



**Energy
Solutions
for Greener
Future**

Sustainability Report

In this report, we provide an account of Malakoff's approach to our material matters, the initiatives implemented in managing these matters, and the results achieved in 2022. We also describe how we seek to build on our existing platforms to further strengthen our ESG impacts for better future outcomes.

SUSTAINABILITY GOVERNANCE

Sustainability at Malakoff is overseen by our Board of Directors, which has the ultimate responsibility for our corporate governance and stakeholder value creation. The Board is supported by a Sustainability Department which reports to Management and the Board.

To further strengthen our sustainability governance, in 2022, we developed the Terms of Reference ("TOR") for a soon-to-be-established Management Sustainability Committee ("MSC"). The MSC will guide the development of the Group's sustainability strategy and direction, ensuring these are in line with our corporate vision, goals and values. It will also provide leadership and set the tone from the top, on the development of a sustainability culture across the Group.

We believe that to obtain optimal Environmental, Social and Governance ("ESG") results, everyone at Malakoff must understand the importance of sustainability and contribute to our corporate goals. Towards this end, we have embarked on roadshows which was extended to Q1 of 2023 to engage all senior management, Heads of Departments and key operations personnel in Malakoff to share our sustainability journey.





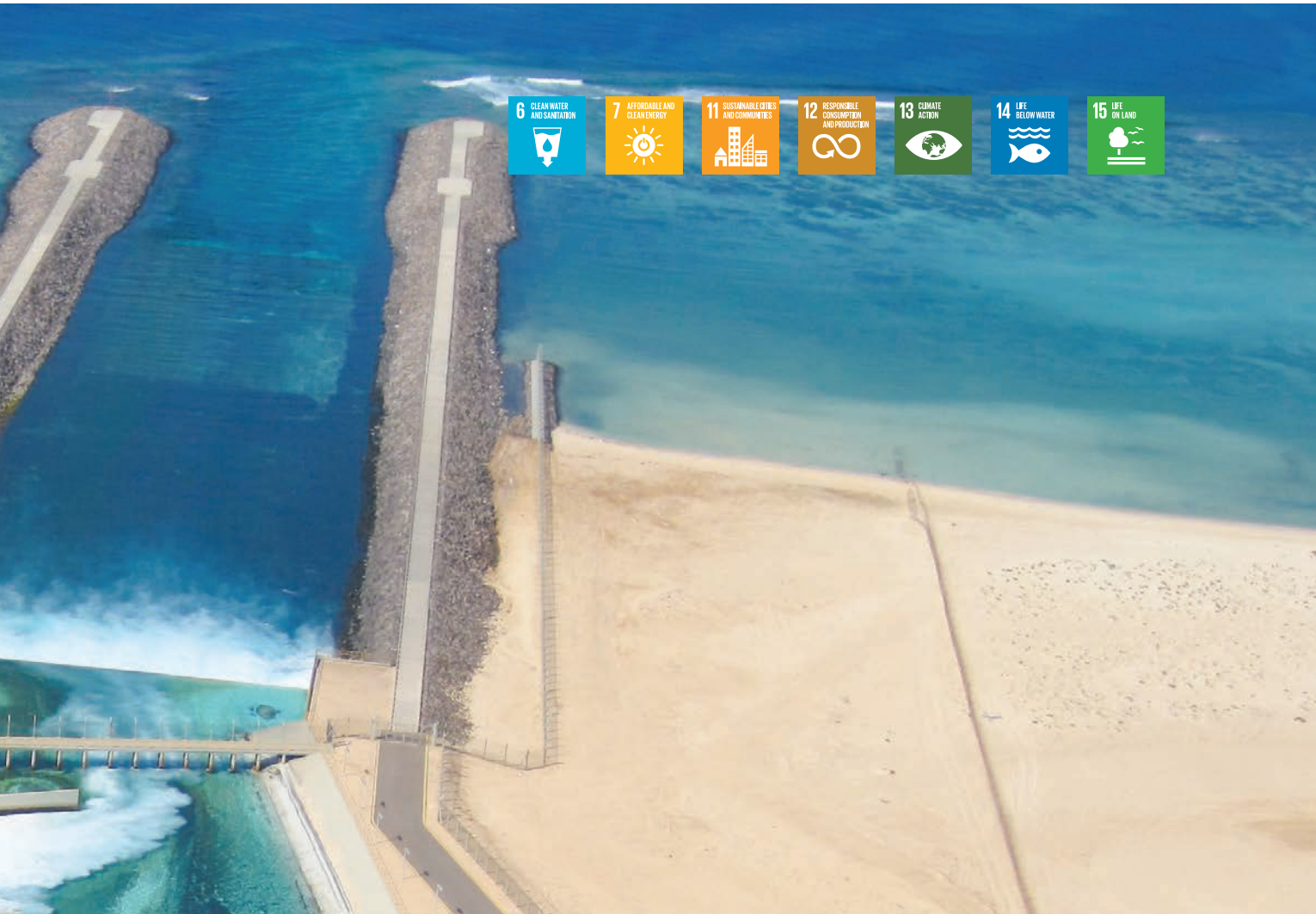
SAFEGUARDING THE ENVIRONMENT



Transitioning to a Cleaner Energy and Circular Economy Future

The most critical global issues today are related to the environment, with climate change taking the spotlight and waste management, particularly that of plastics, coming a close second. Both issues are directly related to Malakoff's core businesses, placing greater onus on us to ensure that we manage our operations sustainably. In terms of waste management, we do not restrict our initiatives to plastic but target all types of solid waste, promoting the 5R concept (refuse, reduce, reuse, recycle, recover) to limit waste-to-landfill and looking into innovative technologies via research and development ("R&D") engagements.

We are guided in this regard by our Environmental Policy which adheres to the Malaysian Environmental Quality Act, 1974 and relevant regulations in the other countries where we operate. In line with our Environmental Policy and adherence to ISO 140001 standards, we minimise our environmental impact, preventing pollution, conserving resources and reducing/recycling waste. This Policy is circulated across our business, shared with all new recruits and is available on our intranet, MaCNet, for easy reference by everyone.



Our Local Generation Division (“LGD”), which is responsible for most of the Group’s carbon emissions, has been certified to ISO 14001:2015 Environmental Management System standards, demonstrating that the required processes and procedures are in place to assure operational and environmental integrity.

Our environmental performance is overseen by the Environmental Management Committee (“EMC”) comprising an Environmental Performance Monitoring Committee (“EPMC”) and Environmental Regulatory Compliance Monitoring Committee (“ERCMC”).

KEY ACHIEVEMENTS

Successfully carried out **trial co-firing of carbon-free alternative fuel** such as biomass as part of our decarbonisation efforts.

Increased our Renewable Energy capacity to **40 MW** and successfully completed the installation and commissioning of rooftop solar projects totaling a capacity of **17.1 MWp**.

Increase of **16%** y-o-y in recyclable material collected, driven by growing awareness in green consumerism.

Sustainability Review

RENEWABLE ENERGY

As part of the Government's ambition to transition to a low-carbon economy, it is pushing the Renewable Energy ("RE") agenda with a keen focus on increasing the contributions of RE sources such as hydroelectric, solar, battery and bioenergy. The recently introduced Malaysia Renewable Energy Roadmap by Sustainable Energy Development Authority ("SEDA") Malaysia has set the target for RE to account for 31% of the country's fuel mix by 2025 and 40% by 2035, up from 23% of the national power installed capacity in 2020.

As the largest Independent Power Producer ("IPP") and environmental management company in Malaysia, we recognise the need to support the Government in its energy transition, including the promotion of RE. Committed to decarbonising our operations, we have been investing increasingly more into RE sources of energy particularly rooftop solar, while exploring other forms of clean energy including small hydro, biomass, biogas and new energies such as hydrogen and ammonia, energy storage, etc.



Key Initiatives

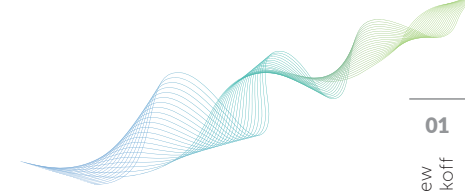
During the year, we completed the installation of 17.1 MWp rooftop solar PV projects for eight clients – Johor Port Berhad, AEON Co. (M) Berhad, HICOM-Teck See Manufacturing (M) Sdn Bhd, Isuzu Hicom Malaysia Sdn Bhd, HICOM Automotive Manufacturers (M) Sdn Bhd, Composites Technology Research Malaysia ("CTRM"), UMW Aerospace Sdn Bhd and KYW-UMW Malaysia Sdn Bhd. This brought our total installed and commissioned solar PV capacity to 20.6 MWp at the end of 2022. In addition, we signed an SPPA to develop and operate a 0.615 MWp solar PV facility at Senai Airport, generating 800 MWh of electricity annually which translates to a carbon reduction of 555.2 tCO₂e/year. Construction of the facility will begin in Q3 2023 and is expected to be completed by year end. Furthermore, we have been awarded 12 new projects to develop and operate solar PV facilities with a total capacity of 10.4 MW, which is expected to be secured through SPPA in 2023.

Beyond solar, we seek to decarbonise our thermal power plants by injecting clean fuels with coal, hence reduce the coal content in the energy mix. During the year itself we were able to run Tanjung Bin Power Plant successfully for a trial period of 10 days using ~1.5% of biomass as fuel. The biomass was in the form of Empty Fruit Bunches ("EFB") pellets. This initiative was carried out in collaboration with IHI Power System (M) Sdn Bhd ("IPSM"). Upon analysis of this pilot run, we will be engaging the relevant authorities on the cofiring implementation options.

We also signed a Memorandum of Understanding ("MoU") with ITOCHU Corporation of Japan to study the feasibility of co-firing our coal plants in Johor with hydrogen/ammonia. The project, which is supported by the Japanese Ministry of Economy, Trade and Industry ("METI"), will be a crucial step towards reducing carbon emissions while leveraging hydrogen/ammonia as transitional fuel.

Going Forward

We have set the target to achieve 1,400 MW in RE capacity by 2031 from 40 MW currently. Although this represents a significant increase in capacity, we are confident of achieving it by building our rooftop solar business more aggressively while growing our Solar Power Purchase Agreement ("SPPA") and Virtual PPA ("VPPA") portfolios. We will also explore potential opportunities in biogas, biomass, small hydro, Battery Energy Storage System ("BESS") and carbon-free mobility infrastructure and will participate in all future Large Scale Solar ("LSS") tenders.



ENERGY CONSUMPTION

As stated in Newton’s First Law of Thermodynamics, energy can neither be created nor destroyed but simply changes from one form to another. The generation of energy therefore requires energy consumption. The most efficient energy producers are the ones that are able to achieve the best conversion rates from the primary source of energy into electricity. Integral to our efforts to reduce our carbon footprint, we seek to create optimal efficiencies in our energy consumption through better conversion rates at our plants and more energy-efficient systems in our office premises.

Consumption across Our Operations

A key initiative at our coal-fired plants is to enhance our combustion efficiency, which translates into less coal burnt for the same heat generation. This is supported by various operational excellence projects which was initiated under Malakoff 2.0 Strategic Transformation including optimised use of auxiliary power for plants on operation and standby mode. We also optimise our electricity distribution system and district cooling system supplied to the customers via Malakoff Utilities Sdn Bhd (“MUSB”) by minimising electricity distribution losses and maximising our chiller operating efficiency. We consume both primary fuels (natural gas and coal) as well as secondary fuels, diesel and Light Fuel Oil (“LFO”), in our thermal plants.

Non-Generation Related Consumption

At our plants and office premises, various initiatives are ongoing to increase our energy efficiency. These include progressive replacement of all ballast lights to Light Emitting Diodes (“LED”) at our plants following the completion of the process at our headquarters (“HQ”). We have also installed movement sensors in areas that are not used all the time so that lights switch off automatically when nobody is around at our HQ office and to be extended to site offices. In addition, we have in place a Mechanical Ventilation and Air-Cooling (“MVAC”) system optimisation programme at our plants which ensures that the input and output temperatures are continuously monitored and leak detection test are carried out to avoid unnecessary cooling and loss of energy.

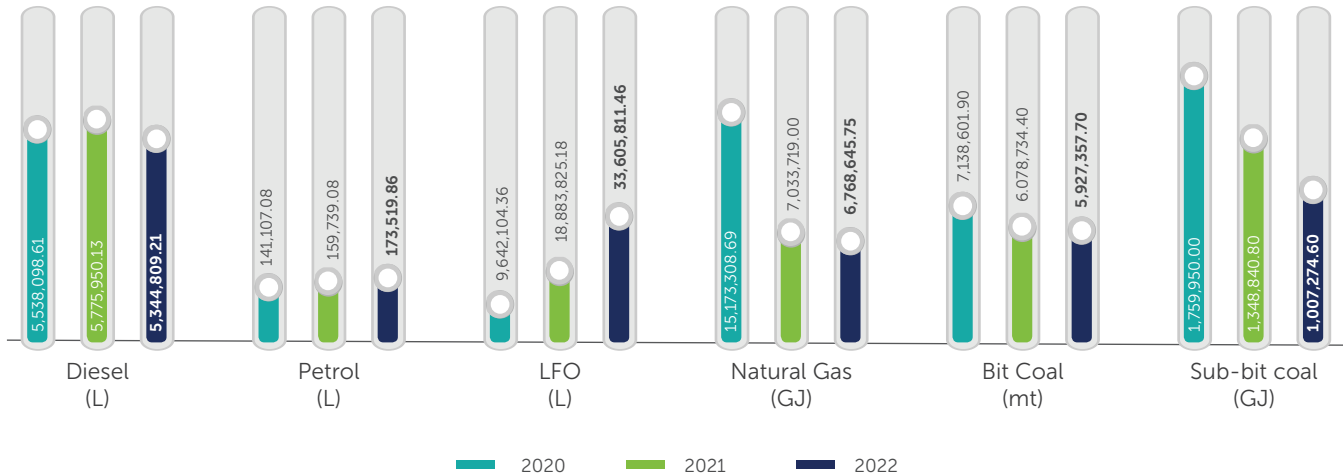
Meanwhile, LGD employees receive training in energy efficiency and energy management ensuring that our operations are carried out sustainably. Among others they attend programmes such as the Registered Electrical Engineer Manager (“REEM”) certified training, the Certified Energy Manager (“CEM”) and Green Building Index (“GBI”) facilitator programmes.

In 2022, employees from the Thermal Business attended the following programmes:

Training Title	Provider	Certification
Energy Manager Training	Malaysian Green Technology and Climate Change Corporation (“MGTC”)	Yes
Webinar on New and Emerging Technologies, Energy Efficiency and Government Energy Policies	Solar Energy Research Institute (“SERI”) of the National University of Malaysia (“UKM”)	No
Green Build Conference 2022- Accelerating Sustainability in Malaysia’s Real Estate Sector	GreenRE Sdn Bhd	No
GreenRE Refresher Course 2022	GreenRE Sdn Bhd	No
Certified Energy Management and Energy Audit Course	Universiti Tunku Abdul Rahman (“UTAR”)	No
Certified Energy Manager	Malaysian Association of Energy Services Companies (“MAESCO”)	Yes

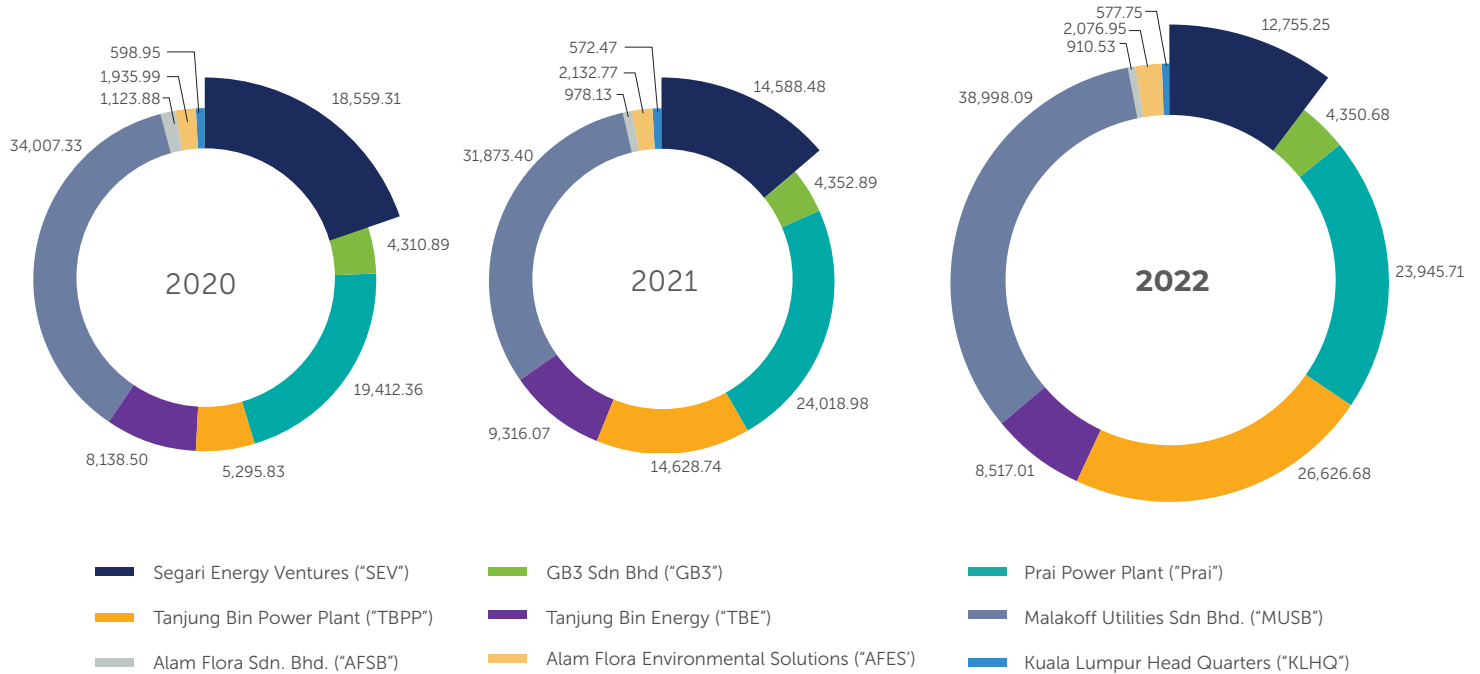
Sustainability Review

Energy consumption at our plants, facilities and HQ

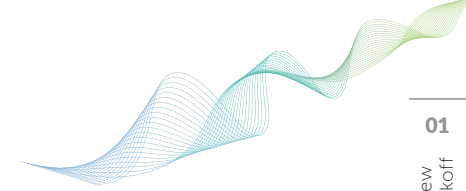


Our consumption of LFO increased in 2022 due to the coal supply issues and escalating gas price as per dispatch instruction received. Meanwhile, consumption of natural gas and coal reduced as a result of lower capacity factors at our plants.

Electricity consumption at our plants, facilities and HQ (MW)



Consumption at SEV has been reducing significantly since 2020 due to reduced dispatch from the plant. Meanwhile consumption at TBP has been increasing as a result of higher import power due to the number of start-ups (15 in 2022 as compared with 10 in 2021), with one unit on reserve shutdown. Consumption at MUSB has also increased year-on-year due to increased dispatch post COVID-19 along with business recovery.

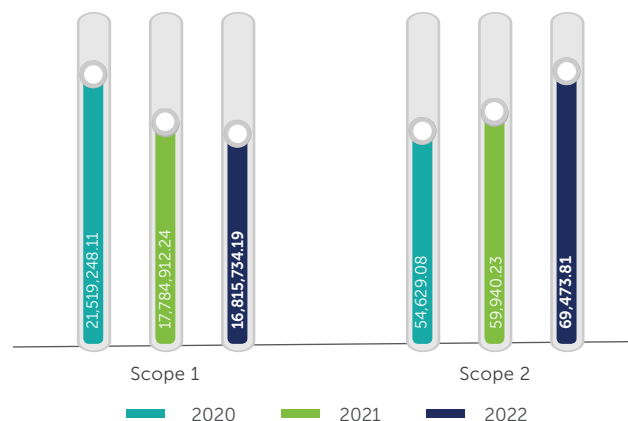


Carbon Emissions

We monitor our carbon and non-Greenhouse Gas emissions (sulphur and nitrogen oxides) from our plants and facilities. In 2021, we disclosed our Scope 1 (direct emissions from our operations) and Scope 2 (indirect emissions from purchased electricity) for the first time. This year, we have further expanded our reporting to include Scope 1 emissions from our fleet fuel usage and Scope 2 emissions from imported power for Alam Flora's business.

To further enhance our reporting, we plan to engage and utilise an online carbon accounting platform with real-time data for more extensive coverage of Alam Flora's operations including its incinerators, as well as its avoided emissions via Anaerobic Digesters ("AD") and recycling. We are also in the process of conducting carbon emission data assurance based on ISO 14064.

Scope 1 and Scope 2 Carbon Emissions (tCO₂e)



Note:

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

Non-GHG emissions, in mg/m³

Year	Plant	SEV						GB3			PPP	TBP			TBE
		Unit 11	Unit 12	Unit 13	Unit 21	Unit 22	Unit 23	Unit 31	Unit 32	Unit 33		U10	U20	U30	
2020	SOx	0.05	0.13	0.26	2.06	0.23	0.12	0.92	1.57	0.79	2.90	319.32	359.38	364.01	278.75
	NOx	2.81	1.10	3.77	6.85	3.55	0.73	9.38	3.86	8.93	17.77	209.42	314.06	310.39	183.38
2021	SOx	0.00	0.00	0.00	2.58	0.00	0.00	1.09	0.96	0.76	4.81	286.66	294.20	262.68	176.18
	NOx	0.00	0.00	0.00	0.02	0.00	0.00	7.39	2.60	10.86	17.99	262.19	278.66	249.05	163.70
2022	SOx	0.00	0.00	0.00	3.42	0.00	0.00	0.28	0.82	0.56	5.75	186.88	281.35	291.89	193.92
	NOx	0.31	0.00	0.75	0.38	0.00	0.60	6.89	1.81	9.21	21.29	196.45	208.97	280.32	128.55

Note: All data are daily averages for the year; and all limits are within the allowable emission limits

Along with reduced energy consumption at our plants – where our consumption is the highest – our Scope 1 emissions as well as non-GHG emissions were lower overall in 2022 than in 2021. Our Scope 2 emissions increased by 15.9% due to increased outages in TBPP and increased demand at MUSB. In addition to being correlated with the capacity factor, SOx and NOx emissions depend to an extent on the type of fuel used in combustion and is managed via combustion tuning and fuel mixing.

Going Forward

We believe we can create further energy efficiencies in both our operations and premises and will be exploring various possibilities towards this end. We are currently exploring potential utilisation of micro-mobility involving the use of electric or hybrid vehicles at our Tanjung Bin plants. If successful, this will be extended to other plants as well as Alam Flora.

Sustainability Review

WASTE MANAGEMENT

Waste management is not just a sustainability imperative at Malakoff; it is part of our core business. Our approach to waste management is therefore to enhance efficiencies of Alam Flora and AFES, and especially to increase the recycling rate in Malaysia. The latter is in line with the Government’s recycling agenda and its target to increase the National Recycling Rate to 40% by 2025. In addition to our core business, we ensure that all waste generated from our own operations are managed responsibly in line with the relevant regulations.

Waste Collection by Alam Flora

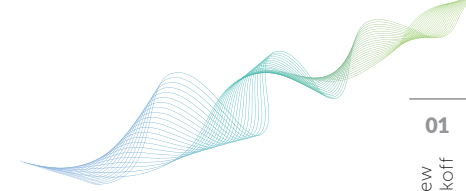


As the concessionaire for solid waste collection and public cleansing services in Kuala Lumpur, Putrajaya and the state of Pahang, Alam Flora is one of the leading waste management companies in Malaysia with direct contact with a significant number of the population. Recognising its reach, our subsidiary has taken up the challenge of creating a mindset shift among Malaysians with regard to waste disposal, encouraging separation at source to optimise recycling efficiencies.

The company runs numerous recycling awareness programmes and has even established the Fasiliti Inovasi Kitar Semula (“FIKS”) in Putrajaya, which is the only centre in the country that doubles as an educational centre as well as an Integrated Recycling Facility (“IRF”). A flagship programme is 3R on Wheels (“3RoW”), launched in 2019 under Alam Flora and operated by AFES, which uses a six-wheeler truck fitted with a retractable stage and giant LED screen on its side (powered by solar panels on the roof of the truck) for talks and mini exhibitions in addition to on-site recyclable waste collection. Alam Flora also has a well-oiled Communications, Education and Public Awareness (“CEPA”) programme leveraging social media and on-ground events to reinforce its 5R message.

During the year, no less than 170 CEPA activities were organised.

<p>CSR Events</p> <p>17 – including ‘Waste is Amazing’ Fashion Competition, ‘Waste is Amazing’ Upcycling Contest, Alam Flora Cyber Eco Hunt & Sustainability Hunt</p>	<p>FIKS Visits</p> <p>11 segments involving 11 speakers and key opinion leaders in recycling, waste management and sustainability</p>	<p>FIKS Pocket Talks</p> <p>82 – total of 1,096 visitors from the Government, corporate and academic sectors as well as the the general public</p>	<p>3R on Wheels</p> <p>60 programmes through which 51,248kg of recyclables were collected</p>
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AFES also runs the RewardS@S at Putrajaya programme under which collection bins are placed at residential and commercial areas to facilitate recycling by the public.

Operationally, in 2022, AFES partnered with various organisations to enhance recycling and promote a circular economy.

- ▶ Entered into an agreement with PETRONAS Chemicals Group Berhad (“PCG”) to supply plastic waste and organic waste for upcycling and R&D purposes, respectively.
- ▶ Collaborated with Kloth Cares, the first textile recycling movement in South East Asia. The partnership aimed at working together with the social enterprise to keep fabric out of landfills.
- ▶ Partnered with Perintis Alam Sdn Bhd, a manufacturer of glass cullet and abrasives, to provide recycling solutions for glass material (glass bottles and flat glass).
- ▶ Teamed up with Nestle Malaysia to drive plastic waste collection and recycling. This involves undertaking door-to-door collection for gated and non-gated premises in 15 townships in the Greater Kuala Lumpur area.

Waste Management at Plants

We generate a significant volume of scheduled and un-scheduled waste at our plants, and have in place policies and procedures to ensure that all waste is treated responsibly, in accordance with Department of Environment (“DoE”) regulations and the Environmental Quality Act (Scheduled Waste) Regulations 2005.

Scheduled Waste

Scheduled waste – comprising fly ash, bottom ash, used oil and chemicals from the power plant and incinerators – is handled according to our Scheduled Waste Management Policy which outlines clear procedures for Group-wide practice. All scheduled waste is stored at maintenance sites before being collected and disposed of by licensed contractors in accordance with DoE regulations. Fly ash is currently utilised in the production of cement and concrete products; and we are working with off-takers to leverage bottom ash as raw material for concrete, road premix and bricks. Once finalised, we will approach DoE for approval on implementing the programme.

Meanwhile, all our plant sites operated and maintained by Malakoff complies with the Environmental Quality Act (Scheduled Waste) Regulations 2005. Adherence to all the relevant regulations is assured via internal audits and site inspections. At TBE and TBP, we implement the Life Cycle Assessment, a tool used to analyse and evaluate any potential alternatives to reduce, reuse and recycle (“3R”) waste.

Internally generated scheduled waste such as used lube oil, distillates and contaminated solid waste is collected by licensed domestic contractors and sent either to landfills or for incineration.

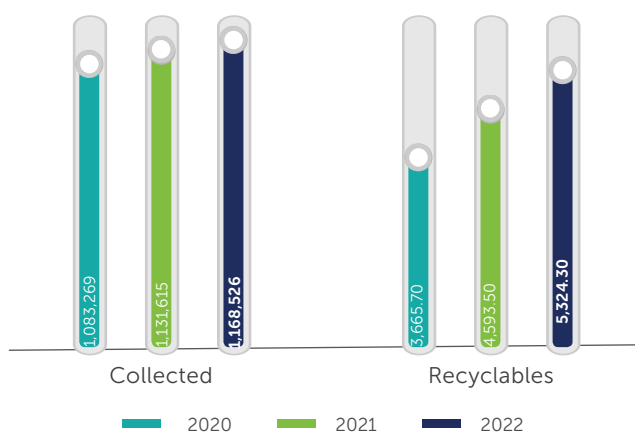
Unscheduled Waste

Operations at our plants lead to the generation of metal and rubber waste which are collected in scrapyards and disposed of by licensed contractors. Within our offices, we promote recycling among all employees through the placement of recycling bins in strategic areas.

Going Forward

We strive to strengthen research and technology to further enhance our recycling operations, especially in the areas of Waste-to-Energy (“WTE”) and the development of alternative fuels. More recovery facilities are expected to be built to enhance the recycling rate in Malaysia. We also plan to set up two more drive-through buy back centres in Kuala Lumpur while upgrading the existing buy back centre in Kuantan into a drive-thru centre.

Volume of waste collected & recycled by Alam Flora Group (Tonnes)



Note:
The waste collected is from concession operations (domestic, bulk, cleansing); received recyclables are from industrial and non-industrial segments.

Sustainability Review

WATER MANAGEMENT

Water scarcity is already an issue in a number of countries and will become more pronounced, with the United Nations Children’s Fund (“UNICEF”) projecting that half the world’s population could face water scarcity by 2025. Although Malaysia is not a water-stressed nation today, research indicates that the country is very likely to experience water shortage in the future if current consumption patterns persist together with a lack of catchment areas.¹ Given this scenario, and the fact that we use water intensively in our power generation, district cooling system and waste management, Malakoff is committed to responsible water management.

In the energy sector, we use raw water:



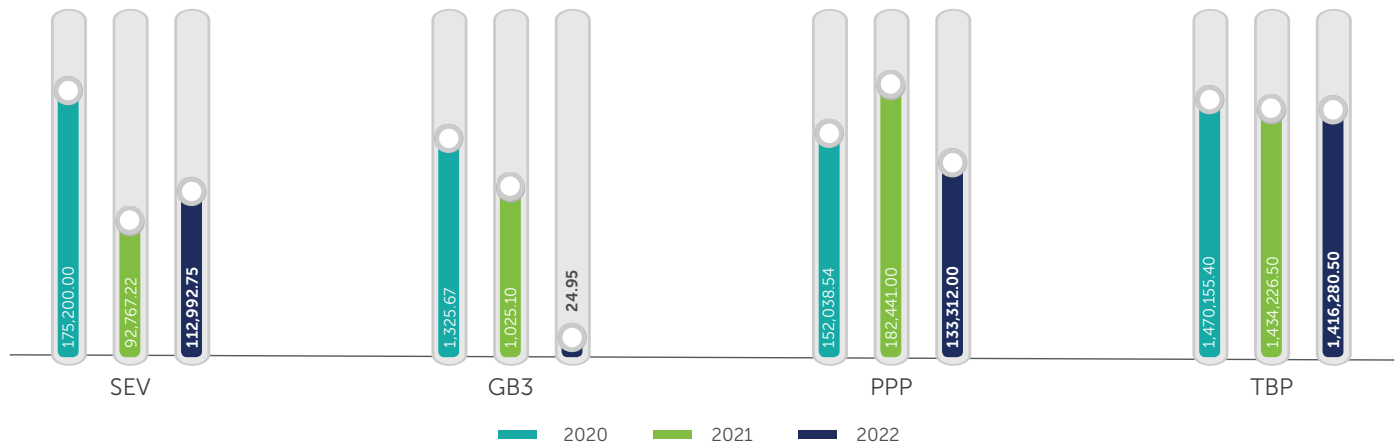
Meanwhile, sea water is used for cooling of steam before being released back to the sea.

In our district cooling system, we use water to supply chilled water to clients in KL Sentral. We also use water for cleaning purposes in the waste management sector.

Various initiatives are ongoing to reduce water consumption across our operations and in our office premises. These include:

- ▶ Rainwater harvesting for housekeeping and landscaping
- ▶ Leachate water treatment to reduce raw water consumption in incinerators for temperature control
- ▶ Studies on consumption patterns at TBP to optimise water use

Raw Water Consumption at Our Plants and Operations (m³)



¹ Water: Keeping Malaysia hydrated, The Edge, 25 August 2022

Raw Water Consumption at Our Plants and Operations (m³)



BIODIVERSITY CONSERVATION

Most of our plants are near the sea as it allows us to use seawater for cooling purposes. Because of their location, we have made it a priority to go over and above adherence to environmental standards to ensure we protect marine biodiversity.

Save Our Sea Campaign



Since 2011, we have been collaborating with the Perak State Fisheries Department (“JPNP”) and Jabatan Taman Laut Malaysia in initiatives to organise our Save Our Sea programme through which we conduct activities from beach clean-ups to coral conservation. In 2022, we organised an event on 8 September at Pantai Teluk Senangin to provide awareness and education on the marine ecosystem and detrimental effects of single-use plastics and overfishing on marine life.. The event attracted approximately 500 participants from the local communities, including authorities and tertiary students from Lumut.

The highlight of the event was the release of unjam (italicise), which is a hard formation of natural materials such as tree branches and coconut leaves, into the sea. This formation was tied and left floating on the surface of the sea to attract fish, giving opportunities to fishermen to extricate the endangered fish species from being captured, subsequently eliminating the danger of overfishing.

Mangrove Planting

Malakoff has been actively involved in mangrove conservation since 2009 through the Malakoff Mangrove Initiative. Apart from planting and rehabilitating mangrove saplings in RAMSAR areas (wetland sites designated to be of international importance) adjacent to our Tg Bin power plant, we have also planted saplings in Taman Negara Johor Tg Piai, Taman Negara Johor Kukup and Seberang Prai, Pulau Pinang. In addition, we have published a mangrove booklet which is distributed to members of the local community and school students to raise awareness of the importance of the mangrove ecosystem in supporting marine biodiversity as well as in protecting local communities from ravages of the sea.

We have also committed to support the government’s 100 Million Tree-Planting Campaign 2020-2025, to play our role in preserving the country’s biological diversity. We have identified several locations at our plants for the campaign which is to be launched in 2023.

Monitoring Sea Water At Intakes and Release Points

We monitor the water temperature at the intake and release points in our plants to ensure the temperature remains below 40°C in order not to disrupt marine life. Our team also monitors our water discharge weekly to ensure its quality, with an external party verifying the data.

Going Forward

Malakoff has built a strong relationship with the local communities where we operate through various outreach programmes. We will continue to emphasise environmental consciousness and the preservation of biodiversity in these programmes as we believe everyone has a role to play towards safeguarding a healthy and sustainable environment for today and tomorrow.



CARING FOR PEOPLE



Empowering Our People and Supporting Our Communities

Our employees are our most valuable assets. They are responsible for our day-to-day performance and determine Malakoff's ability to meet our corporate objectives. Today, more than ever, it is imperative that our employees share in our vision to transform Malakoff into an ESG-centric organisation focused on clean/renewable energy and environmental solutions.

At Malakoff, the safety and health of our people is at the core of our organisation. We strongly believe that Occupational Safety & Health is an integral part of managing the well-being of our employees.



To demonstrate how much we value our employees, as well as to enhance their performance, we are committed to providing an engaging, stimulating and inclusive work environment that allows employees to realise their true potential. At the same time, we extend our cloak of care to local communities surrounding our operations because they play an important role – both tangible and intangible – in our sustainable operations.

KEY ACHIEVEMENTS

TBPP, TBEPP and Prai Power Plants received **Gold Merits at the MSOSH Awards 2021**

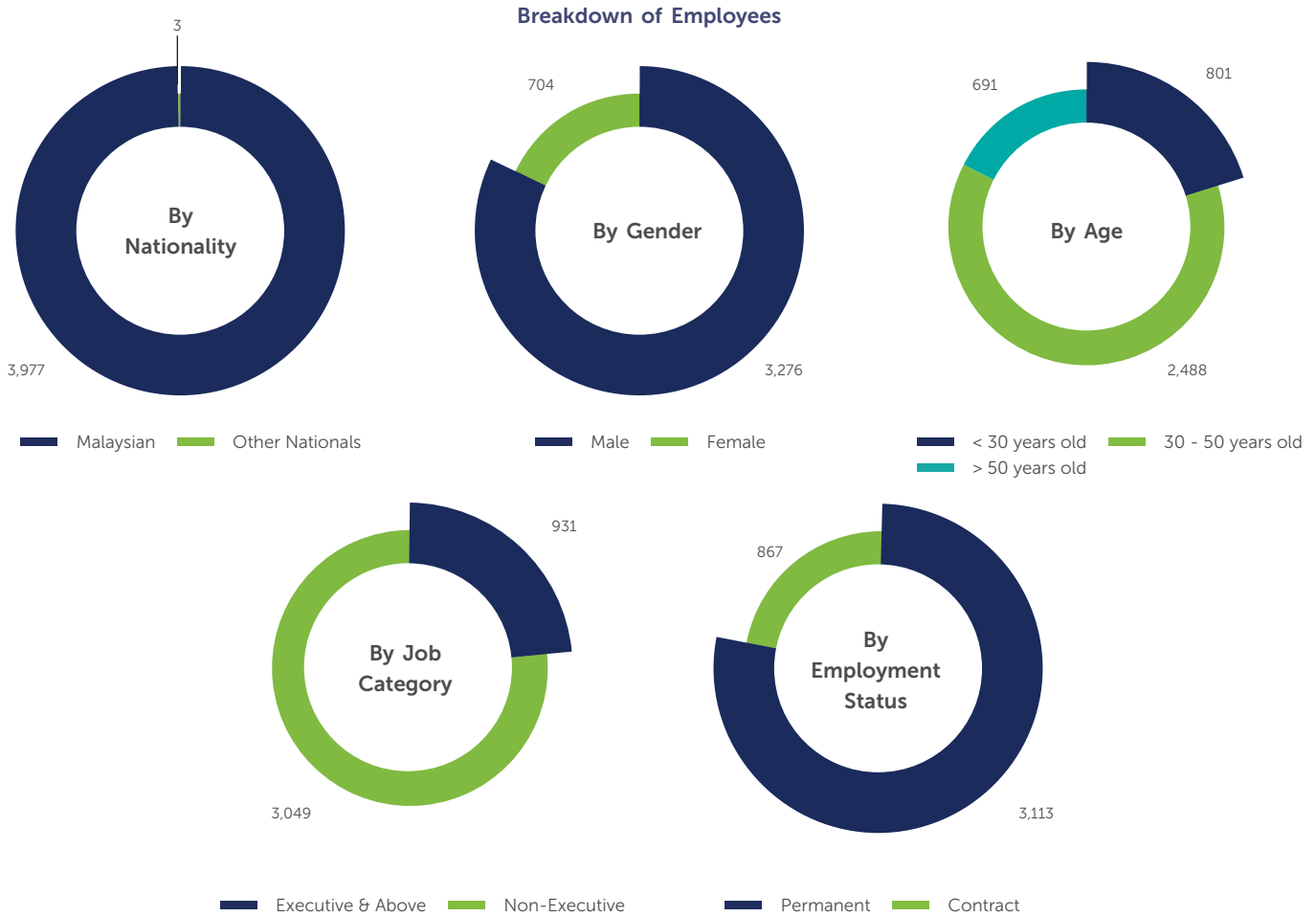
Introduction of a new online Learning Management System, EDGILE, that integrates Malakoff’s learning strategy with interactive training courses, providing our employees with continuous learning opportunities and development.

Alam Flora won the Gold Class 2 award for PSA3 Temerloh and for WPKL Putrajaya Silver Award at the 40th MSOSH Awards

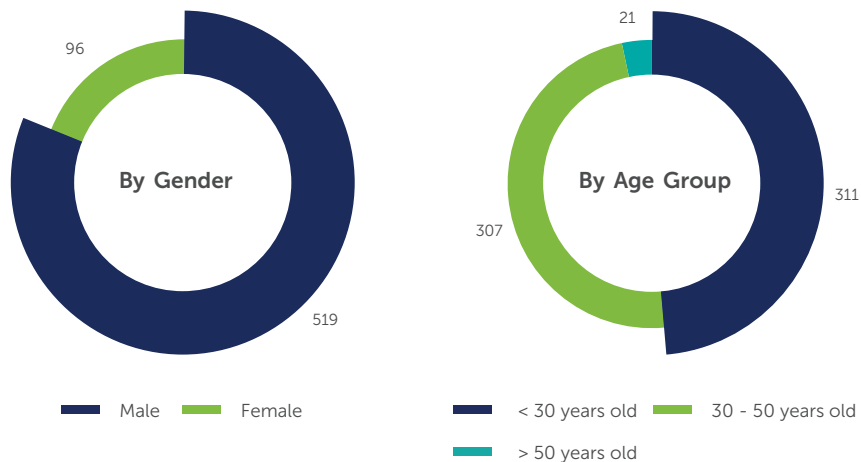
Caring for People

TALENT MANAGEMENT

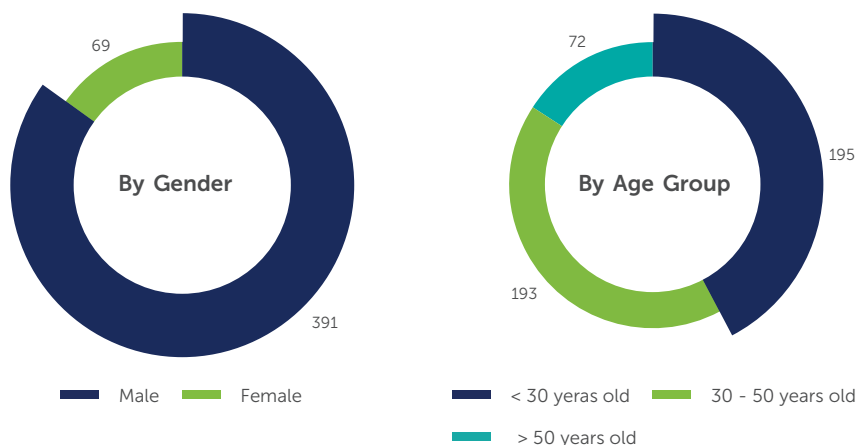
We seek to create a diverse and inclusive workforce, recognising the value that different perspectives bring to the organisation. We therefore hire based on individual merits rather than an individual's race, background, age or gender. Within the Group itself, training and development opportunities are provided to everyone, and promotions are based solely on performance.



Total of New Hires



Employee Turnover



ATTRITION RATE

11.56%

FOR MALAKOFF GROUP

Training and Development

To empower our employees and help them realise their potential, we invest in continuous training and development, providing ample opportunities for them to enhance their knowledge and skills. The objective is for our employees to stay agile and relevant in industries that are rapidly changing. Our People Division is responsible for identifying gaps in skills that exist within the Group and organising relevant soft skills as well as technical training programmes to close these gaps.

In December 2022, we transitioned some of our training onto a new online Learning Management System ("LMS"), EDGILE. A total of 702 soft skill modules have been made available on the platform catering to executives and Middle Management. To date, a total of 532 employees have been given access to EDGILE – 323 from the Executive level and 209 from Middle Management. In addition to offering core skills training, EDGILE also offers leadership programmes to build the competencies required of future leaders in the Group. On average for Malakoff group, we have achieved 21.87 training hours per employee.

Malakoff Soft Skills Training

Training Hours / Gender	Male	Female	Total
Total No of Employees	330	251	581
Total No of Training Hours	5,656	4,232	9,888
Average Training Hours Per Employee	17.14	16.86	17.02

Employee Category	Total No of Training Hours	Total No of Employees	Average Training Hours Per Employee
Top Management	24	2	12.00
Senior Management	164	11	14.91
Middle Management	4,108	238	17.26
Executive	4,640	272	17.06
Non-Executive	952	58	16.41

Caring for People

Malakoff Technical Training

Training Hours / Gender	Male	Female	Total
Total No of Employees	1,340	35	1,375
Total No of Training Hours	1,7857	657	18,514
Average Training Hours Per Employee	13.33	18.77	13.46

TG BIN

Employee Category	Total No of Training Hours	Total No of Employees	Average Training Hours Per Employee
Top Management	0	0	0
Senior Management	64	4	16
Middle Management	1,132	61	18.56
Executive	3,064	222	13.80
Non-Executive	4,080	325	12.55

TBE

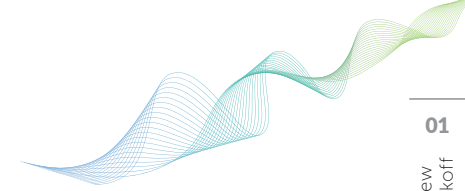
Employee Category	Total No of Training Hours	Total No of Employees	Average Training Hours Per Employee
Top Management	0	0	0
Senior Management	0	0	0
Middle Management	352	20	17.60
Executive	1,000	78	12.82
Non-Executive	1,688	149	11.33

LUMUT

Employee Category	Total No of Training Hours	Total No of Employees	Average Training Hours Per Employee
Top Management	0	0	0
Senior Management	28	2	14
Middle Management	964	68	14.18
Executive	2,361	166	14.22
Non-Executive	1,644	113	14.55

PRAI

Employee Category	Total No of Training Hours	Total No of Employees	Average Training Hours Per Employee
Top Management	0	0	0
Senior Management	8	1	8
Middle Management	428	38	11.26
Executive	791	61	12.97
Non-Executive	910	67	13.58



Alam Flora Training

At Alam Flora, the following training/certification programmes were organised:

No	Programme	Total Participants
1	Project Management Certificate	3
2	Certified Human Resource Officer ("CHRO")	24
3	ESG Conference	14
4	Executive Development Programme ("EDP")	19
5	Building Empowered Supervisory Team ("BEST")	16
6	Manager Training Programme Series	40

Training Hours / Gender	Male	Female	Overall
Total No of Employees	1,814	478	2,292
Total No of Training Hours	39,988.25	18,650.00	58,638.25
Average Training Hours Per Employee	22.04	39.02	25.58

Employee Category	Total No of Training Hours	Total No of Employees	Average Training Hours Per Employee
Top Management	0	0	0
Senior Management	304.00	10	30.40
Middle Management	6,183.00	97	63.74
Executive	19,731.00	272	72.54
Non-Exec	32,420.25	1,913	16.95
Overall	58,638.25	2,292.00	25.58

Annual Appraisals

We recognise the importance of employees understanding our expectations of them. At the same time, we need to know what their career aspirations are in order to help them achieve their professional goals. Such discussions take place during the annual appraisals which are performed for all employees. The appraisals are one-to-one sessions in which employees and their immediate supervisors discuss performance and career goals in a candid setting.

Succession Planning

During the year, we introduced a new Succession Planning Framework and Assessment under which we have identified four Mission Critical Positions ("MCPs") and 28 Succession Planning Positions ("SPPs"). In addition, we have put in place a new Talent Management Framework and identified a total of 176 talents to be groomed for future leadership positions in the organisation.

Going Forward

We will continue to place increasing emphasis on training and development of our employees to ensure the Group is equipped with the right organisational skills – encompassing digital and ESG competencies – to drive our transition into Malakoff 2.0 Strategic Transformation. Along with increasing investments into both physical and online training, we will nurture a continuous learning culture supporting a productive and innovative company.

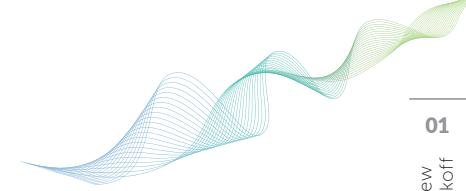
Caring for People

EMPLOYEE ENGAGEMENT

Engaged employees feel a greater sense of belonging and are more invested in the companies they work in. We therefore believe in engaging regularly with our employees, ensuring that they have regular face time not just with immediate superiors but also our senior management. During these sessions, we encourage open two-way communication so that, as employees are kept updated on corporate news and events, management maintain a pulse on sentiments on the ground.

Key engagement sessions organised in 2022 included:

Event	Description	Frequency
Jom Sembang with MD/CEO	Hour-long sessions during which employees share their thoughts with the MD/CEO about work matters in a candid setting, usually held within a small group at the respective operational sites.	65 sessions
Town Halls	A company-wide engagement session where the leadership team led by the MD/CEO shares updates on the Company while providing an opportunity for employees to share their feedback and ask questions.	3 sessions
Meriahnya Syawal Hari Raya Event for HQ & all plants	Festive celebration during Hari Raya for Malakoff employees where the staff gathered to foster closer ties and enjoy festive delicacies while upholding the spirit of togetherness.	Annual
Long Service Award for HQ & all plants	An event where employees who have served Malakoff for at least 10 years are rewarded for their loyalty and commitment. This is an integral element of the Group's employee recognition programme where long-serving employees are recognised and appreciated.	Annual
People Day 2022	An annual event whereby HR team members organise an "Open-Day Concept" event with the objective to Greet, Communicate & Interact directly with all our people at the respective business locations.	Annual
Medical Wellness Campaign	To promote optimal medical health via health screening and assessments.	Annual





Employee Welfare

In order to attract the best talent, we go beyond offering our employees competitive salaries and benefits to provide a holistic employee value proposition ensuring their physical, emotional and mental well-being. We are guided in this regard by our Employee Welfare Procedures which are benchmarked against best practices.

During the year under review, for example, we enhanced our Maternity/Paternity/Hospitalisation leave entitlement to ensure new parents have sufficient time with their new-borns while those who require hospital treatment are able to recuperate fully before returning to the workplace. This is important for employees' overall physical and mental well-being.

For better work-life balance, we have also implemented flexi working hours, giving employees the choice of starting work anytime between 8.00 a.m. and 9.00 a.m. and finishing between 5.00 p.m. and 6.00 p.m., so long as employees put in nine hours a day inclusive of one hour for lunch.

Increased maternity/paternity/hospitalisation leave

 MATERNITY LEAVE 98 Calendar Days <hr style="border-top: 1px dotted #ccc;"/> Previously 60 calendar days	 PATERNITY LEAVE 7 Calendar Days <hr style="border-top: 1px dotted #ccc;"/> Previously 3 working days	 HOSPITALISATION LEAVE 60 Days per calendar year excluding sick leave <hr style="border-top: 1px dotted #ccc;"/> Previously 60 days per calendar year including sick leave
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Going Forward

We seek to keep enhancing our employee value proposition through more effective engagement platforms as well as the provision of industry leading benefits. In 2023, the People Division will continue to review other staff benefits to demonstrate the value we place in each employee.

Caring for People

OCCUPATIONAL SAFETY & HEALTH



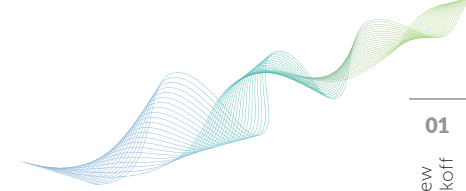
Our business thrives on a robust foundation of safety and health policies and procedures. This foundation safeguards our most important resources, namely our people and assets, and underpins our sustainability, ensuring we deliver on promises to customers while building the trust of our business partners, suppliers, local communities, investors and the Government. We continuously enhance our safety performance to sustain our business growth and the support of our valued stakeholders.

Driven by our leadership, we take every possible precaution to eliminate the risk of work-related injuries, thus protecting the well-being of our people. We are guided in our efforts by our Occupational Health and Safety Policy, which adheres to the Occupational Safety and Health Act ("OSHA") 1994 and ISO 45001. The policy outlines our commitment to providing a healthy and safe work environment for our employees, contractors and stakeholders, and is available on all sites and our intranet for easy reference.

Among others, the policy commits us to:



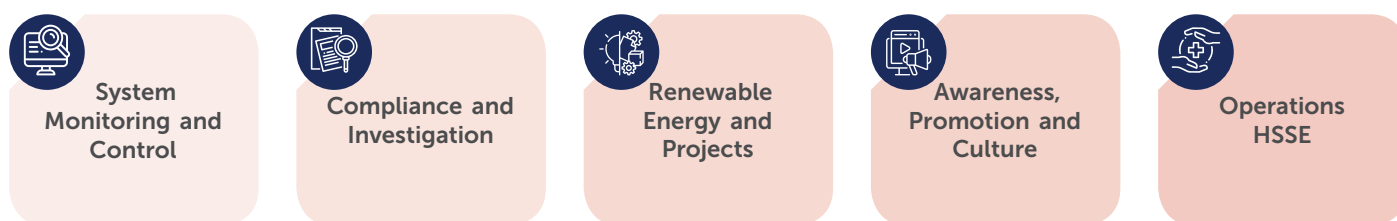
Our commitment to OSH has resulted in Malakoff Power Berhad being accredited with the ISO 45001: 2018 Occupational Health and Safety Management System.



OSH Governance

Occupational Safety and Health at Malakoff is overseen by our Board of Directors, who review and approve our safety strategy, direction, policies and objectives. The Board is supported towards this end by the Management, who ensure that the Group complies with all occupational health and safety regulations. Our leadership conduct regular site visits to observe safety behaviours of employees and those of our partners/contractors.

To further strengthen our OSH governance, in 2022, the Health, Safety, Sustainability and Environment (“HSSE”) Department was restructured with the establishment of specific units for:



We also revised our critical Standard Operating Procedures (“SOPs”) to better reflect current requirements.

OSH Training

We believe that safety is everyone’s responsibility and seek to instil a culture in which all employees take responsibility for their safety as well as that of their colleagues. Towards this end, we collaborate with our partners to organise regular training and awareness sessions for all internal and third-party workers involved in site operations. Additionally, we conduct audits and inspections to monitor the observance of safety principles.

The following programmes were organised in 2022:

1. Training Programmes

- ▶ Fire Watcher Training
- ▶ Authorized Entry Standby Person Training
- ▶ Authorized Gas Tester Training
- ▶ Power Tools Safety Training
- ▶ Basic First Aid and CPR
- ▶ Malakoff Safety Passport for In-House Contractor
- ▶ Malakoff Plant Safety Passport for Staff
- ▶ Permit To Work (PTW) Audit Training
- ▶ Emergency Response Team (“ERT”) Training
- ▶ Working at Height Training

2. Awareness Programmes

- ▶ Environmental Awareness (Tordano, Monsoon Transition Phase, World Earth Day, La Nina, Ozone & World Environmental Day)
- ▶ Toolbox Talk for Outage Contractors
- ▶ Health Awareness (Hand, Foot and Mouth Disease, Influenza, Omicron Covid-19, Mental Health Anxiety, Stress and Depression)
- ▶ Safety Awareness (Safety Road, Slips, Trips and Fall, Noise Hazard, Electrical Power Tools, Forklift, Workplace Injuries)

3. Audit/Inspection

- ▶ Drug Screening Test by the National Anti-Drugs Agency
- ▶ Plant Management Walkdown
- ▶ Plant HSSE Inspection
- ▶ Plant Safety Marshall Inspection
- ▶ Inspection Vehicle Pass
- ▶ Permit To Work (PTW) Audit
- ▶ Emergency Equipment Inspection

4. Other Programmes

- ▶ Audiometric Test
- ▶ HSSE Week 2022
- ▶ MSOSH Audit Award 2022
- ▶ Emergency Drill Exercise (Emergency Bush Fire at Beach, Fire Drill and Rescue Chemical Spill)
- ▶ Hazard Identification, Risk Assessment and Risk Control ("HIRARC") Review
- ▶ Blood Donation
- ▶ Contractor Forum for Outage Contractors

Safety Performance

Malakoff:

No	Key Indicators	2021	2022
1	Total Manhours Worked – Malakoff	6,522,586	7,130,563
2	Number of Incidents Recorded	14	9
3	Numbers of LTI Cases (Operations)	1	2
4	Numbers of LTI Cases (Projects)	1	0
5	Lost Time Injury Frequency Rate (LTIFR) – Operations	0.16	0.29
6	Lost Time Injury Frequency Rate (LTIFR) – Projects – Malakoff	4.75	0.00
7	Legal Compliance – Malakoff	0	0

Alam Flora:

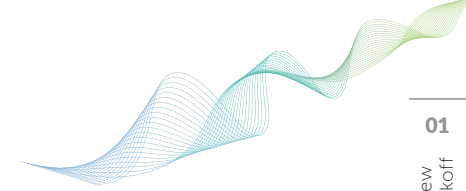
No	Key Indicators	2021	2022
1	Total Manhours Worked	33,171,604	33,645,252
2	Lost Time Injury Frequency Rate (LTIFR)	0.75	0.68

In recognition of our high safety standards, in December 2022 Malakoff received Gold Merits for the TBPP and Prai Power Plants at the Malaysian Society for Occupational Safety and Health ("MSOSH") Awards 2021. We also achieved zero penalties nor memos from the Department of Occupational Safety and Health ("DOSH") and DoE.

We continue to look at ways to improve our current practices. We plan to introduce a Behavioural Based Safety ("BBS") Programme to make safety the default behaviour among all internal and third-party employees while continuing with existing safety training programmes.

Going Forward

In 2023, we will be further strengthening our safety framework by reviewing all critical procedures and identifying areas in which identifying areas for improvement on existing procedures and reporting measures via digitalisation for a seamless, transparent and accurate reporting. We will also look into opportunities to inculcate behavioral safety practices to improve the safety thoughts and practices of the Employees.



COMMUNITY INVESTMENT & DEVELOPMENT

The communities we operate in provide us support in countless ways – from employees who work with us to vendors who supply us. A healthy and well-functioning community is therefore important to our sustainable operations. In response, we contribute to the well-being of our local communities through a broad range of outreach programmes that ultimately contribute towards narrowing of socioeconomic gaps. Key programmes undertaken include educational support, technical skills building, disaster relief and community uplifting.

Youth Education & Development

Believing in the power of education to empower and uplift communities, in 2011 we established the Malakoff Edufund Programme through which we offer financial support to 11 adopted schools in areas where we operate, i.e. Segari (Perak), Prai (Pulau Pinang) and Pontian (Johor). These funds are used to upgrade the schools’ learning tools and infrastructure.

We also have a tradition of providing back-to-school aid at the beginning of every new academic year. At the beginning of 2022, we presented cash and school equipment to 181 students at Mukim Serkat, Pontian, as part of their preparation for the 2022/2023 school session which began on 21 March 2022.

In addition, a motivational camp was held from 26-28 November 2022 at Universiti Teknologi Malaysia (“UTM”) Skudai, Johor, for 130 students from seven of our adopted schools in Mukim Serkat. Organised jointly with Sekolah Kebangsaan Seri Sinaran Chokoh, the three-day task-oriented camp aimed to create awareness of the correlation between academic performance and physical activities, as well as to cultivate self-discipline and self-development.

Meanwhile, to cultivate the reading habit we sponsored books to seven adopted schools in Lumut, Perak and Prai. The books represented a range of academic-focused subjects and fiction.

Flood Relief Programmes

On 1 April 2022, Malakoff handed over RM8,590 to six Malakoff employees whose homes and belongings were badly ravaged by the flash floods. The money had been raised through a donation drive where the workforce rallied to demonstrate their compassion for each other.

#ShareOurLove

In 2011, Malakoff initiated a ‘Share with Us Your Love’ programme which was rebranded as #ShareOurLove in 2020. Under this programme, in 2022 we organised an IFTAR for 300 students from Maahad Tarbiah Islamiah Al-Ansar in Bestari Jaya, Selangor which houses and educates children who have lost their parents. The event was held at the school’s newly constructed Open Hall which has been furnished with LED lights and fans contributed by Malakoff and installed by our volunteers. Maahad Tarbiah Islamiah Al-Ansar was badly affected by the December 2021 floods.



Donations & Sponsorships

We contribute to various causes as part of efforts to support the marginalised and/or underprivileged. Through donations and sponsorships, we hope to enhance the quality of life of those who are underserved. In 2022, Malakoff contributed a total of RM437,575 towards various community programmes and RM107,400 towards educational programmes benefitting 2,324 students.

Going Forward

We will continue to contribute to and deepen our relationships with our local communities in ways that are meaningful. Where possible, we seek to create lasting change that will help to transform lives for the better.



GUIDED BY SOUND GOVERNANCE



Embedding Sustainable, Innovative Business Practices and Acting with Integrity

Value creation at Malakoff is integral to who we are and what we do. It is part of our corporate philosophy and DNA, keeping us on the right path throughout the years as we have evolved. To ensure that we always uphold the principles of integrity and transparency, we are guided by a sound framework of corporate governance comprising various policies. These reflect the Malaysian Code on Corporate Governance ("MCCG") and Main Market Listing Requirements ("MMLR"). As both regulatory guidelines are constantly reviewed, we too constantly review and update our policies and framework.



As a result of maintaining sound governance practices, we have acquired and maintained a reputation of a company that can be trusted to deliver on our commitments to stakeholders. We value all our stakeholders and will always be guided in our strategies and decisions to protect their interests.

KEY ACHIEVEMENTS

Zero cases of bribery or corruption during the year

Zero non-compliance with regulations and laws governing Malakoff operations

Achieved **dividend payout ratio of 85%**

96% of Malakoff Corporation & **99%** of Alam Flora's procurement budget channelled to **local suppliers**

ECONOMIC & DEVELOPMENT

Through sustainable business operations, we create economic value not just for Malakoff but also for key stakeholders including our employees – via wages and benefits; shareholders – via returns on their investments; vendors and suppliers – via contracts; and the Government – via taxes.

Value creation for our stakeholders in 2022

Stakeholder/ value creation	Amount (RM'000)
Employee wages and benefits	319,716
Shareholder dividends	234,576
Contracts to vendors & suppliers	382,599
Taxes	397,925

Procurement Management

Our economic performance depends to a large extent on having a secure supply of essential goods and services. The importance of an uninterrupted supply chain was made very clear during the pandemic. Even prior to the pandemic, we have invested into maintaining our vendors' trust through fair and transparent subcontracting as well as procurement procedures.

Our Procurement Policy ensures transparent and ethical operations in relation to our vendors. Further enhancing transparency in our procurement processes, in 2016, we introduced an e-Auction platform creating clarity on our requirements and on the criteria that determine our selection of vendors. We regularly update our procurement personnel on our SOPs Procedures ("SOPs") to ensure they are fully aware of the processes and are able to carry out their functions smoothly.

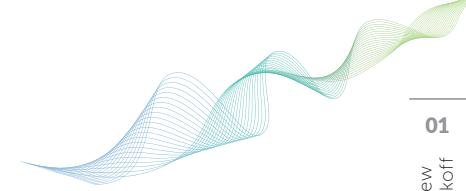
At the same time, to ensure that the principles of sustainability are maintained along our supply chain, we share our ESG policies and expectations with vendors and require new vendors to sign an Integrity Pledge as part of their registration. In June 2022, a Vendor Awareness Day was held to update our vendors on our latest policy and procedures especially in relation to our zero tolerance for bribery.

The year saw Alam Flora expand its vendor sourcing by region to reduce the risk of supply disruption (due to natural disasters, resource or spare part shortages, financial setbacks, etc). Along with the induction of new vendors into its Approved Vendor List, Alam Flora organised a Vendors Interface Townhall to share Malakoff's corporate goals while also updating the vendors on its SOPs.

Supporting Local Vendors

As an organisation that contributes to the sustainable development of the nation, we support local suppliers as far as possible.

	Malakoff Corporation	Alam Flora
Procurement Budget Channelled to Local Suppliers	96.0%	100%
Total Vendors in Approved Vendors List	2,533	696
% Vendors Who Are Local	93.8%	99.9%



Going Forward

As part of our Digital Blueprint & Roadmap 2023-2027, we will be transitioning most of our procurement functions – from sourcing, evaluation and awards to vendor management and e-auction – onto a digital platform. At the same time, we will continue to review and improve our procurement procedures to ensure expected deliverables are met. We will also conduct briefings with all our local vendors to guide and prepare them for increasing ESG requirements as we seek to achieve our sustainability goals together.

For more details on the Group’s governance, risk and internal controls and accountability framework, please refer to the Corporate Governance Overview Statement on pages 136 to 159 and Statement of Risk Management and Internal Control on pages 165 to 169 of this report

[Read more on page 136](#)