





# 03

## OUR ENVIRONMENT

**It is built into our DNA to care for the environment with the understanding that reducing our climate impact is critical to the long term sustainability of not only our operations, but also the country and its people.**

We continue to drive this belief by tracking our carbon impact and most recently, with our pivot into renewable energy and environmental solutions.



# Our Environment

## OUR ENVIRONMENT



**Environmental management plays an important role in the business management and operations of Malakoff, as it enables us to identify and mitigate the Group's business impact on the environment and the health and well-being of our communities.**

We recognise our responsibility in leading the corporate community in preserving the environment and conserving natural resources while reducing carbon emissions to contribute to a low-carbon future. Lack of environmental management in our operations will affect our biodiversity and ecological system, ultimately threatening our future generations.

Our environmental management is anchored on three pillars, which guide us on our path to a more sustainable and greener future.

To ensure we adopt and employ best industry practices, we subscribe to ISO 14001:2015 certification and remain guided by our robust Environmental Policy, which was established in 2014. The Policy has been reviewed and updated regularly, in line with changes in the standards and regulatory requirements. The Policy outlines our commitment to environmental protection by minimising our environmental impact, preventing pollution, reducing waste, conserving resources and promoting the recycling of waste. It also sets out our commitment to comply with all applicable statutory and regulatory requirements, apart from incorporating environmental management principles into corporate planning, strategy and implementation.

**Our Environmental Policy is accessible by our employees via our intranet platform, MaCNet.**



### GOVERNING ENVIRONMENTAL MATTERS

Protecting the environment in which we operate is one of our key priorities in maintaining business sustainability. In view of the importance of environmental conservation, our Local Generation Division ("LGD") is certified with ISO 14001:2015 Environmental Management System. Our environmental performance is overseen by the Environmental Management Committee ("EMC"), which comprises the Environmental Performance Monitoring Committee ("EPMC") and the Environmental Regulatory Compliance Monitoring Committee ("ERCMC").



### NATURAL RESOURCES MANAGEMENT

The nature of our business requires us to utilise natural resources, mainly fuel and water, on a large scale. These resources are critical in the generation of electricity, and we are aware of the importance of managing our consumption, not only for the sake of business sustainability, but also for the sake of the environment. Our natural resource management is in compliance with ISO 14001:2015.



### WASTE MANAGEMENT

We seek to practise optimal waste management, including reducing waste generation within our businesses as well as for our customers and its safe disposal, where applicable. All waste and effluents are managed, disposed of and/or discharged as per the relevant regulatory requirements.



**Emissions Management**

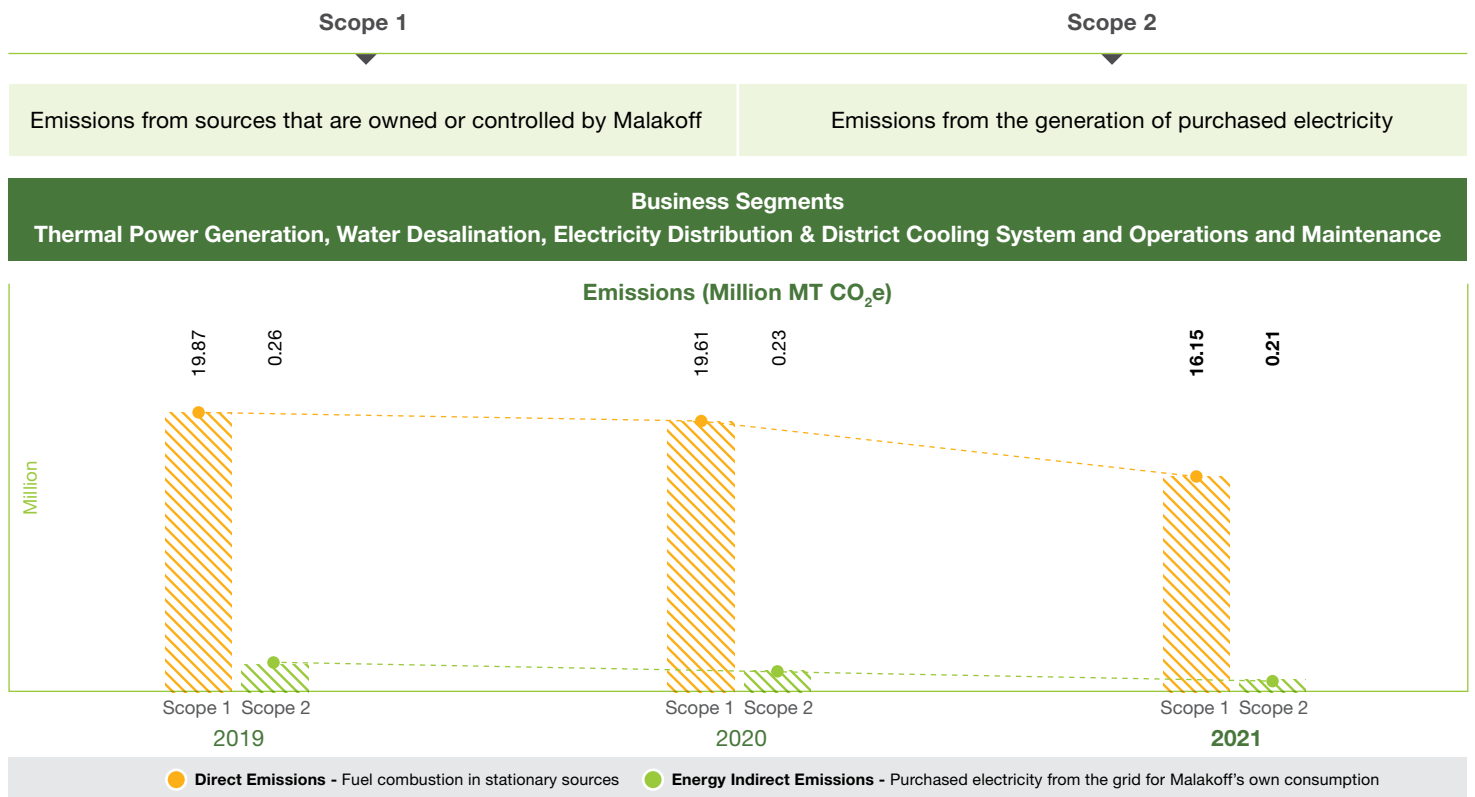
As the largest independent power producer and environmental management company in Malaysia, we are aware that our business naturally emits higher emissions compared to other industries due to the nature of our operations. As such, we are cognisant of our responsibility to lead the industry in addressing climate change and contributing to the transition to a low-carbon future through our new Malakoff 2.0 Strategic Transformation.

For more information about the Malakoff 2.0 Strategic Transformation, please refer to the Chief Executive Officer’s Message on pages 24 to 25.

Our emissions are mainly from our thermal power generation, which uses non-RE sources, namely diesel, light fuel oil, natural gas and coal. To help reduce our GHG and non-GHG emissions from across our plants, we have in place an emissions management system, which ensures regulatory compliance and best sustainability practices. These include enforcing an emissions-control equipment maintenance schedule to ensure optimal operational efficiency, enabling us to comply with all permitted emission limits. Additionally, we submit emissions data reports on a periodic basis to the Department of Environment (“DOE”), as facilitated by our Continuous Emissions Monitoring System (“CEMS”). We also employ several measures to minimise our coal emissions such as adopting a stringent coal selection process that is aligned with the Coal Supply and Transportation Agreement (“CSTA”).

As for our non-GHG emissions, we monitor and control the emissions by equipping our coal plants with particulate matter (“PM”) reduction equipment such as fabric filters at TBE and electrostatic precipitators at TBP. There is also Flue Gas Desulphurisation (“FGD”), which reduces Sulfur Oxide (“SOx”) emissions and stage combustion to reduce Nitrogen Oxide (“NOx”) emissions.

In 2021, we disclosed our GHG emissions according to Scope 1 and 2 for the first time to step up our reporting disclosures and uphold our commitment towards keeping our stakeholders and investors informed. The disclosures were limited to power generation and water desalination, electricity distribution and district cooling system and operations and maintenance. We will continue to improve the disclosures of our GHG emissions going forward, as we aspire to keep up with best reporting practices and transparency.



Notes:

1. Data does not include the Waste Management & Environmental Solutions business as emissions inventory is currently being carried out.
2. Calculations include MTSSB at Level 11 of our KL headquarters building.

# Our Environment

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### Energy Consumption

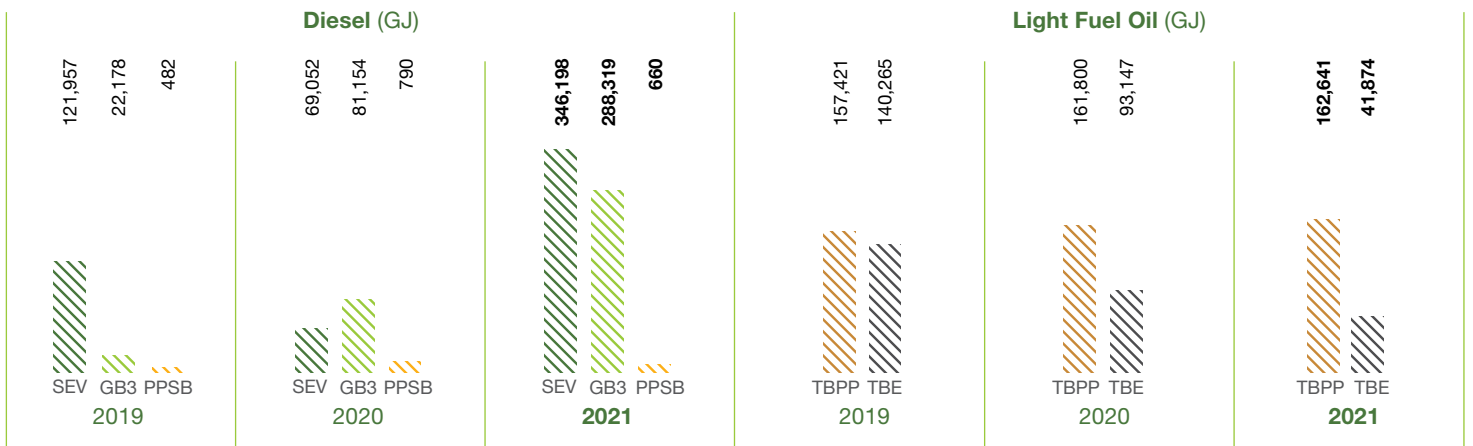
#### Managing Our Energy Consumption Across Our Operations

Our main objective is to minimise wastage and optimise our resources across our business operations. This is supported by our operational excellence target to achieve healthy heat rate performance. Our energy consumption is mainly for primary and secondary fuel for power generation.

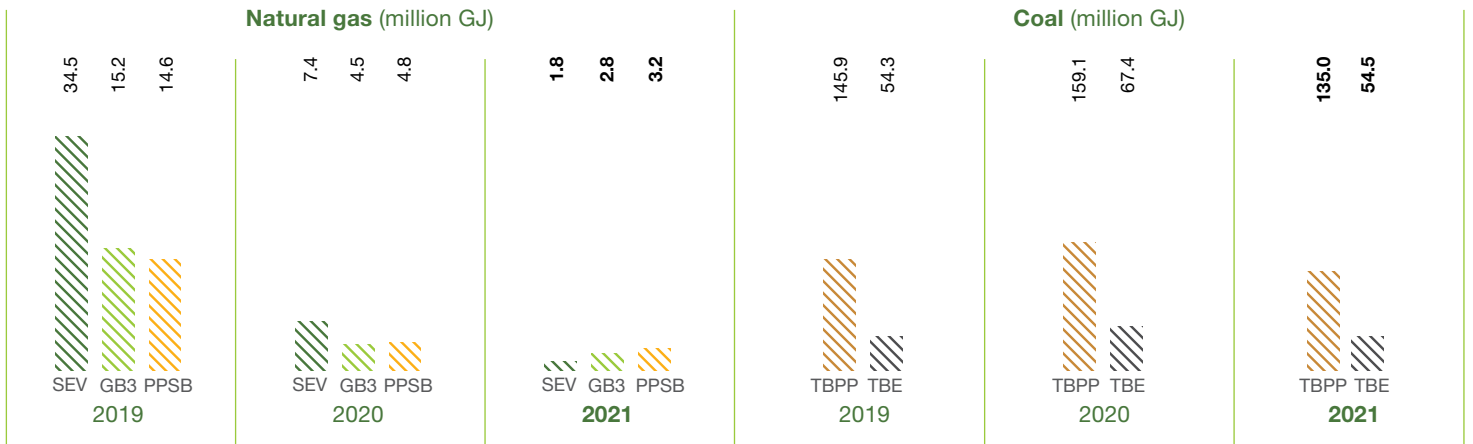
In 2021, LGD continued to optimise the Prai imported energy by shutting down the Boiler Feed Pump (“BFP”) and Cooling Water Pump (“CWP”) after the plant had been on standby for 24 hours. As at the end of 2021, Prai has avoided a total of 6,556.36 and 5,536.33 of standby operating hours for CWP and BFP, respectively.

In 2021, our energy consumption was 198,217,414 GJ, a decrease of 18.65% from 243,669,199 GJ in 2020. This was mainly due to the much lower consumption of coal and natural gas as there was a lower demand for energy, which led to a lower dispatch factor, in tandem with the reduction of Power Generated and Sold (see Malakoff Integrated Annual Report, Thermal Generation section). Both coal and natural gas are the main sources of power for the CCGT and coal plants. Meanwhile, the significant increase in diesel was due to the plant running on diesel more frequently. As for Light Fuel Oil (“LFO”) usage, TBP’s consumption increased marginally by 0.5% from 2020, which meant the consumption was consistent with the previous year. TBE recorded a much bigger reduction, by 55%, in its LFO consumption due to less start-up activity.

Energy Consumption at Our Power Generation Plants from 2019 to 2021



#### Secondary fuel for Power Generation



#### Primary fuel for Power Generation

● Segari Energy Ventures (“SEV”) ● GB3 Sdn Bhd (“GB3”) ● Prai Power Sdn Bhd (“PPSB”) ● Tanjung Bin Power Plant (“TBPP”) ● Tanjung Bin Energy (“TBE”)

Electricity Consumption Across All LGD Plants: **70,954 MWh**

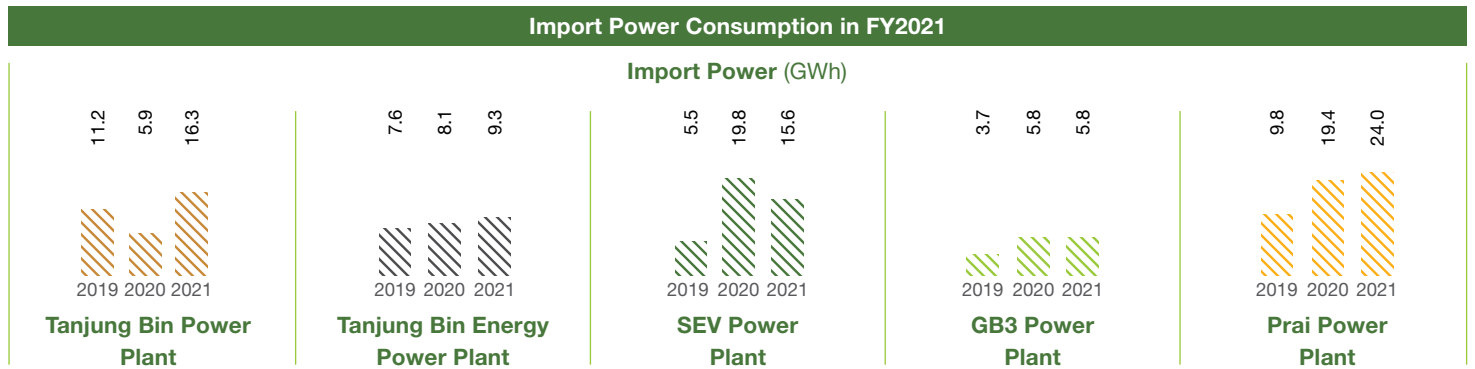
**Managing Our Energy Consumption at Our Office Premises**

We strive to conserve our electricity usage at our office premises by implementing various initiatives, including the LED light replacement programme in our Headquarters, the Malakoff Academy of Excellence (“MAX”) training centre and other office buildings owned by MUSB. We have also installed motion sensors in the toilets at our Headquarters.

In the year under review, the engineering teams at Headquarters and Prai conducted a comprehensive Energy Audit programme and identified several Energy Conservation Measures. These included delamping unnecessary lamps in areas with high lux levels and retrofitting fluorescent lamps with energy-efficient LED lamps.

The initiatives were implemented based on various factors, including equipment reliability, investment cost and payback period. As part of our energy-saving initiatives, Prai also initiated the shutdown of the auxiliary boiler during long standbys, which subsequently helped in optimising water consumption for the plant.

To better equip our employees in the use of sustainable energy, we have been providing selected employees with certified training in efficient energy management. In 2021, employees from LGD were also nominated to undergo the Registered Electrical Energy Managers (“REEMS”) certified training, which is required under the Efficient Management of Electrical Energy Regulation 2008 (“EMEER 2008”), Certified Energy Manager (“CEM”) and Green Building Index Facilitator.



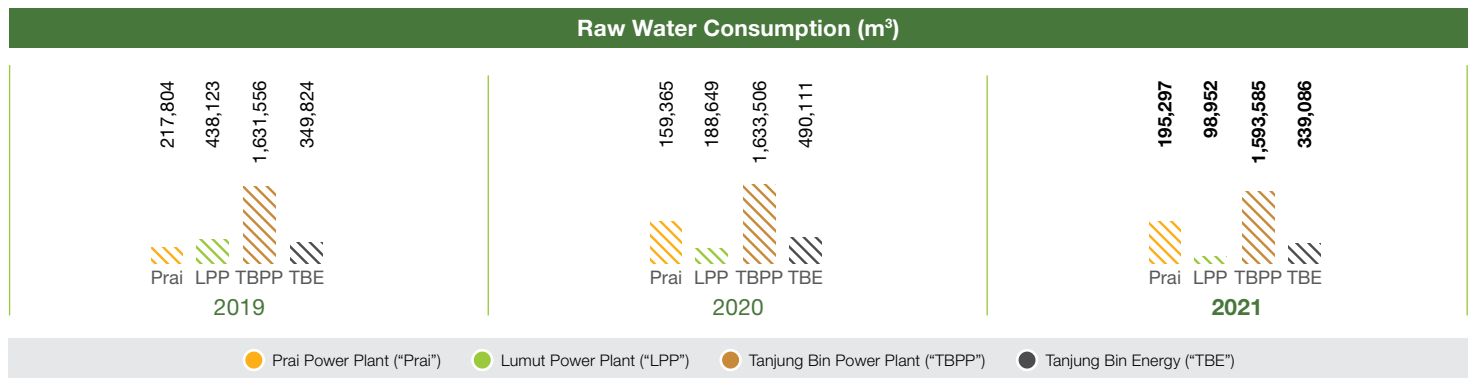
**Water Use Impact**

As a sustainably conscious organisation, we aim to use natural resources responsibly by reducing our water consumption. Water is an important natural resource in the generation of electricity. We withdraw seawater for our plants’ cooling down process and utilise raw water from municipal supplies to replace water and steam that are dispersed to the air during power generation.

Our TBP plant also has a rainwater harvesting system to supply water for non-essential use such as flushing toilets and housekeeping.

Other than water conservation, the TBP plant also focused on reducing water wastage by channelling wastewater to the boiler submerged scraper conveyor system. Further to that, we also minimised leakages by conducting a valve repair exercise on the steam and feedwater lines across our power generation plants.

At LPP, the blowdown manual valves are shut when the unit is on standby to minimise demineralised water wastage. The plant also continuously monitors its water and steam pipeline integrity and ensures scheduled replacements and that all drain valves are shut tight while controlling water usage during cleaning and housekeeping.



# Our Environment

## OUR ENVIRONMENT

### Waste Management

Efficient waste management is vital for Malakoff in preserving the environment and ensuring long-term business growth. Poor waste management will expose the Group to legal, reputational and even financial risks. Due to the nature of our operations, we generate waste by-products comprising mostly fly ash and bottom ash which are formed during the coal combustion process. As such, we strive to minimise and mitigate ground, water and air contamination that may arise from our coal ash disposal process.

To preserve our environment, our waste management is focused on scheduled waste across all our plants and is guided by the Group's Scheduled Waste Management policies and procedures. Our scheduled waste is disposed of via licensed contractors with prescribed premises in accordance with the DOE regulations. We have ensured that all the scheduled waste maintenance sites utilised by LPP, TBP, TBE and Prai comply with the Environmental Quality Act (Scheduled Waste) Regulations 2005. We also conduct internal audits and site inspections to continually improve our scheduled waste management practices.

As for internally generated scheduled waste such as used lube oil, distillate and contaminated solid waste, they are collected by licensed domestic contractors and sent to landfill and for incineration. We also regularly assess our waste management processes, besides implementing new waste management methods to reduce and recycle scheduled waste generated from our operations. In 2021, we did not receive any fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

Our commitment to efficient waste management was demonstrated in the establishment of several waste management facilities in 2020 by AFES, the non-concession segment of our subsidiary, Alam Flora. One of them was the development of Malaysia's first PRF, which provides desludging and deslopping activities in Northport, Selangor. AFES also successfully commissioned two incinerators in Pangkor Island and Cameron Highlands, which are capable of reducing waste to 10% (by-product Bottom Ash + Fly Ash). The incinerator in Cameron Highlands is capable of burning a maximum level of 40 tonnes of solid waste per day while the facility in Pangkor Island is capped at 20 tonnes per day. Emissions from the incinerators are in compliance with the Environmental Quality (Clean Air) Regulation 2014, ensuring clean air for the local community.

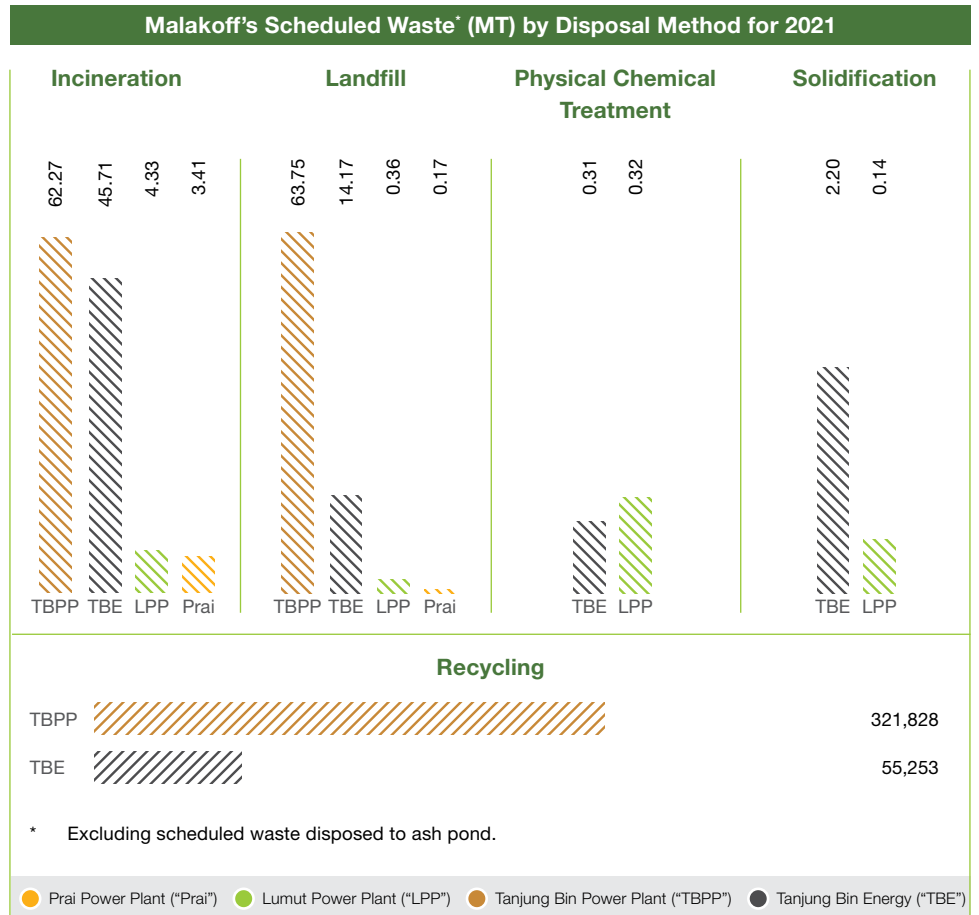
AFES also launched several initiatives to advocate waste reduction by educating and encouraging the public to recycle. Among the initiatives were the establishment of FIKS, a one-stop learning centre about recycling and waste management, the launch of Reward S@S Programme ("RewardS@S") – an initiative that rewards members of the public who recycled, and the roll out of 3R on Wheels ("3RoW") – a mobile recycling collection centre. RewardS@S collected 41,414 kg while 3RoW collected a 48,031 kg of recyclables.

At TBP and TBE, we have third-party offtake agreements with four companies to recycle the ash generated from Tanjung Bin Complex into construction material such as sand replacement, which is a common practice in Europe and Japan.

In 2021, our plants generated a total of 562,489 MT of waste, of which 377,081 MT or 67% was recycled. From the recycled waste, 377,062 MT was recycled through the sale of ash. At TBE and TBP, we implemented the Life Cycle Assessment, a tool used to analyse and evaluate any potential alternatives to reduce, reuse and recycle ("3R").

TBP generated 487,165 MT of scheduled waste, of which 321,828 MT was recycled. The power plant applied the cradle-to-cradle Life Cycle process and diverted 321,809 MT of fly ash from landfill, which met the characteristics of 3R.

TBE generated 75,303 MT of scheduled waste and adopted the cradle-to-cradle Life Cycle implementation technique for 73% or 55,253 MT of scheduled waste.



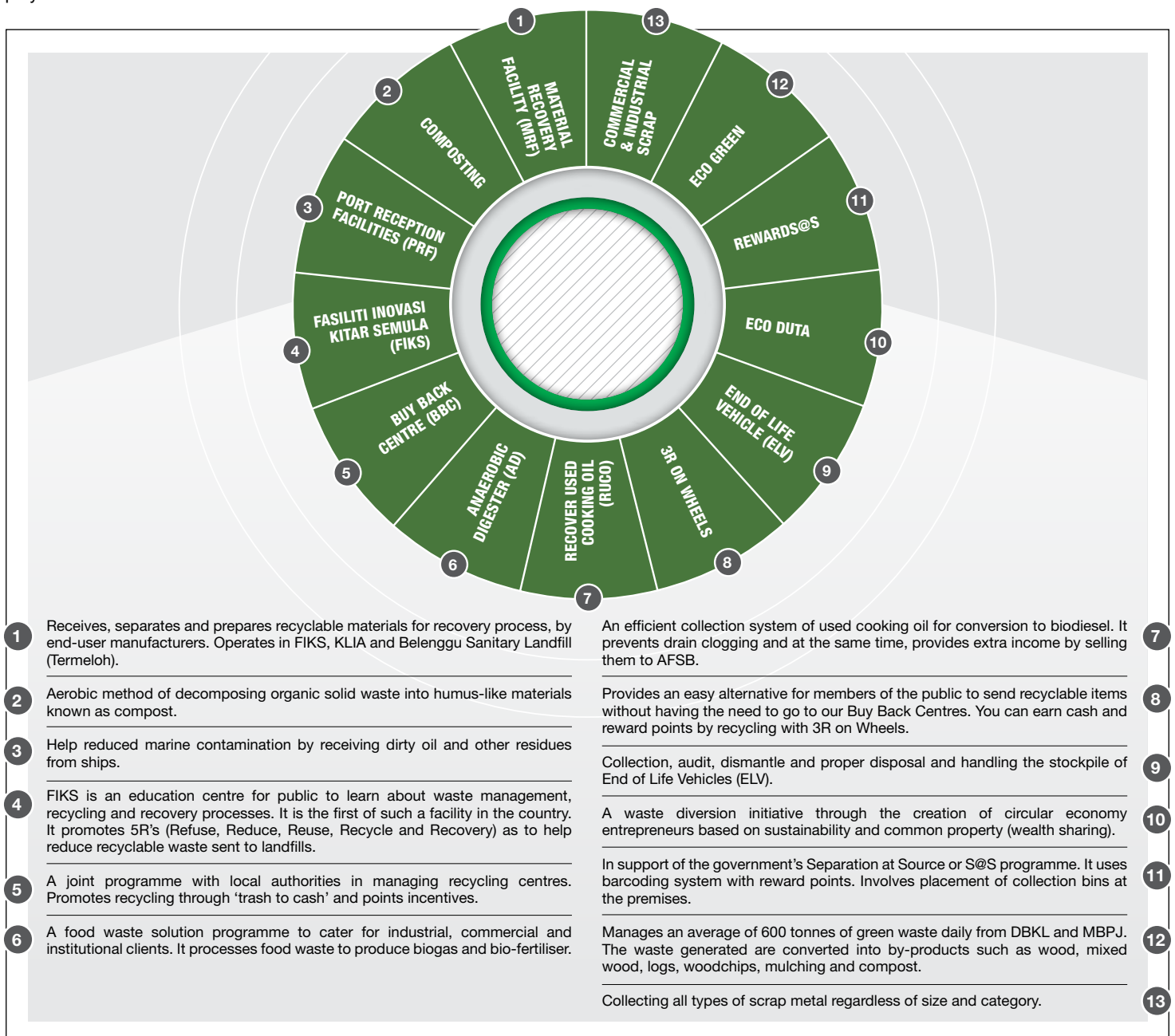
Note: All our hazardous waste is disposed offsite, which refers to outside of the physical boundary or administrative control of Malakoff.



Our subsidiary, Alam Flora, has been actively involved in promoting the new sustainable economic concept to provide sustainable waste management facilities and services to the public. This is in line with recognising the SDG 6, 7, 9, 11, 12, 13, 14, 15 and 17 objectives, in order to be fulfilled by the nation. AFSB complies with the Ministry of Housing and Local Government of Malaysia’s National Cleanliness Policy, which aims to promote ‘Waste to Wealth’ towards the circular economy concept among the policy’s various other objectives.

**Waste Recovery & Treatment**

As part of our commitment to reduce industrial waste, Malakoff provides and utilises various waste treatment technologies to industries. Our services include collection of recyclable items, waste recovery, and waste to energy or other useable goods programme. These initiatives have become our core strategy to raise awareness on the 5R’s (Refuse, Reduce, Reuse, Recycle, Recovery) practices amongst the public and industrial players.









# 04

## OUR PEOPLE

**Our People are our greatest assets, helping the Group realise its aspirations and deliver value to our stakeholders.**

We are deeply committed to caring for them, nurturing them and safeguarding their health and safety. Providing our employees a safe and conducive working environment is key to enabling their growth alongside our own.



# Our People

## SOCIAL



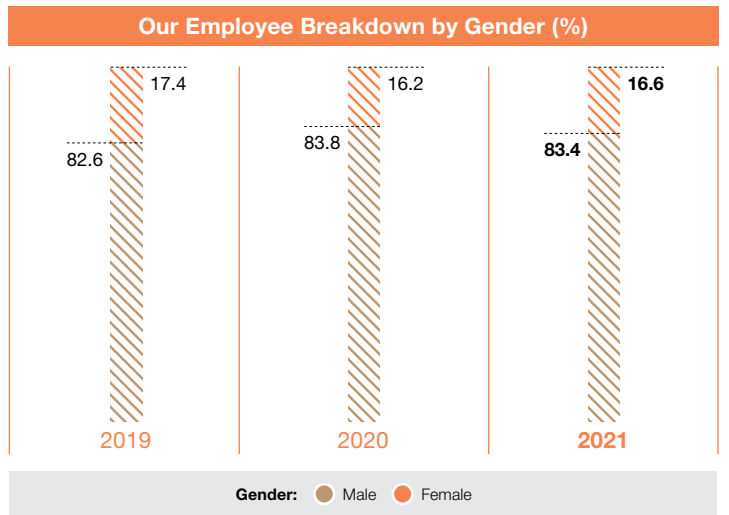
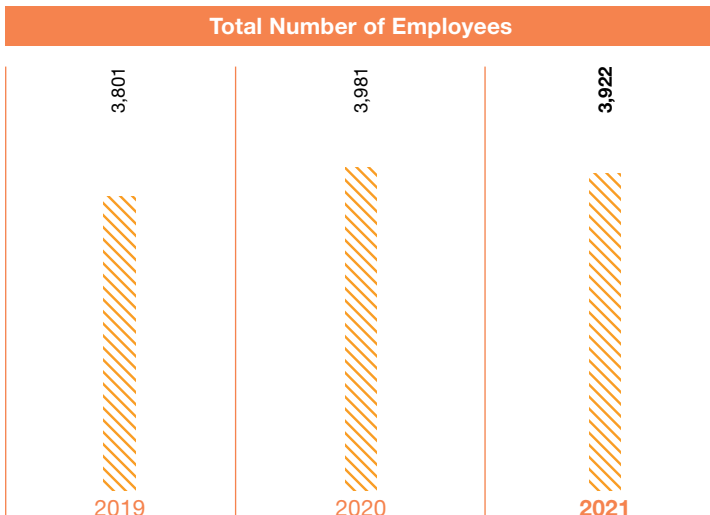
**At Malakoff, our people are our most valuable asset in helping us to achieve our strategic ambitions to create sustainable value for our stakeholders.**

We believe in employing a diverse workforce, while offering a conducive workplace that is able to nurture and engage our employees. We are committed to safeguarding their well-being, health and safety, while also providing the tools they require to develop their talents and careers.

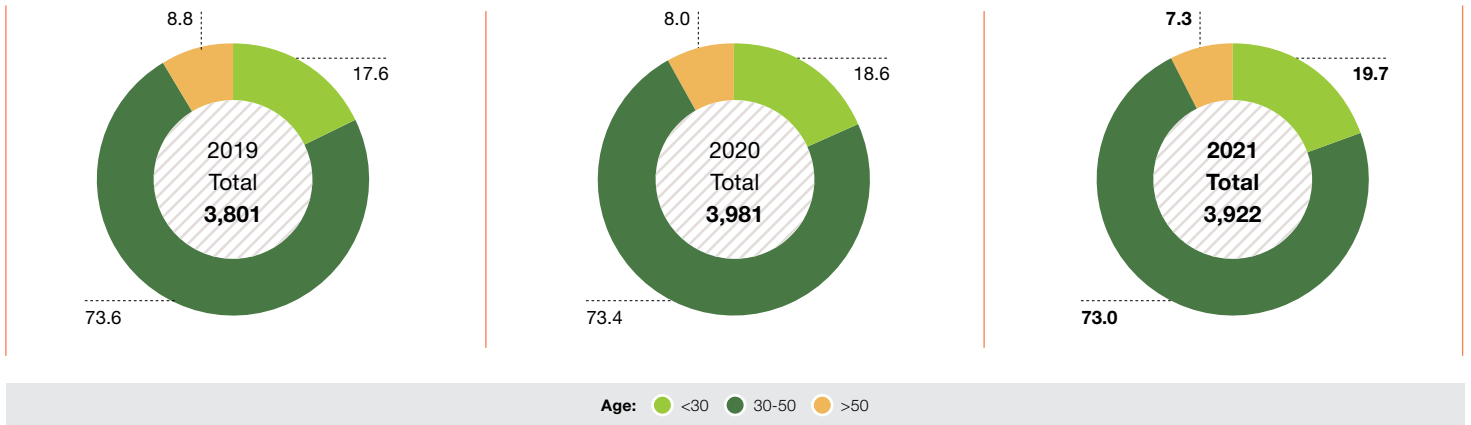


### Diversity and Equal Opportunities

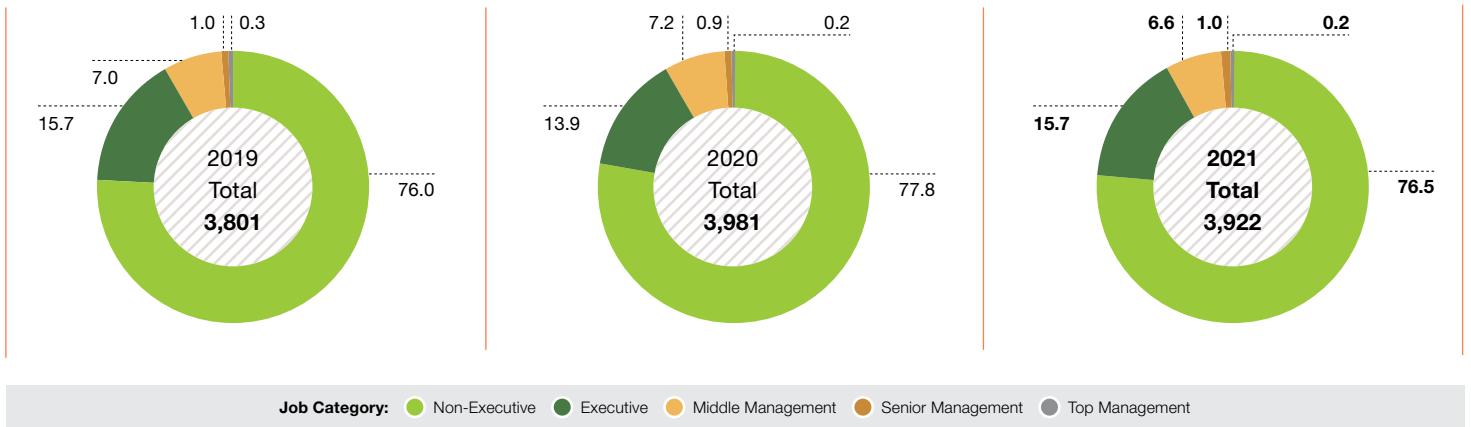
The Group strives to provide equal opportunity employment through its recruitment programmes, whereby candidates are selected based on merit. We are guided by our Manpower Planning & Recruitment Procedure in ensuring that our employees are offered fair compensation and benefits. We maintain zero tolerance towards discrimination in any form, be it ethnicity, gender, age or disability. In FY2021, the Group had 3,922 employees, of whom 83.4% were men and 16.6% were women.



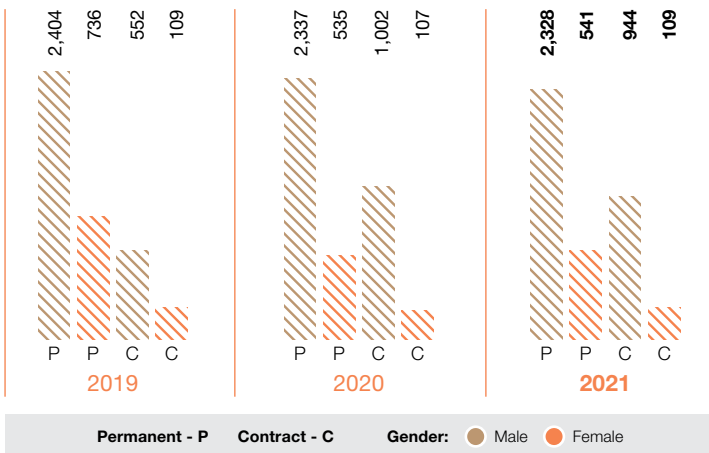
Our Employee Breakdown by Age Group (%)



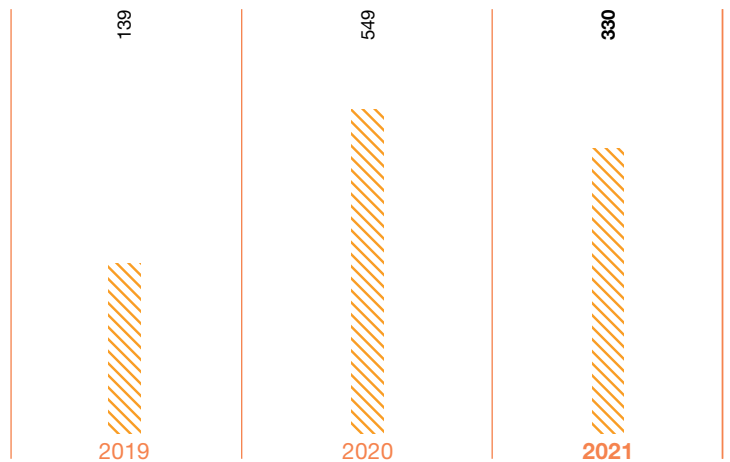
Our Employee Breakdown by Job Category (%)



Our Employee Breakdown by Employment Contract



Total Number of New Hires

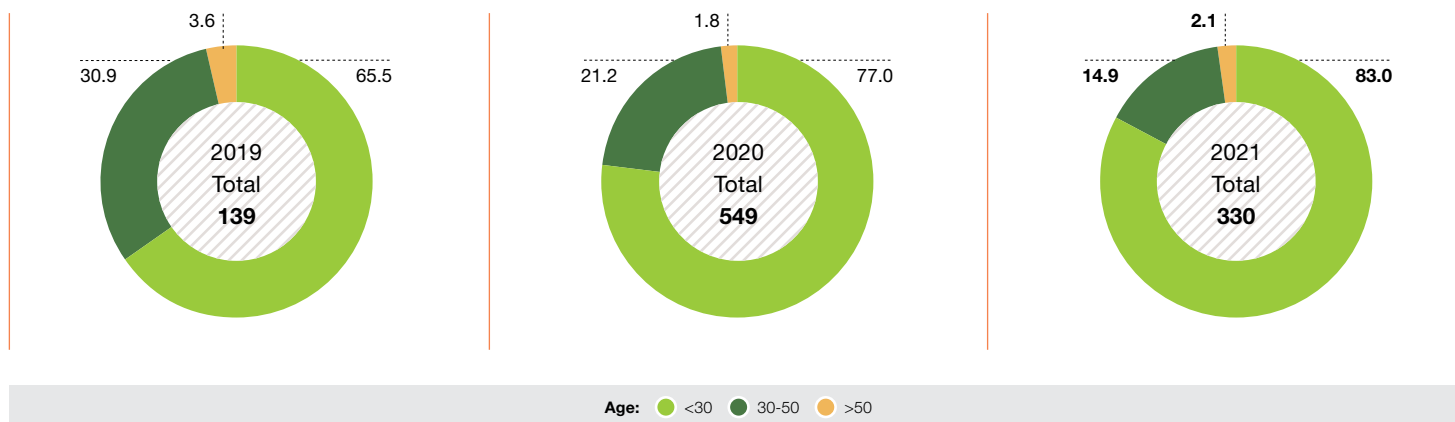




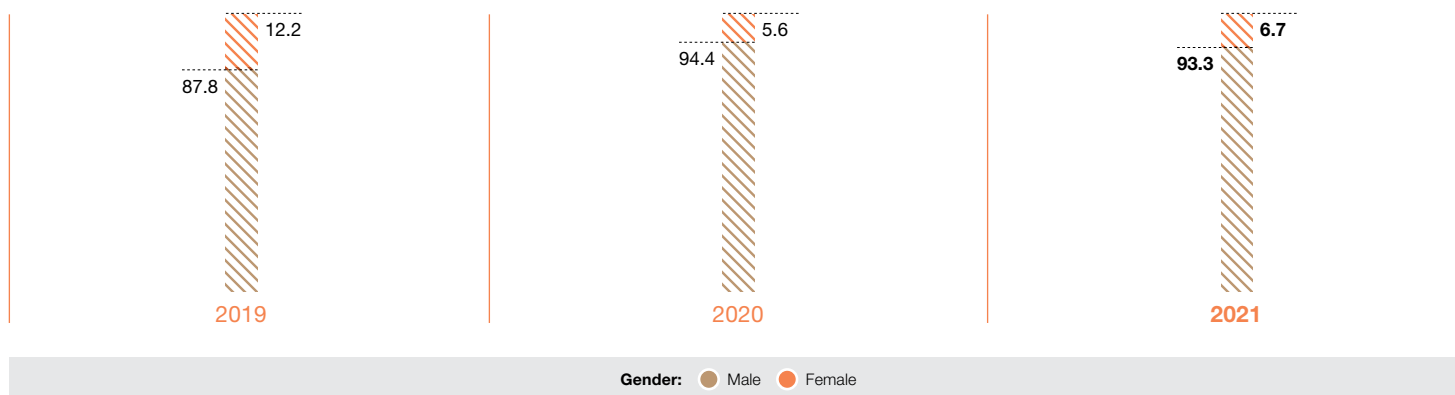
## Our People

## SOCIAL

## Number of New Hires by Age Group (%)



## Number of New Hires by Gender (%)



## Employee Turnover Rate (%)

2019		2020		2021	
No. of Turnovers	Rate (%)	No. of Turnovers	Rate (%)	No. of Turnovers	Rate (%)
170	4.47%	157	3.94	112	2.85

## Turnover by Gender (Number)

Gender	No. of Turnovers	Rate (%)
Male	359	81.8
Female	80	18.2

## Turnover by Age Group (Number)

Age Group	No. of Turnovers	Rate (%)
<30	174	39.6
30-50	204	46.5
>50	61	13.9

### Employee Welfare

Taking care of the welfare of our employees is crucial to the longer-term sustainability of our organisation as it helps to create a better workplace with healthy, loyal and satisfied employees. We are guided by our Employee Welfare Procedure in ensuring we provide a wide and suitable range of employee benefits and welfare initiatives.

Some of the benefits we provide our people are paid leave, medical benefits, education assistance and various other employment-related benefits. In the year under review, we introduced gifts for employees welcoming a new child into their families, as well as a fruit basket for employees who were hospitalised. We also extended donations to employees who have lost immediate family members. In 2021, the massive flooding that struck the country in December affected many Malaysians, and in response, the Company donated to the affected staff to help ease their burden.

All our employees are also given annual job appraisals, and they have the right to raise any issues or concerns through a clearly defined grievance mechanism process that has been developed and is managed by the Group's Human Capital Division. In line with our commitment to the International Labour Organisation ("ILO") and the Universal Declaration of Human Rights, we are firmly committed to upholding human rights across all aspects of our operations. All our policies have been formulated to ensure that we do not violate the basic rights of employees and the various communities in which we operate.



### Keeping Employees Safe During the Pandemic Resurgence

#### Continuation of Work-From-Home Measures



Work-From-Home ("WFH") measures for employees with job functions that could be performed remotely from their homes continued throughout 2021. All engagements, meetings, training and awareness sessions were conducted online.

For corporate centre employees in supporting roles, or for those who were not directly involved in operations and projects, the Management implemented Split Team Working ("STW") arrangements. STW involved employees being split into different working groups which would rotate between working in the office and WFH.

#### Covid-19 Vaccination & Awareness



As of FY2021, we have vaccinated 948 out of 949 employees in the Malakoff Group whereas for Alam Flora, 2,966 out of 2,973 employees have been vaccinated.

We also constantly communicated the latest COVID-19 developments to our employees, including daily updates on cases among employees at business locations and email blasts reminding employees to follow the SOPs at all times.

#### Daily Workplace Temperature Screening



In compliance with the SOPs imposed by the government during the pandemic, we made it compulsory for all employees to scan and register their body temperature before entering the workplace. The Workplace Temperature Screening booth was located at the receptionist and front desk area at all our locations.

### Leave Benefits

All our employees are entitled to a range of different types of paid leave benefits, including marriage, Hajj leave and study/exam leave. We offer paid maternity leave of up to 60 days for our female employees, and paternity leave of three days for new fathers. Other Malakoff employees such as contract and part-time employees are entitled to paid annual leave limited to a certain numbers of days and also to sick/medical leave.



## Our People

### SOCIAL

#### Employee Engagement

The Group is highly committed to engaging with our employees in meaningful and sustainable ways as highly engaged employees form the foundation of a productive and profitable organisation. Highly engaged employees are not only happier and more loyal, but will also help to foster improved customer interactions, which in turn makes them our best advocates. In the year under review, we conducted a number of engagement initiatives that included:

##### Jom Sembang With MD/CEO

The aim of this programme is to improve the rapport between employees and the MD/CEO through hour-long sessions where employees can share their thoughts with the MD/CEO about their working experience at Malakoff. Our MD/CEO practises an 'open-door' policy in this regard, entertaining any questions, issues, suggestions or that employees may have. In 2021, the MD/CEO engaged with 1,255 employees through 65 sessions.

##### Town Hall Session

The town hall session encourages bottom-up communication from our rank and file, enabling our employees to express their opinions about the Company, its direction and other work-related matters. In 2021, two virtual town halls were organised in January and June.

##### Birthday Greetings For Employees

At Malakoff, we believe that even the smallest gesture can have a lasting impact, so we send birthday greetings to our employees, to remind them that they are more than just an employee and are appreciated and valued by the organisation.

#### Employee Engagement Survey ("EES")

We strive to connect with our employees at a deeper level and to improve our employment practices in areas such as training, health and safety, remuneration, branding and retention. Thus, we conduct an annual EES to better understand our employees and to demonstrate that we are an organisation that cares and listens. The survey was conducted from 6 December to 31 December 2021, with 893 employees providing their responses. The majority of those who did not respond to the survey were on shift duty and had limited access to digital devices.

Targeted outcomes of the EES:



	2019	2020	2021
Targeted number of respondents	1,001	943	<b>949</b>
Completed surveys	759	913	<b>893</b>
<b>Response Rate</b>	<b>76.0%</b>	<b>97.0%</b>	<b>94.0%</b>

### Talent Development

As a progressive organisation, we believe in investing in our people to ensure that all employees of the MCB Group have access to learning, development and training opportunities to stay relevant to current industry demand and agile in adapting to change. We aim to shape a knowledgeable, skilled and motivated workforce to ensure excellent delivery and remain ahead of our competition. As such, we constantly support our people by equipping them with current knowledge skills to enable them to carry out their role within the organisation and develop their talent in tandem with the organisation's strategic objectives.

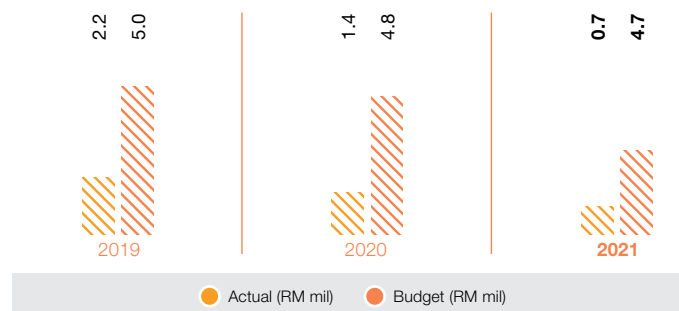
In 2021, we invested RM724,982 in talent development, comprising management development programmes and soft skills and technical training.

In 2021, we continued with the third cohort of the Malakoff Management Development Programme ("MMDP") with the objective of developing a pool of talented managers who will preserve the Company's core values, work in a high-performance culture and continue to grow the Company to the next level, while meeting stakeholder expectations. As of December 2021, we have identified 110 talented managers since the launch of the MMDP in 2018.

#### Number of Participants in the Malakoff Management Development Programme



#### MCB Group's Investment in Talent Development



#### Soft Skills Training

Training Hours/Gender	Male	Female
Total No. of Employees	352	148
Total No. of Training Hours	4,857	1,885
Average Training Hours Per Employee	13.80	12.74

Total Training Hours: **6,742**

Employee Category	Total No. of Training Hours	Total No. of Staff	Average Training Hours Per Employee
Executive (E2-E1)	2,240	157	14.27
Non-executive (N2-N1)	324	24	13.50
Management (M3-A2)	4,069	306	13.30
Senior Management (V1, V2, A1)	60	7	8.57
Top Management (SVP and above)	49	6	8.17

#### Technical Training

By Plants

##### KLHQ & PDP

Training attended by grade FY2021				Total training hours
N2-N1	E2-E1	M3-M2	M1 & Above	
35	77	31	13	889

##### TBPP, TBEPP, CHP

Training attended by grade FY2021				Total training hours
N2-N1	E2-E1	M3-M2	M1 & Above	
257	370	78	18	1061

##### LPP, PPP

Training attended by grade FY2021				Total training hours
N2-N1	E2-E1	M3-M2	M1 & Above	
150	192	97	21	1225

Total Training Hours: **3,175**



## Our People

### OCCUPATIONAL SAFETY AND HEALTH



## Ensuring the safety and health of our employees is a priority in our organisation to ensure smooth daily operations.

We acknowledge that poor management of the safety and health of employees will lead to injuries and accidents at the workplace and disrupt our business operations and services. Serious incidents at the workplace could also expose the organisation to various risks such as legal, financial and reputational.

We are guided by our robust Occupational Health and Safety Policy, which is available on our internal intranet platform. The policy outlines our commitment to providing a healthy and safe work environment for our employees, contractors and stakeholders whose tasks and responsibilities require them to be present at our workplace. It also sets out our priorities in preventing injury and ill health caused by exposure to work hazards, and our commitment to eliminating hazards and reducing occupational health and safety risks in our operations and maintenance activities. Further to that, the policy underpins our commitment to complying with all applicable statutory and regulatory requirements of the local, state and federal authorities in relation to occupational health and safety. In addition to the policy, we are accredited with the international standard ISO 45001:2018 to uphold the highest levels of occupational health and safety.

#### Occupational Safety and Health Governance

The governance of occupational safety and health at Malakoff is in accordance with the ISO 45001:2018. This means we take into consideration all relevant internal and external issues, as well as the relevant factors that

may affect the occupational health and safety aspects of our organisation, when implementing strategies, directions, policies and objectives. The Board of Directors and Senior Management of Malakoff are highly committed to ensuring the organisation's compliance with occupational health and safety regulations and are actively involved in ensuring the health and safety of our people across all sectors in our operations.

#### Occupational Safety and Health Training

We strive to inculcate a culture of safety and health at the workplace by equipping our employees and contractors with adequate knowledge and promoting awareness on safety and health. We constantly work closely with external partners to organise occupational health and safety programmes, audits, inspections and awareness initiatives at the workplace to highlight the importance of health and safety.

In 2021, we conducted the following programmes amid disruptions from the pandemic:

- 1 Fire Watcher Training
- 2 Authorised Entry Standby Person Training
- 3 Hazard Identification, Risk Assessment and Risk Control ("HIRARC") Awareness
- 4 Malakoff Safety Passport to In-House Contractors
- 5 Drug Screening Test by the National Anti-Drugs Agency
- 6 Contractor Forum for Outage Contractors
- 7 Plant Management Walkdown
- 8 Plant HSSE Inspection
- 9 Toolbox Talk for Outage Contractors
- 10 Health Awareness (Heat Stress, Radiation, Quit Smoking)
- 11 Safety Awareness (Falling Objects, Covid-19, Workplace Injuries)
- 12 Environmental Awareness
- 13 Authorised Gas Tester Training
- 14 Emergency Drill Exercise (Earthquake, Fire, Landslide, Casualty, etc.)
- 15 Safety Marshal Inspection
- 16 Audiometric Test
- 17 Permit to Work Audit
- 18 HSSE Week 2021
- 19 MSOSH Audit 2021

### Occupational Safety and Health Performance

Our aim is to reduce and mitigate accidents and injuries by increasing awareness and implementing strict health and safety rules at the workplace. Due to our stringent safety and health practices, we are pleased to report that Malakoff excluding MESB's projects & Alam Flora ("Malakoff Operations") recorded 0.16 LTIFR which aligned our key performance indicator ("KPI"). Our subsidiary, Alam Flora, also recorded 0.75 LTIFR, lower than its set maximum rate of 1.35. However, despite our best efforts, we regret to report that there were two fatalities in Alam Flora. Going forward, we will improve our health and safety measures by stepping up our training programmes and reviewing safety procedures to prevent such incidents in the future.

Category	Description	Malakoff (Operations)			Alam Flora		
		2019	2020	2021	2019	2020	2021
<b>Fatality</b>	Immediate death or death within one year of the date of the accident or occupational disease.	0	0	0	0	1	2
<b>LTI</b>	An injury is assessed to be a LTI when the injured person cannot return for duty during the next shift or the next day.	0	0	3	16	37	25
<b>Medical Treatment Injury</b>	Includes treatment of injuries administered by registered medical personnel.	1	2	3	0	4	10
<b>First Aid Injury</b>	Any one-time treatment and subsequent observation of minor injuries which do not ordinarily require medical care.	1	0	2	1	1	0
<b>Fire Incident</b>	A fire that occurs within the plant premises.	9	2	1	1	4	2
<b>Property Damage</b>	An instance where either company property or equipment is damaged.	0	2	3	29	39	35
<b>Near Misses</b>	An incident where no injury, ill health or property damage occurs, having been barely avoided.	8	2	5	0	0	0
<b>Security Incident</b>	Any incident related to a security breach.	1	0	2	0	0	0

### LTIFR Performance in FY2021

Malakoff (Operations)	2019	2020	2021
Total Number of Incidents	20	8	19
Total Number of LTIs	0	0	3
LTIFR	0	0	0.16
Alam Flora	2019	2020	2021
Total Number of Incidents	47	86	74
Total Number of LTIs	16	37	25
LTIFR	0.59	1.40	0.75



## Our People

### COMMUNITY INVESTMENT & DEVELOPMENT

We believe that the Group bears a responsibility towards the welfare of the communities in Malaysia. As such, we have committed to several initiatives, including developing Malaysian technical skills, enhancing community development, inculcating competitive spirit and taking measures to conserve the environment. Investing in the community will garner support, strengthen trust and cement our long-term relationships with local communities. Moreover, investing in meaningful platforms will have a positive impact on society at large. We have always actively invested in the needs of our local communities and will continue to do so in the future.



**This year, Malakoff lent its support through our contributions to education and assisting them through the Covid-19 pandemic by supporting their needs.**



#### Initiatives to Build Meaningful Partnerships With Our Community

We continued to provide donations and sponsorships to deserving organisations and individuals as part of our commitment to support the underprivileged and build meaningful partnerships with the community. We hope that our assistance will go a long way towards improving their quality of life and providing for their daily needs.

In FY2021, we continued to channel funds through Wakalah Zakat for the well-being of the local communities. Malakoff supports initiatives that improve their standard of living while meeting their basic needs. Malakoff has contributed during the year under review through Wakalah Zakat to provide financial assistance to the poor and needy (Asnaf Fakir & Miskin).

Contribution of RM300 each to  
199 Asnaf Mukim Serkat, Johor

**RM59,700**

Contribution of RM300 each to  
50 Asnaf Kampung Segari, Perak

**RM15,000**

### Youth Education and Development

It is our belief that every individual deserves an education and as such, our Company has carried out several educational initiatives to support the communities around us. The Malakoff Edufund Programme, which was established in 2001, offers financial support to equip a total of 11 Adopted Schools located at our operating areas in Segari (Perak), Prai (Pulau Pinang) and Pontian (Johor) with learning tools and better infrastructure. On top of that, we also provide financial assistance through other programmes to the children in our local communities prior to the start of the school year.

Malakoff has also responded to the government's call for corporate organisations to support local higher educational institutions, and as such, we continued to support Universiti Tenaga Nasional ("UNITEN"), Universiti Malaysia Pahang ("UMP") and University Teknologi MARA ("UiTM") in carrying out student-related activities in the respective universities during the year under review. In 2021, Malakoff also made direct zakat contributions to educational institutions throughout the country totalling RM37,800.

Contribution to educational institutions throughout the country

**RM37,800**

### Supporting Communities During the Covid-19 Pandemic

In the fight against Covid-19, when the government enforced the MCO on 1 June 2021, we found opportunities to support the work of our frontliners and provide for the needs of the underprivileged. Malakoff fully respects and supports the dedication and sacrifice of the medical frontliners in managing the pandemic and we also fully sympathise with all who have been affected by the pandemic. Malakoff, as a responsible corporate citizen, expressed its support and encouragement to all during these difficult times by contributing to the Covid-19 pandemic relief effort. To support the needs of the communities around us, we provided daily necessities and essential items like food through the following initiatives:

#### Contribution to Local Communities

Communities at  
Mukim Serkat,  
Johor (Kawasan 1)

Through the MMC Prihatin Programme, we distributed 200 food packages (flour, rice, vermicelli, sugar, salt, spices, biscuits, drinks)

300 Households  
in Mukim Serkat,  
Johor and  
Kampung Segari,  
Lumut, Perak

Distributed 300 food boxes containing essential items (rice, sugar, flour, spices)

Asnaf/  
Underprivileged  
in the Klang  
Valley

In collaboration with Pusat Pungutan Zakat & Majlis Agama Islam Wilayah Persekutuan ("PPZ-MAIWP"), we donated RM245,000 through the 'Program Sumbangan Bakul Rezeki'

### Total contribution to community investment and development in 2021:

Wakalah Zakat  
**RM668,800**

Stakeholder Management  
**RM110,440**

## Our People

### COMMUNITY INVESTMENT & DEVELOPMENT

#### Contributing to Healthcare

To facilitate healthcare needs during the Covid-19 pandemic, Malakoff donated RM24,500 for the purchase of an Airvo 2 Humidifier Nasal High-Flow Therapy machine for the Trauma and Emergency Department of Hospital Selayang, Selangor. This was done on the advice of the World Health Organization (“WHO”) as Nasal high-flow therapy is the first method of respiratory aid to deliver oxygen to Covid-19 patients and a vital measure to avoid being intubated.

In addition, Malakoff contributed RM10,000 to the Raja Zarith Sofiah of Johor Foundation to support public hospitals in Johor and further strengthen their healthcare system in treating Covid-19 patients. We also donated RM2,500 to the Mukim Serkat Vaccination Centre volunteers to support the operations of the vaccination centre.

#### CSR Activities That Reinforce Our Social Commitments

While most of our philanthropic contributions in FY2021 were targeted at helping communities in need through the Covid-19 pandemic, we also reached out to touch the lives of other segments of the community during the year with the following:

##### January 2021

Back to School Event with the Johor Education Office

Flood Relief Assistance at Temerloh, Pahang and Pontian, Johor

##### March 2021

Donations to children living in Kawasan 1, Mukim Serkat, Johor

##### May 2021

Zakat contributions to Masjid Khairul Jariah Segari and Masjid Al-Amin Sg. Dinar, Mukim Serkat, Johor

##### July 2021

Handover of sacrificial cows for Qurban Rites at Kawasan 1 Mukim Serkat (Johor), Prai Power Plant (Penang) and Kg Segari (Perak)

##### December 2021

Malakoff's CSR 'Jom Cuci' at Karak (Pahang), a flood clean-up activity

#### Responsible Subcontracting and Procurement

We are cognisant of the importance of our suppliers and vendors' role in making sure our operations are not disrupted. Thus, we strive to achieve high standards of corporate governance, integrity and ethics in ensuring responsible subcontracting and procurement to uphold our stakeholders' high level of trust and confidence in our organisation. We acknowledge that responsible subcontracting and procurement are integral to the sustainability of our business, as it ensures compliance with the necessary rules and regulations.

Responsible subcontracting and procurement also help to ensure that the overall process of acquiring supplies, services, works and/

or consultancy services, from identifying needs to selecting sources and, preparing and awarding contracts, complies with Malakoff's Group Procurement Policy and Procedures. Our subcontracting and procurement processes are governed by stringent policies and procedures in place such as Limits of Authority, Group Procurement Process, Group Vendor Management Procedure, E-Auction Procedure and Procurement Evaluation Guidelines.

We continue to support local industries across our business chain and activities to contribute to local economic development. In 2021, an estimated 98% of Malakoff's procurement spend went to local suppliers and vendors while 100% of Alam Flora's procurement spend was on local suppliers and vendors.

#### The Group's Number of Vendors in 2021

Local Vendors  
**2,396**

Overseas Vendors  
**152**



**ALAM FLORA SDN BHD (“Alam Flora”)**

As one of the largest concession holders of Malaysia’s national solid waste management and public cleansing privatisation projects, Alam Flora provides an extensive range of waste management services to several concession areas in the Central Region of Peninsular Malaysia, namely Kuala Lumpur, Putrajaya and Pahang.

Alam Flora adopts a holistic approach to waste management practices by going ‘beyond waste management’ in constantly striving to improve and enrich the communities and the environment. The company understands the welfare of the environment is key to our communities’ well-being and health. As such, Alam Flora actively pursues projects and initiatives that bring benefits to the community to create a more sustainable environment for our society to thrive in.

This lays a solid foundation for the company’s community programmes aimed at bringing humans and nature together in harmony.

Alam Flora continues to support the government’s ‘Separation at Source’ programme (“S@S”) through our RewardS@S programme. We place our uniquely designed bins at participating non-landed residential areas and offices in Putrajaya and Kuala Lumpur. For every ‘M’-sized plastic bag of recyclables dropped into our ‘theft-proof’ bin by the public, PETRONAS Mesra cardholders will be awarded five Mesra points after scanning the barcode on their Mesra cards.

To continue to support surrounding communities and raise awareness on the environment, Alam Flora also organised several other CSR initiatives in 2021:

**1****Post-Flood Relief**

22 January 2021 – Temerloh, Pahang  
21 December 2021 – Klang & Taman Sri Muda, Selangor  
22 December 2021 – Klang, Selangor and Kuala Lumpur

**2****Distribution of ‘Bubur Lambuk’ in conjunction with Ramadan**

3 May 2021 – ‘Love Food, Hate Waste’ in collaboration with Pertubuhan DAI KL and the Royal Malaysian Police at Bukit Aman District Headquarters, Kuala Lumpur  
5 May 2021 – ‘Love Food, Hate Waste’ at Ramadan Bazaar, PPR Beringin, Kuala Lumpur

**3****Alam Flora Prihatin for Frontliners**

29 June 2021 – Pejabat Kesihatan WPKL & Putrajaya  
30 June 2021 – Stadium Melawati, Shah Alam  
23 July 2021 – IPD Dang Wangi, Kuala Lumpur  
10 August 2021 – Donation in collaboration with Pertubuhan DAI Kuala Lumpur to Surau in PPR around Kuala Lumpur







# 05

## CREATING VALUE

**Creating value is a crucial process, one that relies on obtaining a wide range of information about our risks, the external environment and what is important to our stakeholders, as well as new business opportunities.**

At Malakoff, strategic engagement, ESG considerations and data analytics continue to serve as key foundations to drive our strategies to create long-term sustainable value.

66	<a href="#">Market Landscape</a>
68	<a href="#">Stakeholder Engagement</a>
71	<a href="#">Material Issues</a>
72	<a href="#">Value Creation Model</a>
74	<a href="#">Risks and Opportunities</a>



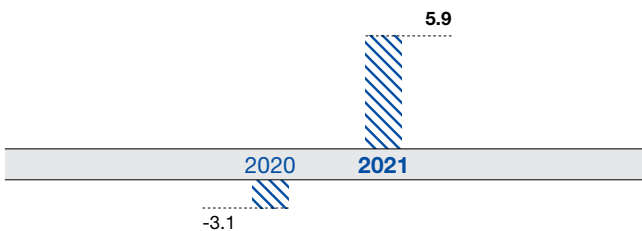
# Market Landscape

## The resurgence of the pandemic due to more virulent strains of Covid-19 disrupted global economic recovery in 2021, even as mass vaccination programmes were underway all over the world.

As a result, governments were forced to implement lockdowns to lessen the strain on their health systems, which also meant businesses shutting down operations, thus dampening demand and supply for goods and services. In Malaysia, we witnessed a full lockdown in the middle of 2021 and was later complemented by the National Recovery Plan that outlined the criteria for different phases of economic activity according to the number of new cases, healthcare capacity and vaccination rate of adults. The pandemic significantly impacted the economy across a range of industries.

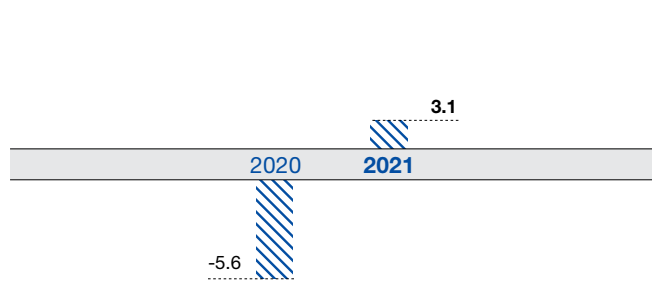
While global GDP did bounce back to a forecasted 5.9% year-on-year in 2021 according to the International Monetary Fund ("IMF"), it was on the back of the low base after the 3.1% contraction in GDP in 2020, as well as the moderate recoveries recorded by more advanced economies. In Malaysia, GDP grew by 3.1% in 2021, a recovery from the 5.6% contraction in 2020, but still indicating that the economy had not recovered to pre-pandemic levels.

Global GDP (%)



Source: World Economic Outlook Update, International Monetary Fund.

Malaysian GDP (%)



Source: Malaysia Economic Performance Fourth Quarter 2021, Department of Statistic Malaysia.



### Thermal Power Generation

The uneven recoveries of economies due to the nature of the pandemic led to different regions of the world ramping up their demand for energy at different times. The overall effect was a surge in the price of resources like coal, natural gas and oil. With the prices of natural gas spiking due to uneven demand as both Asia and Europe charted their recoveries, coupled with increased needs from Europe to weather its winter season, many countries turned to coal in order to secure their energy needs. This then led to a surge in coal prices. The higher price of coal was also an issue in Malaysia, which saw the ACP doubling year-on-year in some instances.

Demand for electricity largely mirrors GDP growth. Despite various iterations of the lockdown, electricity demand in Malaysia grew by 0.9% year-on-year in 2021 compared to a contraction of 4.8% in 2020. The turnaround was due to the robust increase in economic activities post-MCO, as the high vaccination rates that the country achieved in 2021 afforded the reopening of inter-state travel as well as the full resumption of economic activities by the fourth quarter of the year.

**Electricity demand in Malaysia grew by 0.9% year-on-year in 2021 compared to a contraction of 4.8% in 2020.**

**Renewable Energy**

Malaysia's RE installed capacity in 2021 comprised about 23% of the country's energy mix. The development of renewables is gaining momentum as Malaysia transitions to a low-carbon economy. Malaysia is committed to reducing its carbon emissions by 45% in 2030 and to being carbon neutral by 2050. Given our geographic location, solar power continues to grow strongly, accounting for 51% of total RE capacity<sup>1</sup>, and will complement the growth in hydropower as well as the government's intention to explore WTE solutions.

Besides the government's support in driving Large Scale Solar programmes to increase generation capacity, private players have been actively

deploying solar photovoltaic ("PV") panels across residential, industrial and commercial rooftops, and it is estimated that rooftop space in Malaysia currently offers more than 4 GW of potential capacity.

Due to the intermittent or variable nature of solar generation, there is a need for relevant infrastructure such as energy storage, which is a development that is now playing out in more advanced countries as they seek to stabilise their grids. With Malaysia's plan to adopt up to 500 MW of battery storage technology under the country's Energy Transition Plan 2021-2040, energy storage will become an important aspect of grid-connected solar PV in Malaysia from 2030 onwards.

**Malaysia is committed to reducing its carbon emissions by 45% in 2030 and to being carbon neutral by 2050.**

**Environmental Solutions**

Daily, Malaysians generate around 38,699 tonnes of solid waste<sup>2</sup>. Currently, there are 141 solid waste landfills in Malaysia. Of those, 116 are open dumpsites, 21 are sanitary landfills (which are engineered with anti-pollution features to allow safe decomposition) and four are residual waste landfills.

With the number increasing yearly due to the rising population and tremendous growth in urbanisation as well as other factors, the need to look for alternatives other than creating more landfills is inevitable. This augurs well for Alam Flora's going 'beyond waste management', which includes enhancement of its waste diversion initiatives involving waste recovery and treatment activities. This is also in line with the Group's recycling goal of achieving a 15%-20% recycling rate by 2025 and towards the creation and development of a circular economy in the country, which is part of the National Cleanliness Policy key pillar.

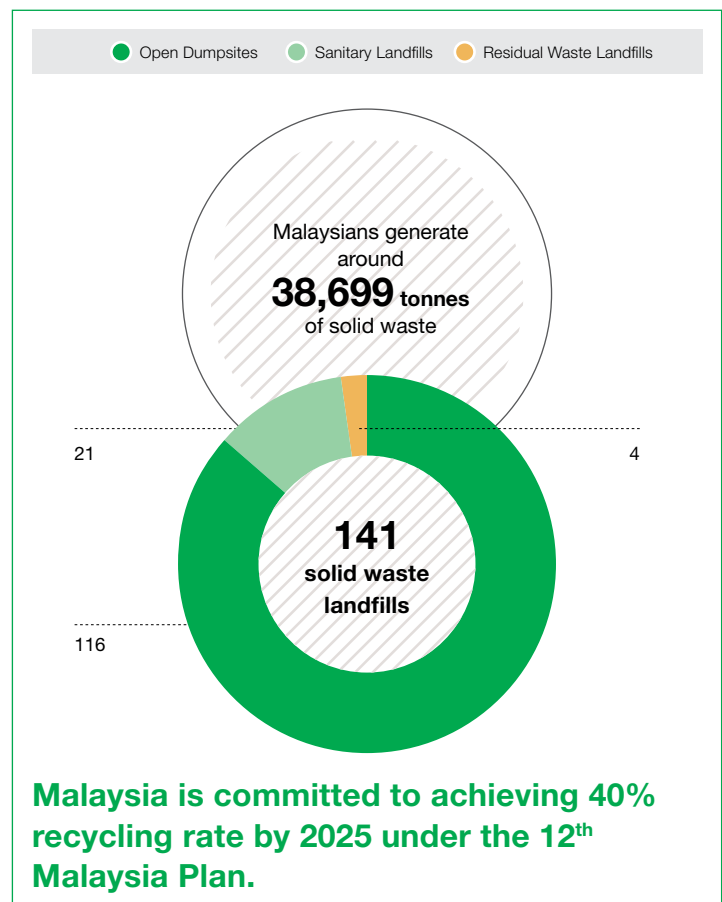
Alam Flora's initiatives include creating a recycling culture among Malaysians through the establishment of Fasiliti Inovvasi Kitar Semula ("FIKS"), the country's first education and awareness centre on recycling, and a Material Recycling Facility ("MRF"), in Putrajaya. Alam Flora also manages Malaysia's first PRF in managing waste from ships, in Northport, Port Klang.

Due to space constraints, Malaysia is now transitioning to incineration method to overcome its garbage disposal issues. Currently, there are four small-scale thermal treatment plants with a total capacity of 175 tonnes per day. Two of these mini-incinerators, located in Pangkor Island and Cameron Highlands, respectively, are being managed by Alam Flora's subsidiary, AFES.

Such incineration centres can help as waste can be burnt quickly, with 99% of solid waste being incinerated completely. With this method, about half of the solid waste produced in Malaysia daily can be incinerated. The ashes are considered 99% safe to be disposed of in existing landfills<sup>3</sup>. This also paves the way towards alternative energy production through WTE method.

Sources:

<sup>1</sup> Malaysia Renewable Energy Roadmap, SEDA Malaysia.  
<sup>2,3</sup> "Tackling the Rising Amount of Trash", The Star (24 Oct 2021)



# Stakeholder Engagement

Stakeholder Group	Method of Engagement	Stakeholder Concerns	Malakoff's Response	Material Topics
<b>Employees</b>				
Our 3,922 employees	<ul style="list-style-type: none"> <li>Town halls</li> <li>Virtual meetings</li> <li>Surveys</li> <li>Company intranet</li> <li>Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability of business growth</li> <li>Our strategies to maximise profits</li> <li>Readiness to fully adapt ESG practices</li> <li>Post-pandemic business survival</li> <li>Environmental concerns</li> <li>Safety and health</li> </ul>	<ul style="list-style-type: none"> <li>Malakoff has been aggressively exploring RE &amp; Environmental projects to expand the business portfolio towards more sustainable growth while aligning with the Company's ESG goals and country's sustainability aspirations</li> <li>Malakoff will nurture our employees to achieve excellence and grow professionally within a safe and healthy work environment</li> </ul>	<p><b>M4</b> Natural Disaster and Pandemic</p> <p><b>M9</b> Employee Engagement and Well-being</p> <p><b>M10</b> Occupational Safety and Health</p> <p><b>M13</b> Effective Communication</p>
<b>Local Communities</b>				
Local communities we engage with in or near areas where we operate, including those impacted by our operations, mainly in Johor, Perak, Penang, Pahang, Selangor and the Federal Territories of Kuala Lumpur and Putrajaya	<ul style="list-style-type: none"> <li>Surveys</li> <li>Community events</li> <li>Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity impact of our operations</li> <li>The continuation of community investment programmes and support</li> <li>Security of health and safety</li> <li>Having open channels of communication</li> </ul>	<ul style="list-style-type: none"> <li>Malakoff will deliver a dependable supply of reliable energy and efficient environmental management to our communities while ensuring optimal resource management through innovative and sustainable solutions</li> <li>Malakoff will continue our CSR programmes to nurture and develop the next generation</li> </ul>	<p><b>M3</b> Waste Management</p> <p><b>M4</b> Natural Disaster and Pandemic</p> <p><b>M8</b> Community Development</p>
<b>Shareholders/Investors</b>				
Institutional and retail investors, analysts and potential investors	<ul style="list-style-type: none"> <li>Virtual meetings</li> <li>Analyst briefings</li> <li>AGM</li> <li>Quarterly report</li> <li>Website updates</li> <li>Group/One-on-One Meetings</li> <li>Mailing List</li> </ul>	<ul style="list-style-type: none"> <li>Share price performance, profitability expectations</li> <li>ESG framework</li> <li>Environmental issues, e.g. climate change, recycling, waste handling</li> <li>Strategic direction of our business portfolio</li> <li>Promoting a more transparent disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Continuous engagement with the investment community on financial, operational and strategic updates</li> <li>Malakoff will ensure the Group's sustainability agenda is aligned with shareholder expectations through the adoption of best practices</li> <li>Establishment of a new Sustainability Framework that includes long-term Net Zero Emission goals, supported by a clear roadmap</li> <li>Malakoff has embarked on its inaugural Integrated Reporting and will continue to improve on its disclosure practices</li> </ul>	<p><b>M13</b> Effective Communication</p> <p><b>M14</b> Economic Performance</p> <p><b>M15</b> Strategy Implementation</p>



# Stakeholder Engagement

Stakeholder Group	Method of Engagement	Stakeholder Concerns	Malakoff's Response	Material Topics
<b>Customers</b>				
Our customer base comprises customer groups from the residential, commercial and industrial segments	<ul style="list-style-type: none"> <li>Virtual engagements</li> <li>Surveys</li> <li>Public Events</li> </ul>	<ul style="list-style-type: none"> <li>New technologies (smart metering, solar payment provider)</li> <li>RE market expansion to residential areas</li> <li>Improved customer experience</li> <li>Energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Malakoff will advance the transition to cleaner energy, which will include the use of new technologies</li> <li>Malakoff will prioritise business innovation to address customer-related concerns</li> </ul>	<ul style="list-style-type: none"> <li>M2 Renewable Energy</li> <li>M7 Energy Consumption</li> <li>M14 Economic Performance</li> </ul>
<b>Government Authorities</b>				
The Malaysian federal and state governments, Members of Parliament, municipal councils and regulators	<ul style="list-style-type: none"> <li>Surveys</li> <li>Corporate events</li> <li>Dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Post-pandemic survival</li> <li>Security and reliability of electricity supply</li> <li>Robustness of our cybersecurity systems</li> <li>Integration of ESG compliance into business</li> <li>Management of environmental issues at our plants</li> </ul>	<ul style="list-style-type: none"> <li>Malakoff has aligned itself to become a sustainably conscious organisation, guided by our role in nation-building, sustainability, customer enrichment and employee development</li> <li>Malakoff has committed to acting on climate change by reducing our carbon emissions and advancing the energy transition</li> <li>Malakoff aspires to maintain 100% availability of our critical systems and minimise cybersecurity incidents throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>M17 Regulatory Compliance</li> <li>M18 Governance, Ethics and Integrity</li> </ul>
<b>Law Enforcement Agencies</b>				
Local law enforcement agencies that help communities resolve conflicts or any environmental issues, including the Department of Environment ("DOE") and Department of Safety and Health ("DOSH")	<ul style="list-style-type: none"> <li>Surveys</li> <li>Virtual meetings</li> </ul>	<ul style="list-style-type: none"> <li>Management of environmental issues at our plants</li> <li>Adapting to new regulatory frameworks</li> <li>Compliance with existing regulations</li> <li>Climate change</li> </ul>	<ul style="list-style-type: none"> <li>Malakoff will enforce and observe the highest corporate compliance standards in all units and activities of the Group</li> </ul>	<ul style="list-style-type: none"> <li>M16 Operational Excellence</li> <li>M17 Regulatory Compliance</li> </ul>

## Stakeholder Engagement

Stakeholder Group	Method of Engagement	Stakeholder Concerns	Malakoff's Response	Material Topics
<b>Ratings Agencies and Financial Institutions</b>				
All banks and financial agencies we engage with in the business of dealing with financial and monetary transactions, including deposits, loans, investments and currency exchanges	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Virtual meetings/ briefings</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Commitment to sustainability agenda</li> <li>• Investment strategy</li> <li>• Economic and political instability</li> </ul>	<ul style="list-style-type: none"> <li>• Malakoff continues to seek and participate in potential greenfield and brownfield RE projects, environmental-related projects such as WTEs and water desalination projects in the MENA region</li> <li>• Malakoff's investment decisions are guided by the Group's internal Core Investment Guidelines</li> </ul>	<p><b>M14</b> Economic Performance</p> <p><b>M15</b> Strategy Implementation</p>
<b>Contractors and Vendors</b>				
Parties that are contractually bound to deliver supplies, works or consultancy services in accordance with stated contract terms	<ul style="list-style-type: none"> <li>• New vendors registration</li> <li>• Vendor Day</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement process</li> <li>• Industry support for business growth</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Malakoff will explore new innovations and technologies to improve our own capabilities, such as our supply chain management</li> </ul>	<p><b>M13</b> Effective Communication</p> <p><b>M15</b> Strategy Implementation</p> <p><b>M16</b> Operational Excellence</p>

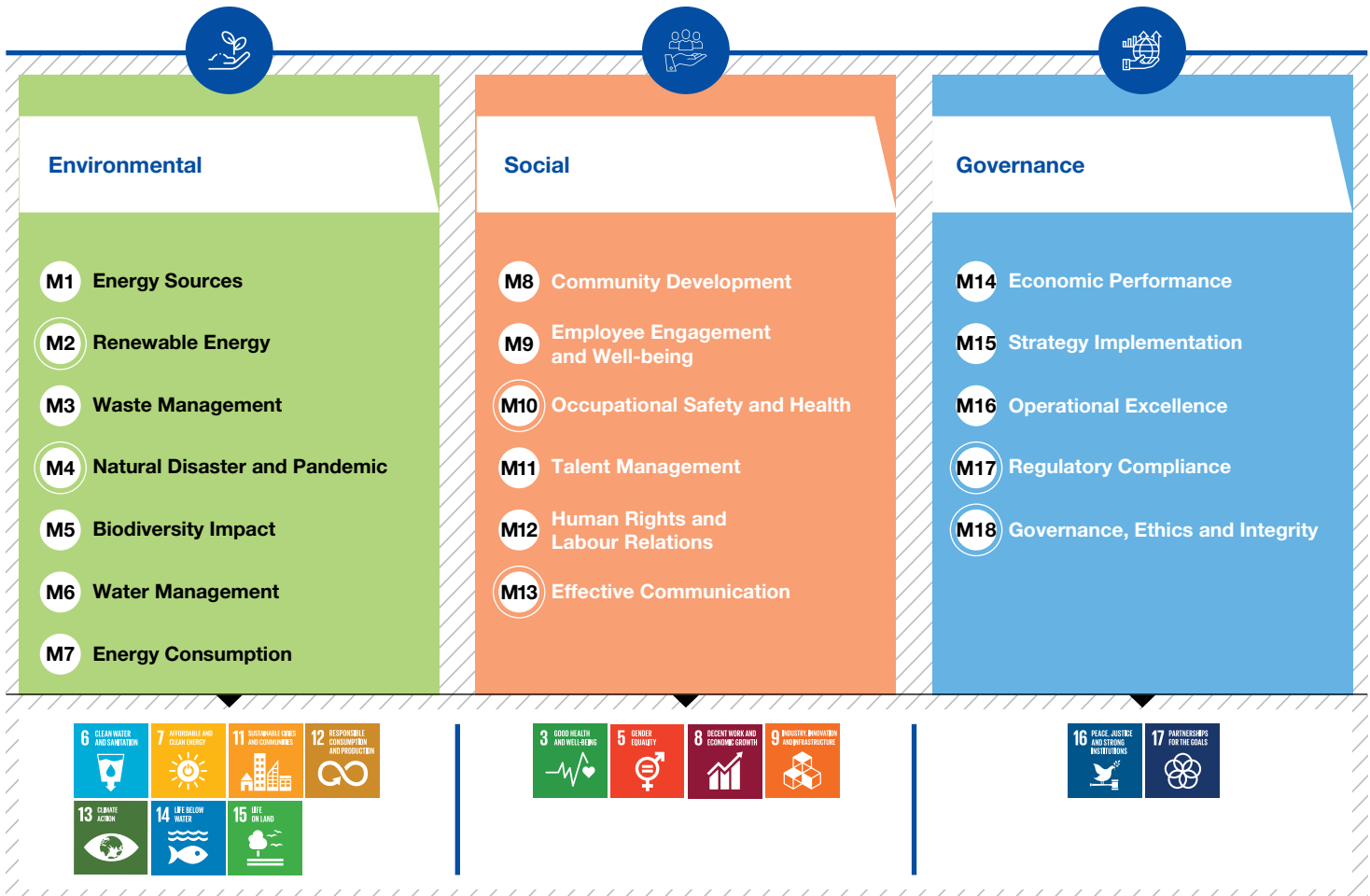
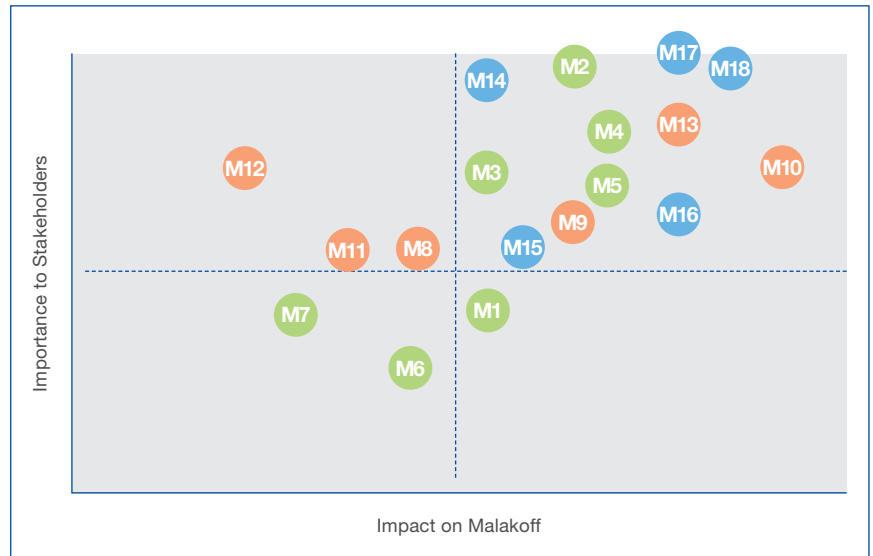
# Material Issues

Malakoff’s material issues reflect the key ESG topics that significantly impact our business and stakeholders.

In the year under review, we reviewed and reconfirmed our ESG topics and aspects to remain relevant and align to Malakoff’s strategies, emerging risks and opportunities, industry developments and stakeholder concerns.

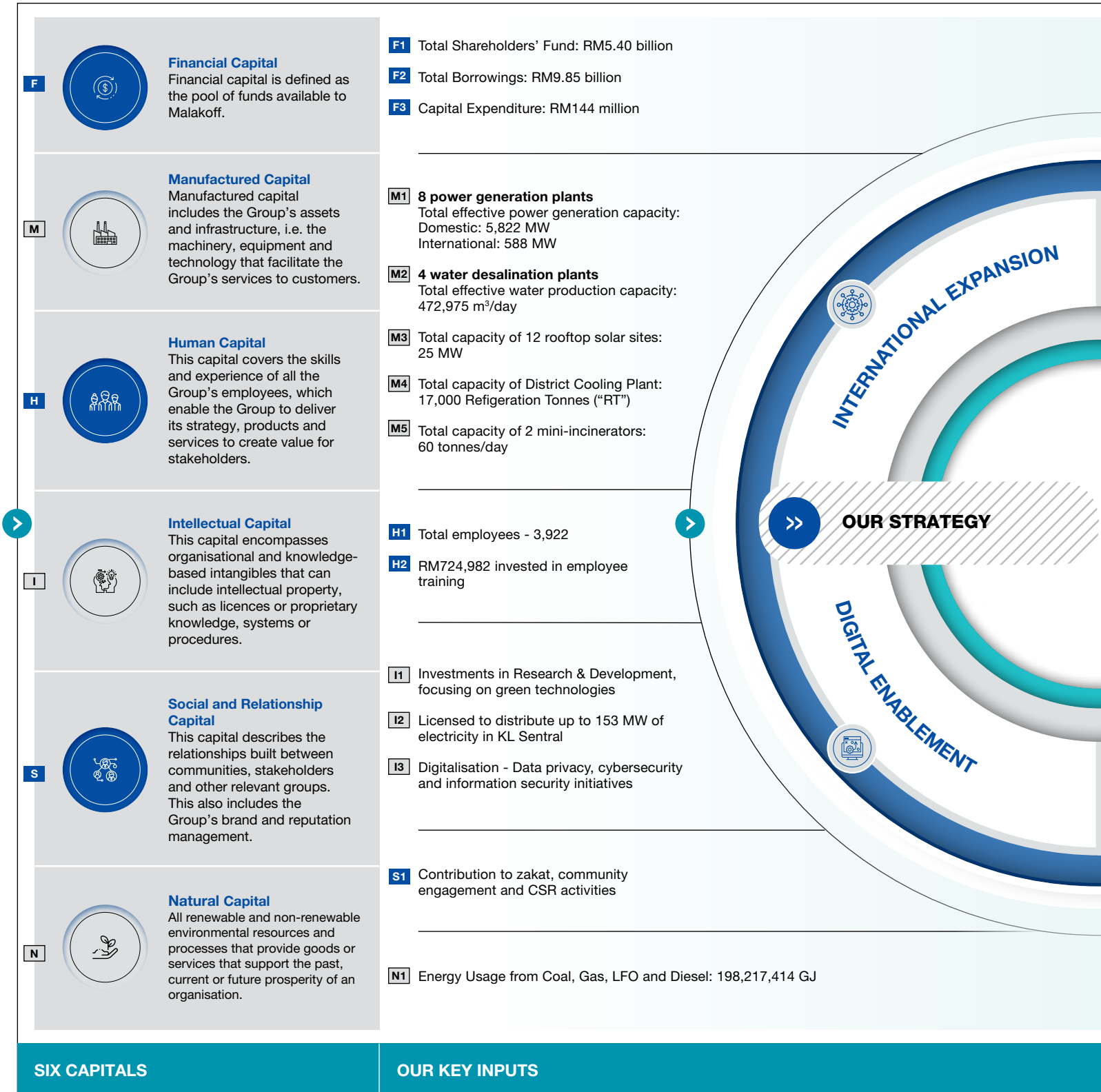
From the latest feedback obtained from our stakeholders, we prioritised 18 material issues for FY2021 and mapped them against their direct and indirect contributions to the UN SDGs.

Materiality Matrix

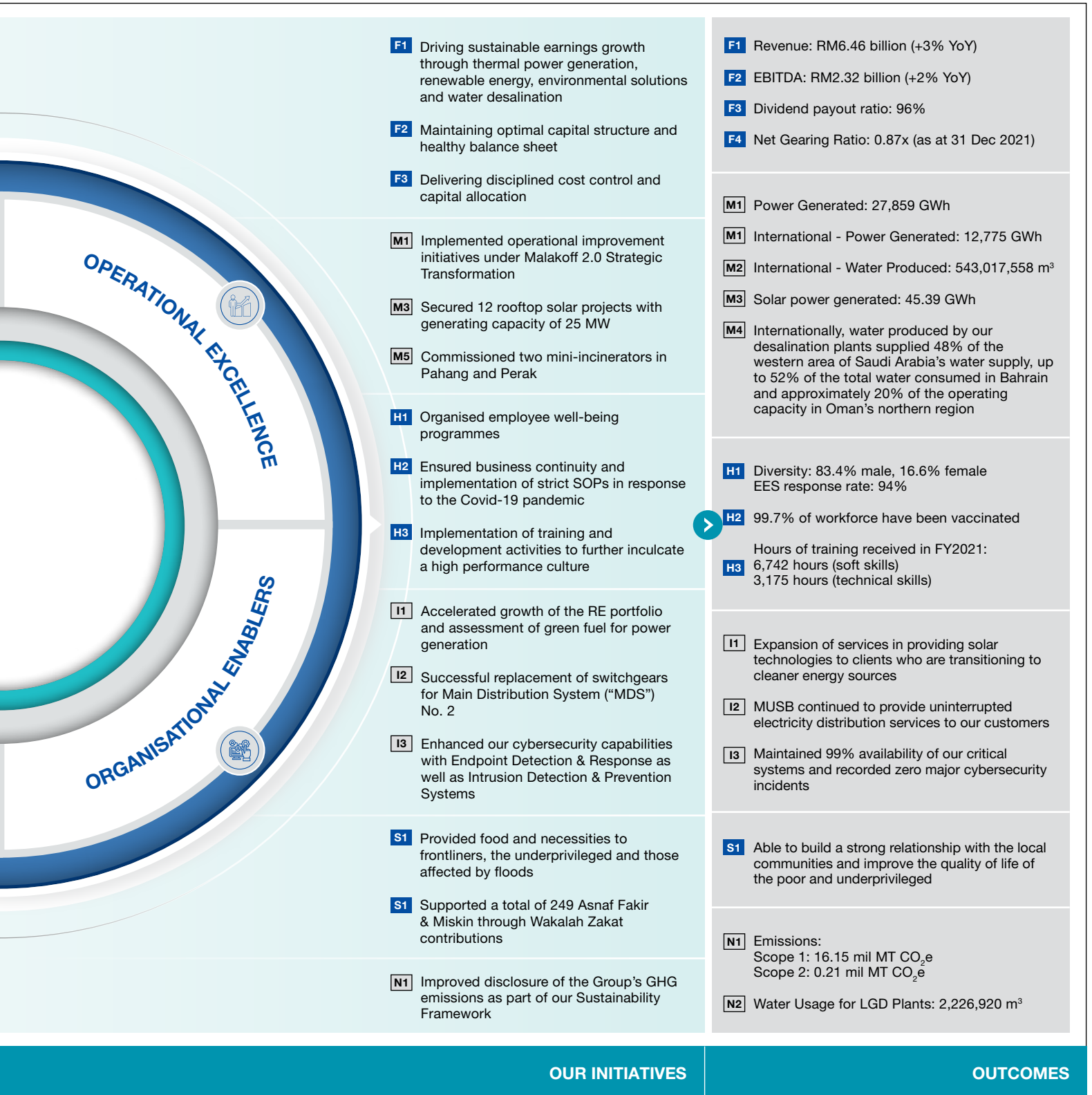




# Value Creation Model



Value Creation Model



OUR INITIATIVES

OUTCOMES

# Risks and Opportunities

The Group is proactive in the management of its risks, with our enterprise risks deliberated annually and further considered against the context of our strategic business plan and the current market landscape of the various businesses we operate.

## Mitigation

- Continuously monitoring energy policies (local & abroad) via market research and frequent engagement with relevant stakeholders/authorities, including future opportunities

Industry

Strategy

Country

ESG

- Progressively building internal capabilities to be able to compete aggressively
- Promoting market liberalisation to break monopolies
- Being innovative and resilient – adapting to key trends
- Forming partnership(s) with competitor(s) to enhance our competitive edge

Industry

Strategy

Country

ESG

- Strategically embracing disrupting trends
- Exploring strategic alliances with suitable partners

Industry

Strategy

Country

ESG

- Gaining knowledge and a better understanding of merchant markets in established regions (i.e. UK, Australia, Singapore) through enhanced exposure
- Active discussions/forums with stakeholders
- Focusing more on target countries/regions and taking calculated risks against returns

Industry

Strategy

Country

ESG

UNCERTAINTIES DUE TO CHANGES IN ENERGY POLICIES

FIERCE COMPETITION FROM LARGE UTILITY COMPANIES, INTERNATIONAL TRADING HOUSES AND/OR THE EMERGENCE OF NEW PLAYERS

DISRUPTIVE MARKET FORCES WITH THE EMERGENCE OF NEW TECHNOLOGY, ETC.

POLITICAL AND MARKET RISKS IN THE COUNTRY (E.G. MERCHANT MARKET)

KEY ISSUES



# Risks and Opportunities

In identifying our risks, we have also planned mitigation actions in order to ensure the sustainability of our operations.

