our operational ethos is an unwavering commitment to transparency and ethical conduct in all our vendor interactions. Through these principles, we aim to cultivate strong, mutually beneficial relationships and facilitate equitable processes that benefit all parties involved.

Our Approach

Our Procurement Policy is a robust framework designed to uphold integrity across all our processes. At its core, we prioritise trust-building with our vendors through equitable and transparent subcontracting and procurement methods. We ensure that every transaction is conducted with the utmost integrity. Central to our approach is the steadfast commitment to patronise local suppliers whenever viable, recognising our role as catalysts for sustainable national development. By fostering strong partnerships within our local ecosystem, we bolster the regional economy champion but also ethical business practices on a broader scale.

Our Initiatives





Supplier Environmental And Social Assessment

In 2023, our commitment to sustainability and integrity extends to our assessment of suppliers’ environmental and social practices, as shown below.

<p>Environmental Assessment</p> <p>We are cognisant of the importance of environmental assessment for suppliers in ensuring they are integral to the sustainability of our business. We acknowledge the importance of environmental assessment of our suppliers and ensuring the expected deliverables are met. Towards this end, we will continue our effort to further enhance our requirements and incorporate them into our procurement process with our suppliers.</p>	<p>Social Assessment</p> <p>All of our suppliers are required to comply with our MCB Group’s Code of Conduct. We are cognisant of the importance of social assessment for suppliers in making sure integral to the sustainability of our business. We are committed to Social sustainability efforts, particularly integrity, in all business dealings and stakeholder relationships. Suppliers are required to comply with MCB Group Vendor Code of Conduct, which consists of integrity requirements.</p>
--	--

▶▶ Going Forward

We are committed to ongoing assessments and enhancements of our procurement protocols to ensure optimal outcomes. Additionally, we are dedicated to fostering sustainability and adhering to ESG principles. To support this, in November 2023, a Vendors Day event was held to brief our vendors to help them navigate and adapt to the increasing ESG awareness and preparedness to our requirements.

Our Performance

DATA PRIVACY AND SECURITY

Why It Is Important

Data privacy and security are fundamental for Malakoff, to comply with regulatory frameworks like the Personal Data Protection Act (PDPA) in Malaysia and safeguard sensitive information about our business and stakeholders. Ensuring the confidentiality, integrity, and availability of data is essential for maintaining business continuity and safeguarding our reputation in the industry.

Our Approach

Malakoff adopts a proactive approach towards data privacy and security. We regularly conduct comprehensive risk assessments to identify potential vulnerabilities and threats to our information assets. These assessments enable us to prioritise risks and allocate necessary resources effectively. Our approach is centred around continuous improvement, striving to enhance our controls and mitigate risks to an acceptable level.

Our Initiatives

To address data privacy and security concerns effectively, Malakoff has implemented several key initiatives:



1

This platform enables us to manage and secure mobile devices, applications, and data to prevent unauthorised access and ensure compliance with security policies.

2

We conduct regular training sessions and awareness programmes to educate our employees about cybersecurity best practices, including identifying phishing attempts, safeguarding sensitive information, and recognising potential security threats.

3

This initiative adds an additional layer of security by alerting employees about emails from external senders, reducing the risk of falling victim to email-based attacks.

4

We conduct regular vulnerability assessments and penetration tests to identify and remediate potential security weaknesses in our systems and infrastructure. This ensures robust protection against cyber threats.

5

Malakoff's Information Security Policy defines the security controls that must be implemented to protect our information assets from unauthorised access, disclosure, alteration, and destruction. This policy is a foundation for our data privacy and security initiatives, ensuring consistency and adherence to best practices.

In 2023, we have had no substantiated complaints concerning breaches of customer privacy or losses of customer data. This achievement reflects our commitment to maintaining high standards of data privacy and security across all aspects of our operations.

Malakoff remains steadfast in its commitment to ensuring the confidentiality, integrity, and availability of data through proactive measures, continuous improvement, and robust initiatives aimed at mitigating risks and safeguarding our stakeholders' interests.

Our Performance

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
Environmental				
Energy Consumption				
Scope 1: Direct Emissions	tCO ₂ e	17,786,050.04	16,816,785.84	16,476,659.42
Scope 2: Indirect Emissions	tCO ₂ e	77,666.14	90,019.05	80,113.82
Total Scope 1 & 2	tCO ₂ e	17,863,716.18	16,906,804.89	16,556,773.24
Total energy consumption	MW	102,461.93	118,758.64	105,691.06
Total volume of water used	m ³	2,469,311.49	2,344,412.96	2,532,082.45
Social				
Occupational Safety & Health				
Total Manhours Worked	Hour	39,694,190	45,579,802	65,497,817
Number of work-related fatalities	Number	2	0	1
Lost Time Incident Rate (LTIR) - Projects	Rate	4.75	0.00	0.00
Lost Time Incident Rate (LTIR) - Operations	Rate	0.16	0.29	0.73
Number of employees trained on health and safety standards	Number	-	-	1,626
Community Investment & Development				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	148,240	544,975	240,500
Total number of beneficiaries of the investment in communities	Number	2,666	2,324	4,000
Talent Management				
Total number of employees by Gender				
Employee - Male	Number	3,271	3,275	3,611
Employee - Female	Number	650	704	708
Permanent Employee - Male	Number	1,075	2,529	2,715
Permanent Employee - Female	Number	1,794	584	579
Temporary Permanent Employee - Male	Number	943	746	896
Temporary Permanent Employee - Female	Number	109	120	129

Indicator	Measurement Unit	2021	2022	2023
Non-guaranteed hours Employee - Male	Number	0	0	0
Non-guaranteed hours Employee - Female	Number	0	0	0
Full-time Employee - Male	Number	3,271	3,275	3,611
Full-time Employee - Female	Number	650	704	708
Part-time Employee - Male	Number	0	0	0
Part-time Employee - Female	Number	0	0	0
Percentage of employees that are contractors or temporary staff	Percentage	27	22	24
Total number of new employee hires by gender and age group				
Male	Number	501	519	811
Female	Number	92	120	92
Below 30	Number	412	441	334
Between 30 – 50	Number	176	198	505
Above 50	Number	5	0	64
Total number of employee turnover by employee category				
Top Management	Number	0	0	0
Senior Management	Number	3	3	3
Middle Management	Number	14	40	36
Executive	Number	39	54	51
Non-Executive	Number	76	101	146
Total training hours by employee category and age group				
Top Management	Hours	49	24	64
Senior Management	Hours	60	408	477
Middle Management	Hours	4,069	8,028	8,437
Executive	Hours	2,240	14,056	13,815
Non-Executive	Hours	324	10,866	9,825
Average training hours per employee by category				
Top Management	Hours	0.05	0.03	0.07
Senior Management	Hours	0.06	0.44	0.53
Middle Management	Hours	4.29	8.71	9.32
Executive	Hours	2.36	15.25	15.27
Non-Executive	Hours	0.34	11.79	10.86

Our Performance

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
Percentage of employee who received performance and career development review by gender				
Male	Percentage	-	-	8.7
Female	Percentage	-	-	19.8
Human Rights & Labour Relations				
Percentage of employees by gender and age group by employee category				
Gender group by employee category				
Top Management – Male	Percentage	100	91	92
Top Management – Female	Percentage	0	9	8
Senior Management – Male	Percentage	79	80	80
Senior Management – Female	Percentage	21	20	20
Middle Management – Male	Percentage	82	81	79
Middle Management – Female	Percentage	18	19	21
Executive – Male	Percentage	70	69	71
Executive – Female	Percentage	30	31	29
Non-Executive – Male	Percentage	86	85	86
Non-Executive – Female	Percentage	14	15	14
Age group by employee category				
Top Management – Below 30	Percentage	0	0	0
Top Management – Between 30 – 50	Percentage	67	64	58
Top Management – Above 50	Percentage	33	36	42
Senior Management – Below 30	Percentage	0	0	0
Senior Management – Between 30 – 50	Percentage	59	61	63
Senior Management – Above 50	Percentage	41	39	37
Middle Management – Below 30	Percentage	0	0	0
Middle Management – Between 30 – 50	Percentage	81	82	80
Middle Management – Above 50	Percentage	19	18	20
Executive – Below 30	Percentage	18	19	15
Executive – Between 30 – 50	Percentage	77	76	79
Executive – Above 50	Percentage	5	5	6

Indicator	Measurement Unit	2021	2022	2023
Non-Executive – Below 30	Percentage	22	23	26
Non-Executive – Between 30 – 50	Percentage	61	60	59
Non-Executive – Above 50	Percentage	17	17	15
Percentage of employees by category and ethnicity				
Top Management - Malay	Percentage	78	82	84
Top Management - Chinese	Percentage	11	9	8
Top Management - Indian	Percentage	0	0	0
Top Management - Others	Percentage	11	9	8
Senior Management - Malay	Percentage	79	83	76
Senior Management - Chinese	Percentage	10	10	13
Senior Management - Indian	Percentage	3	2	7
Senior Management - Others	Percentage	8	5	4
Middle Management - Malay	Percentage	87	88	89
Middle Management - Chinese	Percentage	8	8	8
Middle Management - Indian	Percentage	5	4	3
Middle Management - Others	Percentage	0	0	0
Executive - Malay	Percentage	98	98	98
Executive - Chinese	Percentage	1	1	1
Executive - Indian	Percentage	1	1	1
Executive - Others	Percentage	0	0	0
Non-Executive - Malay	Percentage	83	84	82
Non-Executive - Chinese	Percentage	0	0	0
Non-Executive - Indian	Percentage	15	14	10
Non-Executive - Others	Percentage	2	2	8
Percentage of directors by gender and age group				
Male	Percentage	100	90	90
Female	Percentage	0	10	10
Below 30	Percentage	0	0	0
Between 30 – 50	Percentage	10	10	10
Above 50	Percentage	90	90	90
Ratio of Basic Salary and Remuneration of Women to Men				
Basic Salary				
Top Management	Ratio	0.00	0.00	0.00
Senior Management	Ratio	0.09	0.10	0.15
Middle Management	Ratio	0.20	0.19	0.20
Executive	Ratio	0.22	0.25	0.23

Our Performance

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
Non-Executive Remuneration	Ratio	0.11	0.12	0.12
Top Management	Ratio	0.00	0.00	0.00
Senior Management	Ratio	0.10	0.10	0.19
Middle Management	Ratio	0.19	0.19	0.14
Executive	Ratio	0.19	0.23	0.09
Non-Executive	Ratio	0.09	0.10	0.04
Number of cases reported under Whistleblowing Policy, Harassment Policy and Grievance Procedures	Number	-	-	0
Number of substantiated complaints concerning human rights violations	Number	0	0	0
Governance				
Regulatory Compliance				
Percentage of employees who have received training on anti- corruption by employee category				
Top Management	Percentage	-	0.11	0.43
Senior Management	Percentage	-	1.84	3.19
Middle Management	Percentage	-	14.53	21.57
Executive	Percentage	-	19.20	33.16
Non-Executive	Percentage	-	9.44	26.46
Total	Percentage	-	45.12	84.80
Percentage of operations assessed for corruption-related risks	Percentage	-	-	100
Confirmed incidents of corruption and action taken	Number	-	0	0
Data Privacy and Security				
Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0
Supply Chain Management				
Proportion of spending on local suppliers	Percentage	Malakoff: 98 Alam Flora: 100	Malakoff: 96 Alam Flora: 100	Malakoff: 93 Alam Flora: 100

ASSURANCE STATEMENT

Assurance Undertaken

In strengthening the credibility of the sustainability reporting, selected aspects/parts of this report has been subjected to an internal review by the Company's internal auditors.

Subject Matter

The subject matters covered by the internal review include the following indicators:

Material Matters	Indicator
Energy Management	Energy consumption within the organisation
Health and Safety	<ul style="list-style-type: none"> • Number of employees trained on health and safety standards • Number of work-related fatalities • Lost Time Incident Rate
Anti-corruption	<ul style="list-style-type: none"> • Percentage of operations assessed for corruption related risks • Percentage of employees who have received training on anti-corruption by employee category • Total number and nature of confirmed incidents of corruption

Scope

The boundary of the internal review includes the Group's operations and activities in Kuala Lumpur, Johor, Perak, Putrajaya and Pahang. The internal review was with respect to the year ended 31 December 2023 information and does not include earlier periods.

Procedures Performed

The internal review includes the following:

- i. Verification and validation of underlying records, information and data.
- ii. Inquiries and interview of relevant key personnel in charge of the subject matter data collection, collation and reporting.

Our Performance

BURSA MALAYSIA INDICATORS

Indicator	Measurement Unit	2021	2022	2023
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	102,461.93	118,758.64	105,691.06
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	2,469.310000	2,344.410000	2,532.080000
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	2	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.16	0.29	0.73
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	1,626
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	148,240.00	544,975.00	240,500.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,666	2,324	4,000
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Top Management	Hours	49	24	64
Senior Management	Hours	60	408	477
Middle Management	Hours	4,069	8,028	8,437
Executive	Hours	2,240	14,056	13,815
Non-Executive	Hours	324	10,866	9,825
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	27.00	22.00	24.00
Bursa C6(c) Total number of employee turnover by employee category				
Top Management	Number	0	0	0
Senior Management	Number	3	3	3
Middle Management	Number	14	40	36
Executive	Number	39	54	51
Non-Executive	Number	76	101	146
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Top Management Under 30	Percentage	0.00	0.00	0.00
Top Management Between 30-50	Percentage	67.00	64.00	58.00
Top Management Above 50	Percentage	33.00	36.00	42.00
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	59.00	61.00	63.00
Senior Management Above 50	Percentage	41.00	39.00	37.00
Middle Management Under 30	Percentage	0.00	0.00	0.00
Middle Management Between 30-50	Percentage	81.00	82.00	80.00
Middle Management Above 50	Percentage	19.00	18.00	20.00
Executive Under 30	Percentage	18.00	19.00	15.00
Executive Between 30-50	Percentage	77.00	76.00	79.00
Executive Above 50	Percentage	5.00	5.00	6.00
Non-Executive Under 30	Percentage	22.00	23.00	26.00
Non-Executive Between 30-50	Percentage	61.00	60.00	59.00
Non-Executive Above 50	Percentage	17.00	17.00	15.00

Internal assurance

External assurance

No assurance

(*)Restated

Indicator	Measurement Unit	2021	2022	2023
Gender Group by Employee Category				
Top Management Male	Percentage	100.00	91.00	92.00
Top Management Female	Percentage	0.00	9.00	8.00
Senior Management Male	Percentage	79.00	80.00	80.00
Senior Management Female	Percentage	21.00	20.00	20.00
Middle Management Male	Percentage	82.00	81.00	79.00
Middle Management Female	Percentage	18.00	19.00	21.00
Executive Male	Percentage	70.00	69.00	71.00
Executive Female	Percentage	30.00	31.00	29.00
Non-Executive Male	Percentage	86.00	85.00	86.00
Non-Executive Female	Percentage	14.00	15.00	14.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	100.00	90.00	90.00
Female	Percentage	0.00	10.00	10.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	10.00	10.00	10.00
Above 50	Percentage	90.00	90.00	90.00
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Top Management	Percentage	-	0.11	0.43
Senior Management	Percentage	-	1.84	3.19
Middle Management	Percentage	-	14.53	21.57
Executive	Percentage	-	19.20	33.16
Non-Executive	Percentage	-	9.44	26.46
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00	96.00	93.00