

2024 Key Highlights

Financial Highlights



Revenue
RM8.97 billion



EBITDA
RM1.97 billion



Dividend Per Share
4.40 sen



Dividend Payment
RM215.0 million

Business Highlights



Achieved a total of **173 MW of renewable energy (RE) capacity**, marking a **496.6% increase from the 2021 baseline**.



Acquired **51% equity in ZEC Solar Sdn. Bhd.** and **49% in TJZ Suria Sdn. Bhd.**, increasing RE capacity by **29 MW**.



Completed **17.4 MWp of commercial and industrial solar** installations.



Completed the **E-Idaman Sdn. Bhd. (E-Idaman) acquisition**, increasing Malakoff's waste management capabilities and strengthening its **presence in the Northern region's non-concession segment**.



Introduced a **new fleet of waste collection vehicles**, enhancing **efficiency, operational sustainability and environmental impact reduction**.



Secured **multiple contracts for leachate treatment plants**, further expanding Malakoff's environmental solutions portfolio and enhancing waste-to-resource capabilities.



Secured a **one-year extension for the 350 MW Prai Power Plant** through a new Power Purchase Agreement with Tenaga Nasional Berhad, which is expected to **contribute to Malakoff's financial performance** in the upcoming year.



Successfully launched the Biomass Co-firing Project at **Tanjung Bin Power Plant (TBPP) in 2024**, a key milestone under the **National Energy Transition Roadmap**. The project was officiated by **Deputy Prime Minister and Minister of Energy Transition and Water Transformation, YAB Dato' Sri Haji Fadillah Haji Yusof**.



Secured a **new contract in Bangladesh**, further expanding Malakoff's international footprint in energy generation and infrastructure services.

2024 Key Highlights

Sustainability Highlights



Environmental

Carbon Emission Reduction

- ▶ **3.7% YoY reduction** in GHG Emissions intensity.
- ▶ **17.0% YoY reduction** in Scope 2 absolute emissions.
- ▶ 19.6% increment in Gross Energy Produced.

Recycling & Waste Management

- ▶ Achieved a **21.1% recycling rate, surpassing the 2025 target** of 15-20%.
- ▶ Alam Flora collected 7,026.7 tonnes of recyclables in 2024.
- ▶ Completed the E-Idaman acquisition, increasing our potential waste management capacity close 5,200 TPD.

RE Expansion

- ▶ Commenced construction works for the three run-of-river small hydropower plants along Sungai Galas in Kelantan, which is projected to offset 272,424 tonnes of CO₂ annually.

Biomass Co-firing Initiative

- ▶ **Achieved 2% co-firing at TBPP.**
- ▶ Targeting to achieve a 15% co-firing ratio by 2027.



Social

Community Engagement & Awareness

- ▶ Conducted **100 awareness programmes** on sustainability.
- ▶ CSR contributions of **RM407,413**, benefiting **6,740 individuals**.

Employee Training & Development

- ▶ Employees received an average of **14.98 training hours** (Malakoff).
- ▶ Employees received an average of **12.25 training hours** (Alam Flora).

Health & Safety

- ▶ **Zero fatality** at Malakoff.
- ▶ Lost Time Incident Rate **decreased from 0.73 (FY2023) to 0.42** at Malakoff.

Diversity & Inclusion

- ▶ **Female** representation on the Board **increased to 22%**.
- ▶ **Zero cases** of discrimination reported in FY2024.



Governance

Zero Bribery & Non-Compliance

- ▶ **100% of operations assessed** for corruption-related risks.
- ▶ 79% of employees received anti-corruption training.
- ▶ **Zero substantiated complaints** concerning breaches of customer privacy and losses of customer data.

Awards & Recognitions

Independent Power Producer of the Year Award at Enlit Asia 2024

United Nations Global Compact Network Malaysia & Brunei Forward Faster Sustainability Award 2024

- Anti-Corruption (for Large Company category)**
- Pioneer Sustainable Development Action Recognition (Biomass Co-firing Project)**

Company of the Year (Energy Generation) for Community Care and Environmental Conservation at the Sustainability and CSR Malaysia Awards 2024

Company of the Year (Waste Management) by Sustainability and CSR Malaysia Awards 2024

Assigned **"Gold" Impact Assessment** by MARC Ratings for our Sustainable Finance Framework

2024 Special Achievement by GIS Award in San Diego, California

Green Achievement Enterprises Award by Third Solar Energy Storage Future Malaysia 2024

Basis of This Report

We are pleased to present the fourth integrated report of Malakoff Corporation Berhad (Malakoff or the Group), which adheres to the principles outlined in the Integrated Reporting Framework under the International Financial Reporting Standards (IFRS) Foundation. This report offers a comprehensive and transparent account of Malakoff's performance and strategic direction, while addressing the challenges, opportunities and key risks within the operating environment. While its primary focus is on capital providers, this report also serves as a valuable resource for all stakeholders interested in understanding how we create value over the short, medium and long term, guided by strong governance, harmonising our growth ambitions with our commitment to environmental and social responsibility.

Reporting Framework

Our integrated reporting approach is structured in accordance with the Integrated Reporting <IR> Framework and complies with the Main Market Listing Requirements (MMLR) of Bursa Malaysia, the Corporate Governance Guide (Fourth Edition) by Bursa Malaysia, the Companies Act 2016 (CA 2016), the Malaysian Code on Corporate Governance (MCCG) 2021, the Malaysian Financial Reporting Standards (MFRS) Accounting Standards and the IFRS Accounting Standards.

Additionally, our Sustainability Statement aligns with the Global Reporting Initiative (GRI) Standards, Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and the United Nations' Sustainable Development Goals (UN SDGs), reflecting our steadfast commitment to sustainable business practices.

Scope and Boundary

This report covers the financial year from 1 January 2024 to 31 December 2024, encapsulating key activities, initiatives and significant events within this period, unless stated otherwise. It includes all subsidiaries in which Malakoff holds a majority stake and exerts significant influence, encompassing our operations in Saudi Arabia, Bahrain and Oman.

Materiality

We have identified and outlined material matters that influence our long-term business strategies, objectives and corporate direction. These material matters form the foundation of our decision-making process and strategic initiatives.

Combined Assurance

We are committed to ensuring the integrity and accuracy of our disclosures through a structured assurance process. This report has undergone thorough review and approval by both Management and the Board of Directors. Our financial statements have been

independently audited by Messrs. KPMG PLT (KPMG), while selected sections of the Sustainability Report have been subject to an internal review conducted by the Group's internal auditors.

Forward-Looking Statements

This report contains forward-looking statements regarding Malakoff's future performance, which are based on prevailing assumptions and current conditions. Given the inherent uncertainties in these factors, actual results may differ from those anticipated. Various risks, external developments and macroeconomic conditions could impact our future performance. As we move forward, we remain adaptive in refining our strategies to align with the dynamic business environment.

Directors' Responsibility Statement

The Board of Directors of Malakoff assumes full responsibility for ensuring the accuracy and integrity of Malakoff's Integrated Annual Report 2024. In our view, this report presents a balanced and fair assessment of the Group's performance and effectively addresses key factors that impact our ability to generate sustainable value.

The report has been prepared in accordance with the <IR> Framework and was formally approved for publication by the Board on 21 March 2025.



Basis of This Report

NAVIGATING THIS REPORT

OUR CAPITALS



Financial Capital



Manufactured Capital



Human Capital



Intellectual Capital



Social & Relationship Capital



Natural Capital

OUR STRATEGIC PILLARS



Thermal Power Generation



Renewable Energy



Environmental Solutions



Water Desalination



Strategic Bets

MATERIAL MATTERS



Environmental



Social



Governance



Good Governance and Corporate Integrity



Regulatory Compliance



Occupational Safety and Health



Operational Excellence



Physical and Transition Climate Risks



Renewable Energy Transition



Energy Mix and Efficiency



GHG Emissions



Stakeholder Management and Engagement



Talent Management and Development



Human and Labour Rights



Waste Management and Effluents



Coal Ash Management



Grid Stability



Asset Life Cycle and Integrity



Supply Chain Management



Water Management



Technology and Innovation



Community Impact



Biodiversity

KEY RISKS



Health and Safety



Talent Management



Cybersecurity



Policies and Regulations



Environmental, Social and Governance (ESG)



Emergence of New Technologies



Challenges in Getting New Business



Fraudulent, Illegal or Unethical Acts

OUR STAKEHOLDERS



Employees



Communities/General Public



Shareholders/Analysts/Investment Community



Customers/Clients



Government



Rating Agencies and Financial Institutions



Contractors and Vendors



Media

CROSS REFERENCE



Indicates where additional information can be found within the report.



Indicates where additional information can be found online at www.malakoff.com.my

Who We Are & What We Do

A Leading Global Energy Generation and Environmental Solutions Company

Malakoff Corporation Berhad is a dynamic, sustainability-driven multinational energy generation and environmental solutions company dedicated to enhancing lives and enriching communities. As Malaysia's largest Independent Power Producer, we have a generating capacity of 6,953 MW, complemented by an expanding renewable energy (RE) portfolio of 173 MW.

Beyond power generation, we are also a leader in environmental solutions through our subsidiary, Alam Flora Sdn. Bhd. which handles waste management volume of 3,397 tonnes per day with the capacity to handle close to 5,200 tonnes per day based on existing contracts, concession arrangements and available assets.

With a global footprint, Malakoff has introduced innovative solutions through power generation and water desalination ventures in Saudi Arabia, Bahrain and Oman. As we navigate an era of transformation, we remain committed to advancing the nation's aspirations for carbon neutrality and a circular economy. Our pursuit of a cleaner, greener world is driven by collaboration, knowledge-sharing and the collective expertise of our people, partners and stakeholders.

Vision

To be a leading global energy generation and environmental solutions player, shaping a greener future through innovation and sustainability best practices

Mission

We
ASPIRE
to become
the
**PREFERRED
EMPLOYER**

We
DELIVER
superior
**SHAREHOLDER
VALUE**

We are
**SOUGHT
after as a
PARTNER OF
CHOICE**

We
SUSTAIN
best-in-class
**OPERATING
DISCIPLINE**

We
EARN respect
as a
**GOOD
CORPORATE
CITIZEN**

Corporate Values



INTEGRITY

We conduct our business with a sense of honesty, truthfulness and transparency in all situations



TEAMWORK

Our interdependence brings togetherness and strengthens relationships to accomplish our Vision & Mission



INNOVATION

Our creativity and ability to look at things differently are the platforms for our advancement



EXCELLENCE

We strive for perfection and conduct ourselves in a professional manner



HARMONY

We respect our people, care for the environment and uphold governance



Market Capitalisation

RM4.13 Billion

as at 31 December 2024

(2023: RM3.10 Billion)



Total Assets

RM19.01 Billion

(2023: RM20.30 Billion)



Total Employees

4,304

(2023: 4,319)

Who We Are & What We Do

Three Business Pillars

Malakoff's strategy is anchored on three core business pillars:



We are at the forefront of Malaysia's transition to sustainable energy, providing innovative and renewable energy solutions.

As a leading waste management and environmental solutions provider, we support communities in reducing waste while minimising environmental impact.

As a major player in thermal power generation, Malakoff Energy ensures dependable, cost-effective energy supply while promoting efficiency and conservation.

Under Malakoff Green Solutions, we are driving the development of:

Commercial & Industrial Solar

Large Scale Solar

Small Hydropower

Biogas and Biomass

Battery Energy Storage Systems

Carbon-Free Mobility Infrastructure

Through these initiatives, we are actively reducing our carbon footprint and accelerating the adoption of clean energy alternatives.

Read more on pages 89 to 94.

Through Malakoff Environmental Solutions, we provide:

Comprehensive Waste Management Solutions

Recycling Initiatives

Hazardous and Marine Waste Solutions

Integrated Facility Management

Water Desalination Projects

Waste-To-Energy Innovations

We are driving Malaysia's transition towards a circular economy, ensuring long-term environmental sustainability.

Read more on pages 95 to 107.

Our power generation portfolio includes:

Segari, Kapar, Prai, Tanjung Bin and Tanjung Bin Energy Power Plants in Malaysia

International Power Generation Assets in Saudi Arabia, Bahrain and Oman

Operation and Maintenance Services

Electricity Distribution & District Cooling System*

* On 3 February 2025, Malakoff entered into a conditional Sale and Purchase Agreement with a third party, KJ Technical Services Sdn. Bhd. for the proposed disposal of its entire 100% equity interest in Malakoff Utilities Sdn. Bhd. aligning with its strategy to focus on high-growth areas and core business expansion in sustainable energy solutions.

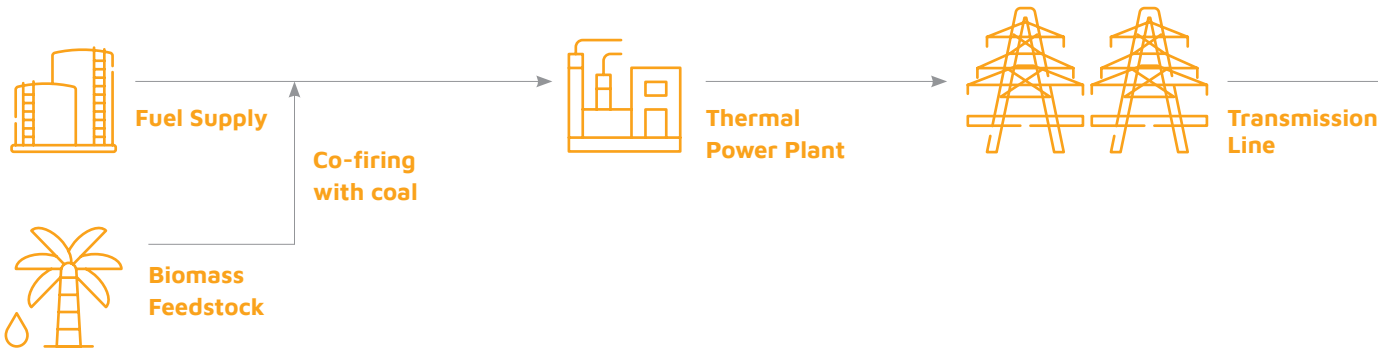
Read more on pages 108 to 122.

These three strategic pillars define Malakoff's mission to deliver sustainability, innovation and excellence. Through Malakoff Green Solutions, Malakoff Environmental Solutions and Malakoff Energy, we are actively shaping a future that is cleaner, more resilient and built for generations to come.

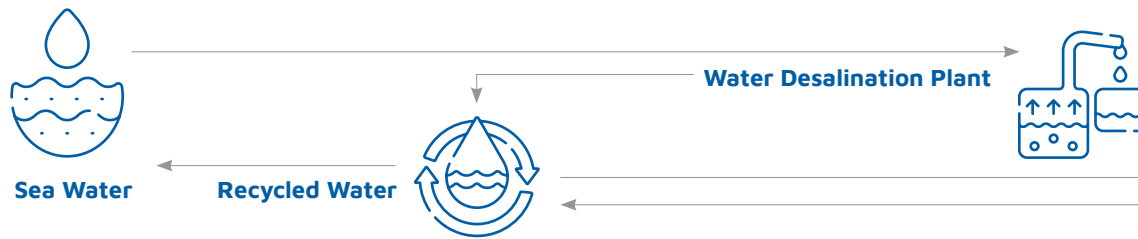
Our Business Value Chain



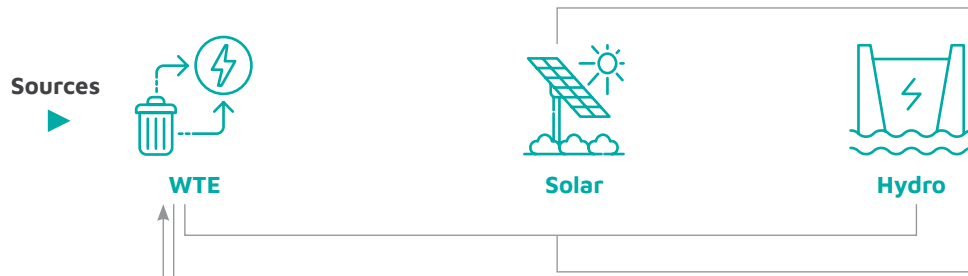
Thermal



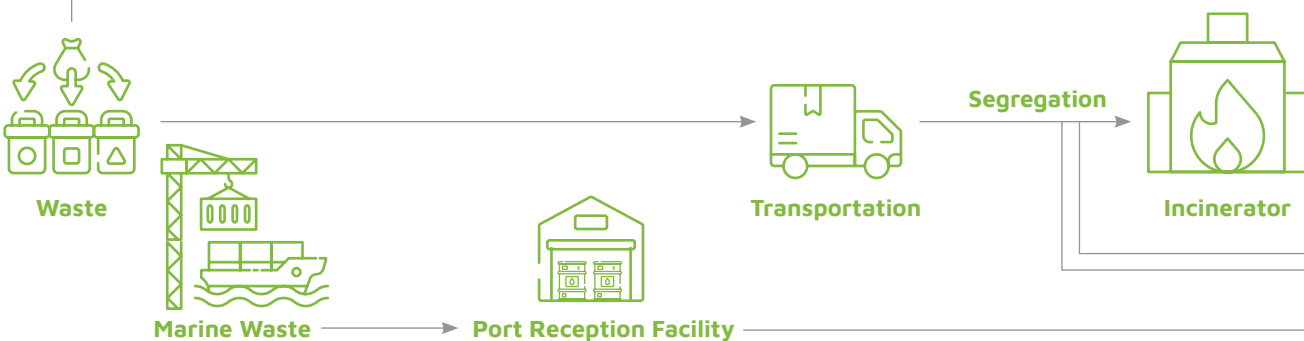
Water Desalination



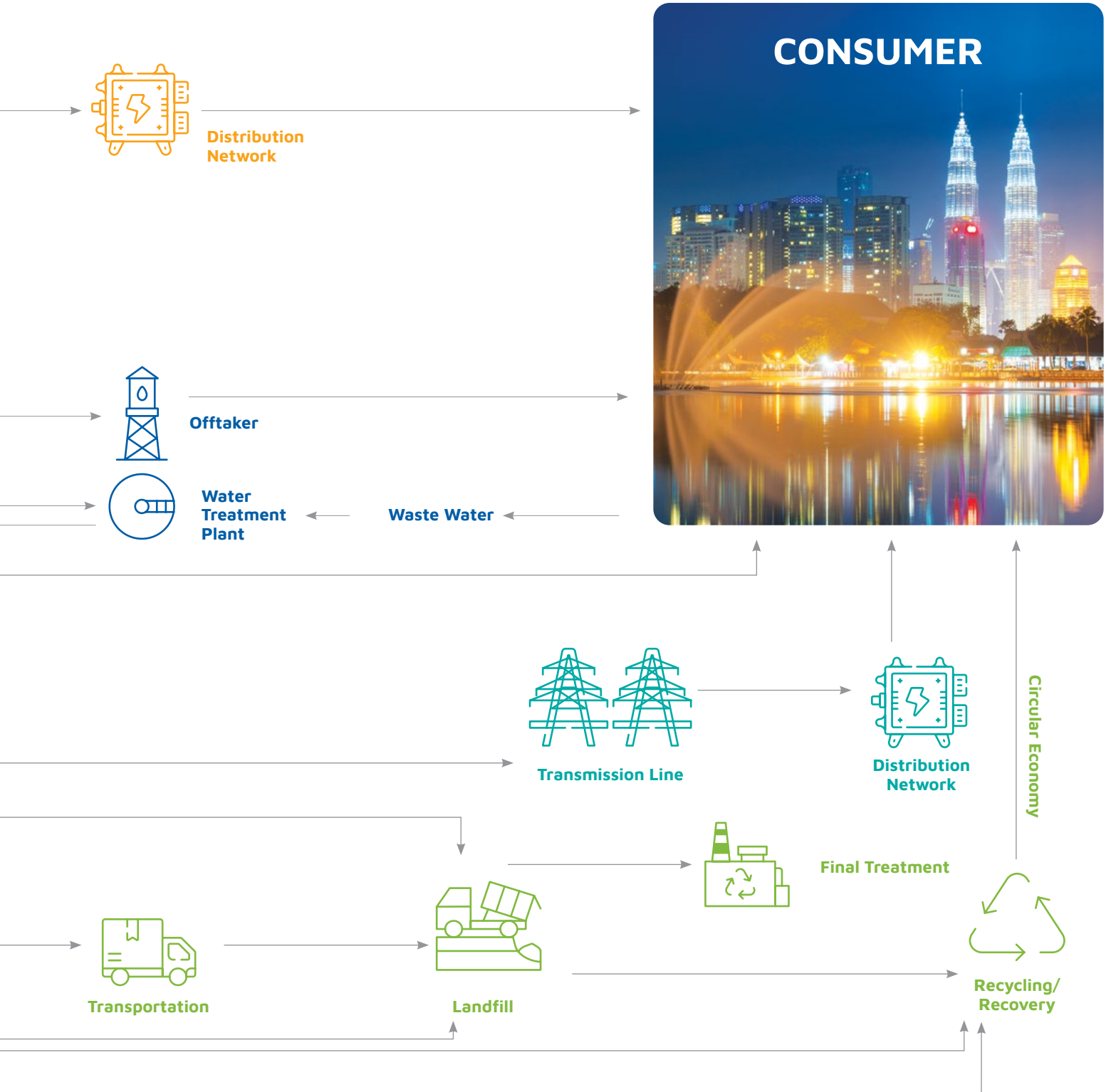
Renewables



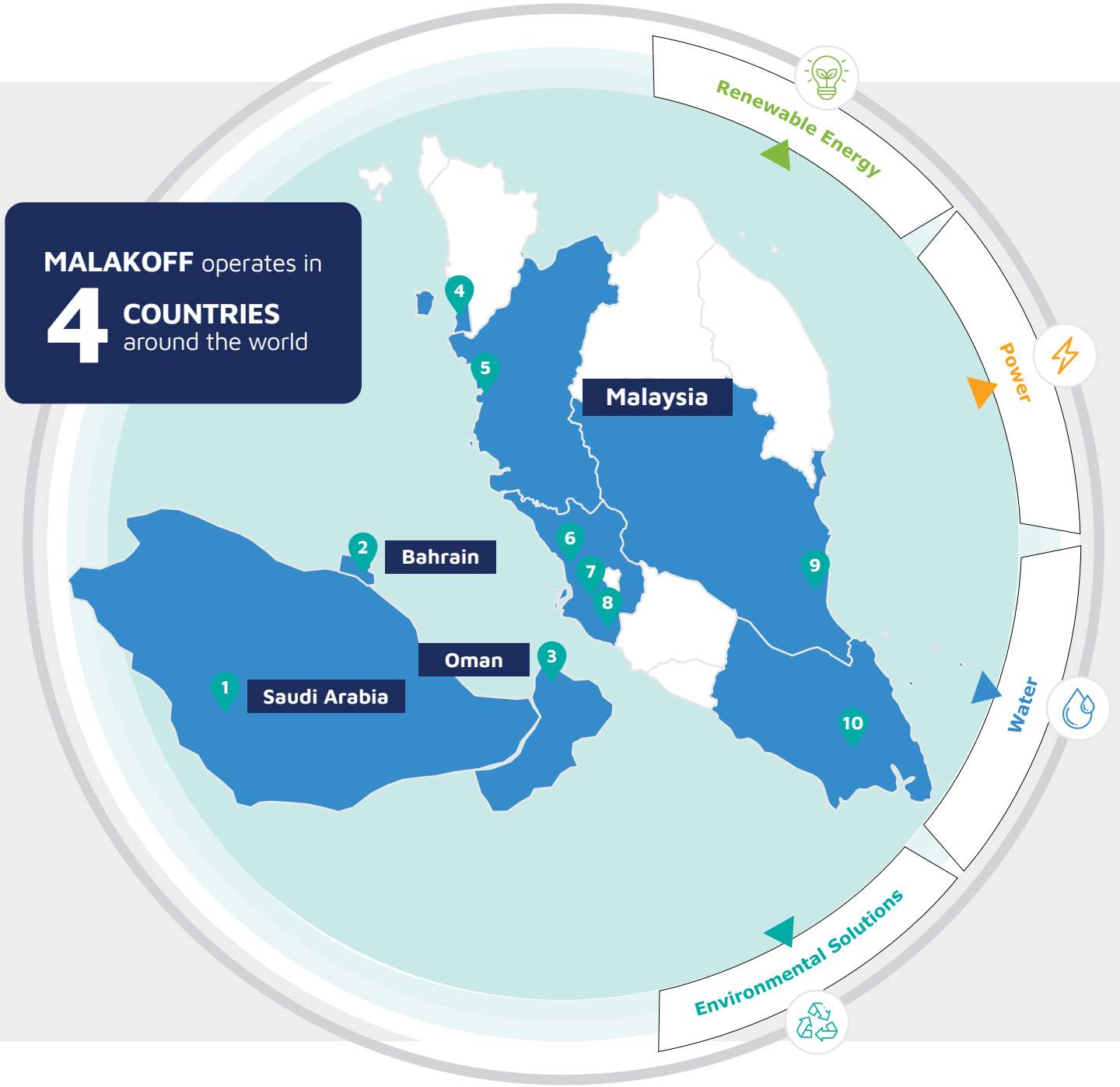
Environmental Solutions




Our Business Value Chain



Our Presence





 **Renewable Energy**

173 MW
Renewable Energy
Generating Capacity

148 MW
Renewable Energy
Effective Capacity

51,879 tCO₂e of carbon avoidance
Equivalent to:

-  12,088 gasoline-powered passenger vehicles driven for one year
-  856,000 tree seedlings grown for 10 years

Note: Based on actual total generation from solar in 2024

Our Presence

1 Saudi Arabia
Shuaibah Phase 3 IWPP
Shuaibah Phase 3 Expansion IWP
⚡ **216 MW**
💧 **211,200 m³/day**
💧 **35,700 m³/day**

One of the **Largest IWPP projects** in the MENA region & **First IWPP** in Saudi Arabia

2 Bahrain
Al-Hidd IWPP
⚡ **372 MW**
💧 **164,000 m³/day**

Malakoff's **Largest Overseas Investment** in Power & Water Desalination

3 Oman
Al-Ghubrah IWP
💧 **62,075 m³/day**

Oman's **Fourth Largest** Water Desalination Plant

4 Penang
Prai Power Plant
⚡ **350 MW**

One of the **Most Efficient Gas-Fuelled Power Plants in Malaysia**

5 Perak
SEV Power Plant
⚡ **1,222 MW**

The **Second Largest IPP-owned Combined-Cycle Gas Turbine plant** in Malaysia

6 Selangor
Kapar Power Plant
⚡ **880 MW**

The **First and Only Triple Fuel Firing Power Plant in Malaysia** (Gas, Oil, Coal)

7 Kuala Lumpur
Environmental Solutions
♻️ **2,179 tonnes/day**

8 Putrajaya
Environmental Solutions
♻️ **125 tonnes/day**

9 Pahang
Environmental Solutions
♻️ **905 tonnes/day**

Alam Flora (Overall)
Non-Concession Areas
♻️ **169 tonnes/day**


Recyclable Material
♻️ **19 tonnes/day**

10 Johor
Tanjung Bin Power Plant
Tanjung Bin Energy Power Plant
⚡ **1,890 MW**
⚡ **1,000 MW**


The **First Private Coal-Fired Plant in Malaysia** and one of the **Biggest Coal-Fired IPPs** in South East Asia

Notes:
¹ Inclusive of concession and non-concession areas


Notes: IWPP - Independent Water Plant | IWPP - Independent Water and Power Plant | IPP - Independent Power Producer

 **Power**

5,930 MW
Total Effective Thermal Power Generation Capacity

 **Water**

472,975 m³/day
Total Effective Water Production Capacity

 **Environmental Solutions**

3,397 tonnes/day
Total Waste Management Actual Volume

Close to **5,200 tonnes/day**
Total Waste Management Handling Capacity

Our Competitive Advantages



A well-defined sustainability roadmap focused on **achieving a low-carbon and resource-efficient future**, underpinned by **strong ESG principles, human rights protection** and **robust governance frameworks**.



A well-balanced portfolio spanning thermal power generation, innovative renewable energy solutions, integrated waste management, environmental services and water desalination, **catering to critical infrastructure needs**.

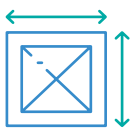


Strategically positioned across Malaysia, Saudi Arabia, Bahrain and Oman, reinforcing Malakoff's status as **a regional leader in energy and environmental solutions** while unlocking opportunities for international growth.

A team of industry veterans with deep expertise in energy and environmental sectors, supported by strong strategic partnerships to drive innovation and operational efficiency.

A solid history of success in both greenfield and brownfield projects, demonstrating technical expertise, operational excellence and the ability to deliver large-scale infrastructure projects efficiently.

A high-yield dividend payout policy, with distributions not less than **70% of net profit**, ensuring consistent and attractive returns for shareholders.



Aggressively scaling up in renewable energy, circular economy initiatives and sustainable environmental solutions, including waste-to-energy conversion and carbon-free mobility infrastructure.



A highly experienced and independent Board composition, ensuring transparent decision-making, accountability and adherence to global best practices in governance.

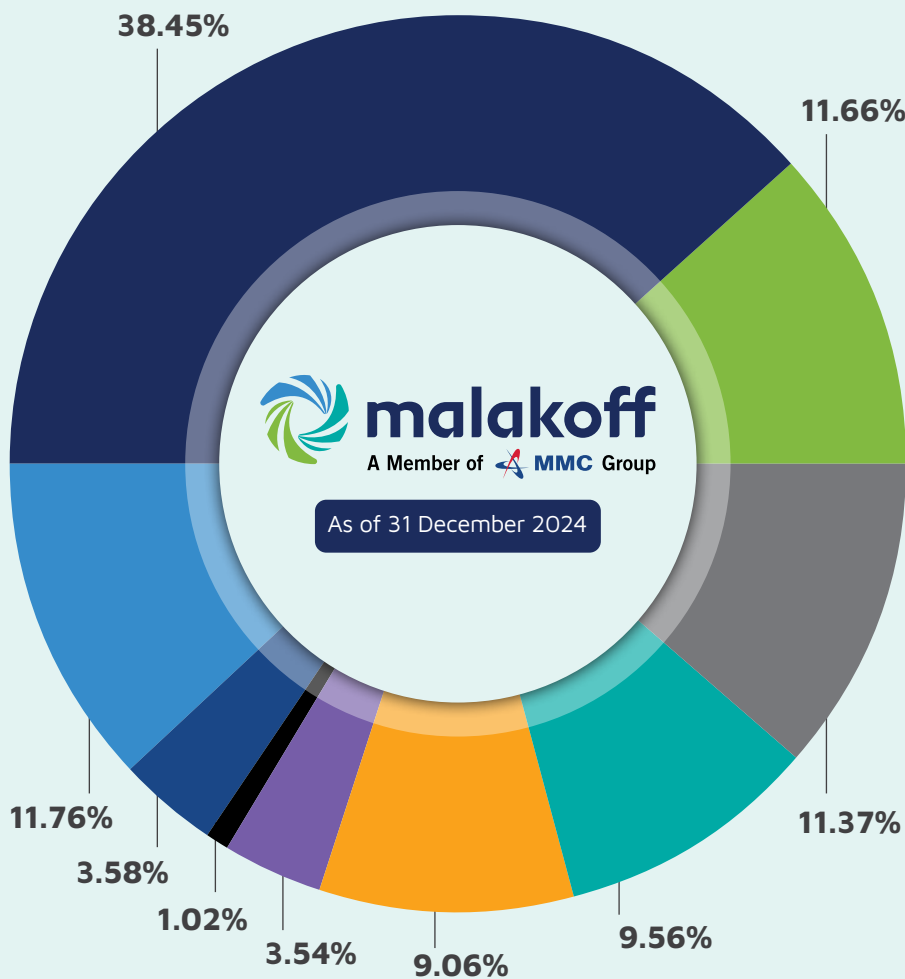


A strong balance sheet with stable returns and reliable cash flows, backed by long-term concessions, high-credit-quality counterparties and resilient financial management.



Backed by a credible network of institutional investors, including Permodalan Nasional Berhad, Employees Provident Fund and Kumpulan Wang Persaraan (Diperbadankan), ensuring financial resilience and investor confidence.

Our Shareholdings Structure



MMC Corporation Berhad

Malakoff's largest shareholder with a combined interest of 38.45% (directly and through its wholly-owned subsidiary Anglo Oriental (Annuities) Sdn. Bhd.)

Permodalan Nasional Berhad

One of the largest fund management companies in Malaysia

Employees Provident Fund

The world's 12th largest pension fund

Urusharta Jamaah Sdn. Bhd.

A special purpose vehicle wholly-owned by the Ministry of Finance

Kumpulan Wang Persaraan (Diperbadankan)

Malaysia's largest public services pension fund

Lembaga Tabung Haji

An Islamic institution dedicated to providing comprehensive and systematic facilities for the welfare of Malaysian pilgrims

Etiqa Insurance

A leading ASEAN Insurance and Takaful player under the Maybank Group, a leading banking conglomerate in ASEAN

Foreign Shareholders

Local Corporations & Retail Shareholders

Our Credit Ratings

1	LONG TERM MALAKOFF POWER BERHAD BY MARC	AA ⁻ _{IS} /STABLE
2	SHORT TERM MALAKOFF POWER BERHAD BY MARC	MARC-1 _{IS} /STABLE
3	LONG TERM TANJUNG BIN O&M BERHAD BY MARC	AA ⁻ _{IS} /STABLE
4	LONG TERM TANJUNG BIN POWER SDN. BHD. BY RAM	AA2/STABLE
5	LONG TERM TANJUNG BIN ENERGY SDN. BHD. BY RAM	AA3/STABLE
6	LONG TERM ALAM FLORA SDN. BHD. BY MARC	AA _{IS} /STABLE
7	SHORT TERM ALAM FLORA SDN. BHD. BY MARC	MARC-1 _{IS} /STABLE
8	LONG TERM RP HYDRO (KELANTAN) SDN. BHD. BY RAM	AA3/STABLE

Notes:

MARC – Malaysian Rating Corporation Berhad

RAM – Rating Agency Malaysia

Greening Our Core:
MALAKOFF'S
SUSTAINABLE TRANSFORMATION
JOURNEY



Our Approach to Sustainability

Sustainability is at the heart of Malakoff's strategy, embedded in our transformation journey under the Malakoff Strategic Transformation 2.0 plan. In 2022, we introduced the Sustainability Framework to integrate responsible business practices across our operations, ensuring long-term value creation while addressing global sustainability challenges.

Our three guiding principles below drive our sustainability agenda:



Easy Access

To reliable power, clean water and effective waste disposal



Greener Energy Sources

From fossil fuels to renewables



Cleaner Environment

Effective and efficient waste management as part of circular economy

Malakoff's Sustainability Approach Guiding Principles

Aligning with the United Nations Sustainable Development Goals (UN SDGs) in areas where we can create the most impact, we have identified 13 priority UN SDGs, to which our material matters, policies and programmes are aligned to. Our business operations are anchored in Environmental, Social and Governance (ESG) themes. These principles dictate how we operate and grow, enabling us to embed sustainability into every aspect of our business while driving long-term resilience.

Following our Malakoff 2.0 rebranding initiative, which reflects a shift towards greener operations as we transition from a conventional energy producer to a lower-carbon energy mix organisation, we are accelerating renewable energy (RE) ventures, expanding sustainable environmental solutions to support the circular economy and reducing the carbon footprint of power generation.

Malakoff's Focus: Global & National ESG Trends



Global & Regional Net Zero Commitment

RISK

Necessity to Decarbonise

Acceleration towards transition driven by increasing awareness of sustainability issues and regulatory changes.

FINANCIAL IMPACT

Investor & Stakeholder Expectations

Investment in climate-related projects is increasing with a focus on mitigating physical climate risks and supporting the transition to a low-carbon economy.

OPPORTUNITY

Business Opportunities

Become leaders in RE and waste-to-energy (WTE) projects.



Carbon Tax

RISK

Financial Risks

Likelihood of incurring higher operating expenses and/or operational costs.

FINANCIAL IMPACT

Shift in Energy Mix

Requirement of incentives to offset carbon footprint, improve energy efficiency and intensify RE initiatives.

OPPORTUNITY

Revenue Opportunities

Generate carbon credits from RE and WTE projects to offset carbon tax.

Our Approach to Sustainability

Recognising that different stakeholders prioritise material matters differently, we actively engage with diverse stakeholder groups to understand their expectations and needs. By aligning our strategy with these insights, we focus on delivering economic, environmental and social value while upholding strong governance standards. Through this approach, we aim to create a lasting, positive impact in Malaysia and globally, ensuring long-term success and sustainability.

Sustainability advocacy remains central to our approach as we embed ESG principles into our operations, ensuring continuous progress toward long-term value creation. We also recognise that advancing sustainability requires more than setting goals, as it demands continuous integration of sustainable practices into our business model. To drive meaningful progress, we actively participate in key sustainability platforms and ESG conferences, fostering collaboration among stakeholders to address pressing issues such as climate change and risks. These engagements are central to delivering our Net Zero Roadmap, strengthening frameworks and policies that support a multi-sector transition to a low-carbon future.

We work closely with industry partners, regulatory bodies and non-governmental organisations to encourage the broader adoption of sustainable development principles. Through these partnerships, we exchange best practices, refine tools and enhance industry-wide sustainability standards. As part of this

commitment, we became a member of the UN Global Compact Network Malaysia & Brunei (UNGCMYB), a leading voluntary initiative that promotes responsible business practices in Malaysia and Brunei. Additionally, we are targeting to register and become a member of the Malaysian Carbon Market Association, a non-profit organisation that facilitates the development of Malaysia’s carbon market, further reinforcing our role in advancing climate action.

We remain committed to fostering a safe, inclusive and productive workplace while engaging with communities to drive meaningful outcomes. These efforts are anchored in strong corporate governance, guided by the Malaysian Code on Corporate Governance and the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad.

As the country’s first independent power producer to join the United Nations Global Compact, we continue to uphold its ten universally accepted principles across environment, human rights, labour standards and anti-corruption. By embedding these principles into our operations, we strengthen our governance frameworks and advance key programmes that align with Malaysia’s transition to a clean energy future, driving tangible progress in our sustainability initiatives. This commitment has not only guided our ongoing efforts but has also earned us recognition for excellence in sustainability.

Risks, Financial Impact and Opportunities for Malakoff



Transition to RE & Circular Economy

RISK	<p>Market Evolution</p> <p>Failure to transition may lead to environmental, social and economic repercussions.</p>
FINANCIAL IMPACT	<p>Cost of Transition</p> <p>Substantial initial investment and operational costs required to transition from traditional energy to RE.</p>
OPPORTUNITY	<p>Reputational Benefits</p> <p>Demonstrating leadership in RE and circular economy efforts.</p>



Increasing ESG Regulations

RISK	<p>Mandatory Disclosure Requirements</p> <p>Non-compliance may lead to regulatory penalties and reputational damage.</p>
FINANCIAL IMPACT	<p>Cost of Compliance</p> <p>Robust data collection, transparent reporting and capacity building.</p>
OPPORTUNITY	<p>Competitive Edge</p> <p>Positions the Group as a transparent and responsible organisation.</p>

Our Approach to Sustainability

Sustainability Awards in 2024

UNGCMYB Forward Faster Sustainability Award 2024

- Anti-Corruption (for Large Company category)
- Pioneer Sustainable Development Action Recognition (Biomass Co-firing Project)

Company of the Year (Energy Generation) at the Sustainability and CSR Malaysia Awards 2024

- Community Care and Environmental Conservation

Green Achievement Enterprises Award at the Third Solar Energy Storage Future Malaysia 2024

Assigned "Gold" Impact Assessment by MARC Ratings (an external credit assessment institution) for our Sustainable Finance Framework

Our Sustainability Commitment

We remain steadfast in our commitment to sustainability by regularly evaluating our initiatives against frameworks such as the UN SDGs, to ensure alignment with stakeholders' expectations while addressing organisational risks.

To further shape our approach, for the financial year ended 31 December 2024 (FY2024), we conducted a double materiality assessment, aligned with the guidelines within the parameters of Bursa Malaysia's requirement and other ESG reporting frameworks, including the Global Reporting Initiative (GRI), UN SDGs, Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP) and International Financial Reporting Standards (IFRS). This evaluation considered the significance of sustainability issues from two perspectives: financial materiality and impact materiality. Financial materiality focuses on how sustainability issues affect our financial performance and position while impact materiality looks at how significant Malakoff affects the environment and society in terms of our operations, processes and value chains, to name a few.

This assessment allowed us to identify and evaluate sustainability issues that are significant to both our financial performance and our broader environmental and societal impact. The material matters identified in 2024 are highly relevant to our stakeholders and, in turn, shape the development of our sustainability commitments and objectives.

 For more information on our materiality assessment, refer to pages 54 to 65.

Our Approach to Sustainability

Our commitments are consistently aligned with the 20 identified material matters following the recent double materiality assessment and 13 of the 17 UN SDGs, as illustrated in the infographic below:

Our ESG Strategy

 <h2 style="margin: 0;">Environmental</h2> <p style="margin: 10px 0 0 0;">We are committed to act on climate change by reducing our carbon emissions and advancing the transition to a cleaner energy and circular economy future</p>	 <h2 style="margin: 0;">Social</h2> <p style="margin: 10px 0 0 0;">We will enrich communities and cultivate an inclusive culture within an agile organisation offering equal opportunities for all our people to grow professionally within a safe and healthy work environment</p>	 <h2 style="margin: 0;">Governance</h2> <p style="margin: 10px 0 0 0;">We will enforce and observe the highest corporate compliance standards in all units and activities of the Group</p>
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Material Matters

<ul style="list-style-type: none"> M4 Operational Excellence M5 Physical and Transition Climate Risks M6 Renewable Energy Transition M7 Energy Mix and Efficiency M8 GHG Emissions M12 Waste Management and Effluents M13 Coal Ash Management M15 Asset Life Cycle and Integrity M17 Water Management M20 Biodiversity 	<ul style="list-style-type: none"> M3 Occupational Safety and Health M9 Stakeholder Management and Engagement M10 Talent Management and Development M11 Human and Labour Rights M16 Supply Chain Management M19 Community Impact 	<ul style="list-style-type: none"> M1 Good Governance and Corporate Integrity M2 Regulatory Compliance M14 Grid Stability M18 Technology and Innovation
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Related SDGs

   	   	  
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Malakoff's Sustainability Targets

<h4>Carbon Emissions</h4> <ul style="list-style-type: none"> Achieve Net Zero Emissions by 2050, in line with the 1.5°C scenario analysis based on Science Based Target initiative Sectoral Decarbonisation Approach Reduce our greenhouse gas (GHG) emissions intensity by 30% by 2031 from a 2019 baseline No new coal investments 	<h4>Renewable Energy</h4> <ul style="list-style-type: none"> Achieve an RE capacity of 1,400 MW by 2031 Increase profit contribution from RE & Environmental Solutions to at least 50% in the next ten years 	<h4>Waste Management</h4> <ul style="list-style-type: none"> Collect, handle and manage waste volume of 10,000 tonnes per day by 2031 Achieve 15% - 20% recycling rate by 2025, from waste collected by Alam Flora Sdn. Bhd. (Alam Flora) Towards achieving a Zero Waste Circular Economy goal
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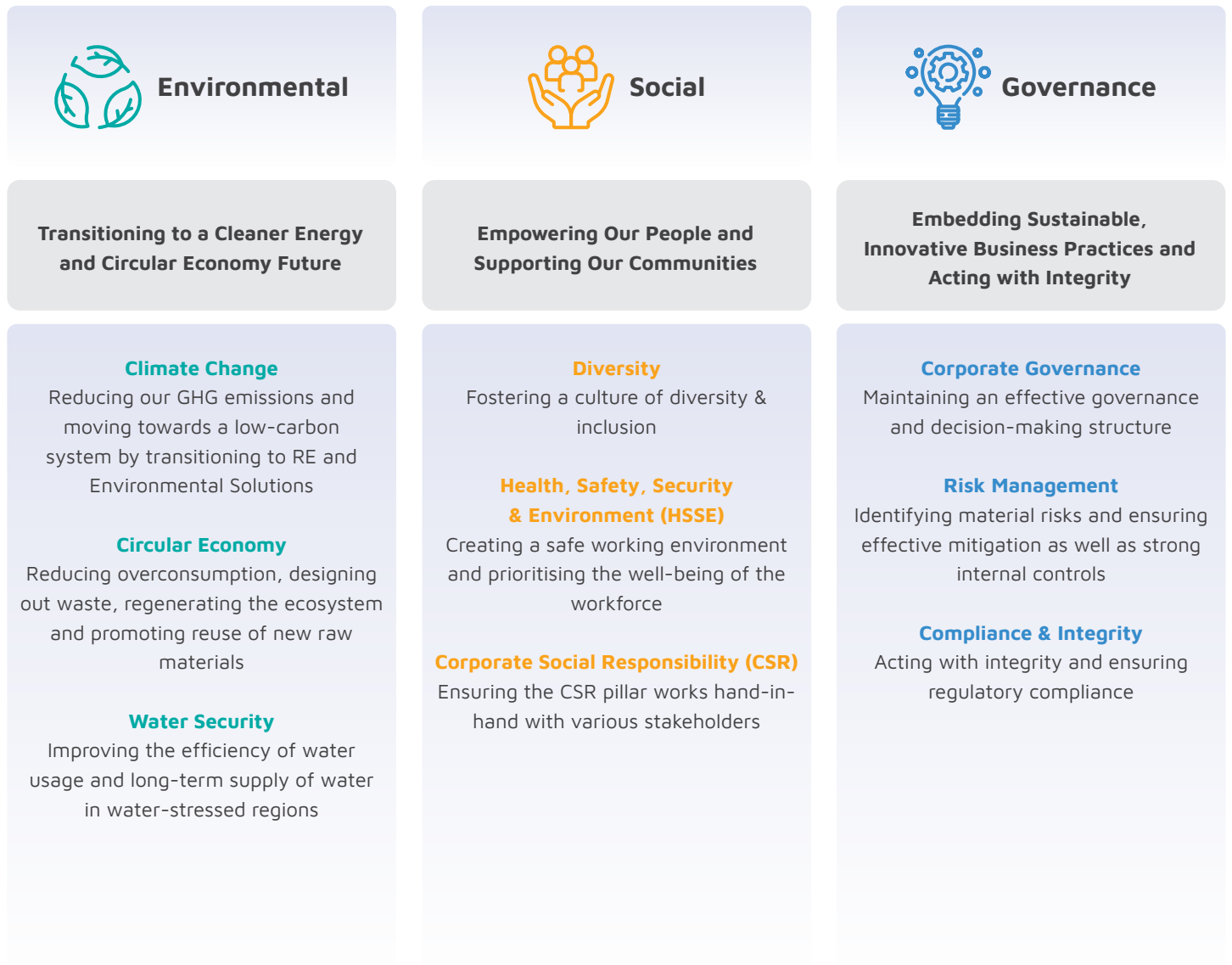
Our Approach to Sustainability

The identification and assessment of the material matters are important as they will be significant in our initiatives to slowly transition to the IFRS S1 and S2 disclosure requirements for the 2025 financial year end reporting. Our operations and approach will revolve around these material matters moving forward.

While our Sustainability Targets have remained consistent since 2023, we have revised one of our RE targets to better align with the positive growth in our RE and environmental solutions businesses, following a decision by our Management Sustainability Committee (MSC) in December 2024. We are now targeting to increase profit contribution as opposed to revenue contribution from RE & Environmental Solutions to at least 50% in the next ten years for better visibility on earnings monitoring.

Sustainability Framework

The introduction of Malakoff's Sustainability Framework as part of the Malakoff Strategic Transformation 2.0 plan emphasises our commitment to sustainability. It serves as a key element in our pursuit of long-term environmental and social impact.



Our Approach to Sustainability

Our ESG Roadmap

Malakoff’s Sustainability Framework is supported by a thoughtfully developed roadmap that reflects our ongoing journey towards becoming a sustainability conscious organisation. This roadmap outlines our milestones, guiding us progressively toward the achievement of our sustainability goals. It also serves as a catalyst for advancing the transition to a low-carbon and circular economy organisation in the country.

A Sustainability Conscious Organisation

2022 – 2023

Laying the Foundation

- ▶ Established clear sustainability governance across the Group
- ▶ Inculcated the sustainability DNA in all Malakoff employees
- ▶ Identified key sustainability performance indicators
- ▶ Grew the RE team to capture market share
- ▶ Commenced research on new green technologies
- ▶ Embarked on enhanced sustainability disclosures
- ▶ Performed assessment and qualitative evaluation of material issues, risks and opportunities

2024 – 2026

Accelerate Transition

Climate Action

- ▶ Continuation of initiatives and efforts to reduce emission intensity

ESG Integration

- ▶ Roll out Go-To-Market strategies for RE, low-carbon materials and net-zero solutions
- ▶ Expand electric vehicle charging infrastructure and integrate sustainable transport options within projects
- ▶ Enhance waste management through expanded recycling programmes and circular economy initiatives
- ▶ Advance diversity, equity, and inclusion (DEI) policies alongside targeted community engagement programmes

Sustainability Reporting

- ▶ Disclose Scope 3 emissions data
- ▶ Adopt IFRS S1 and S2 for 2025 year end reporting
- ▶ Ensure data integrity through internal audits
- ▶ Conduct double materiality assessment
- ▶ Monitor ESG performance to evaluate ESG ratings

2027 onwards

Sustainable Growth

Climate Action

- ▶ 30% GHG intensity reduction by 2031 from 2019 baseline
- ▶ Net Zero emission by 2050

ESG Integration

- ▶ Scale up RE investments, carbon capture solutions and sustainable construction materials
- ▶ Invest in next-generation green technologies such as hydrogen energy and advanced storage solutions
- ▶ Implement waste management and tree planting programmes
- ▶ Invest in sustainable energy solutions, such as converting biomass and plastic into fuel
- ▶ Adopt and expand RE sources
- ▶ Explore opportunities in Renewable Energy Certificates (RECs) and carbon credit markets

Sustainability Reporting

- ▶ Improve Scope 3 emissions data disclosures
- ▶ Improve disclosures based on IFRS S1 and S2
- ▶ Enhance data integrity via external auditor engagement
- ▶ Maintain continuous improvements in disclosures and reporting, including disclosures on capital expenditure for ESG
- ▶ Strengthen partnerships with sustainability rating agencies and institutions for improved ESG rankings

Our Approach to Sustainability

In addition, we have structured our roadmap in accordance with the ESG pillars:



Environmental

GHG Reduction

- ▶ Reduce GHG emissions produced by business activity through the value chain

Efficiency Improvement – Technical heat rate margin and improvement of maintenance programme, inclusive of planned and unplanned outages

GHG Compensation

- ▶ Extract carbon from atmosphere through natural GHG removal and technologies to compensate for business emissions

Tree Planting Programme (one tree absorbs approximately 21kg of CO₂ a year on average)

Options to Retrofit with Carbon capture technology

Fuel Switching to Ammonia/ Hydrogen

Fly Ash (Green Option for Offtakers)



Social

Workforce Equalisation

- ▶ Analysis of existing compensation structures and packages
- ▶ Clear policies of inclusion and equality

Launch of Social and Human Rights Charter

Retention and Progression

- ▶ Focused talent management efforts to retain and reward employees without discrimination or bias

Culture Transformation Programme

Recruitment

- ▶ Increase gender-equal pipeline through strategic recruitment campaigns

Increased Employee Engagement

Enhanced Human Rights and Labour Standards



Governance

Risk Assessment

- ▶ Further review specific Company risks and review current practices mitigation of bribery risks

Sensitisation

- ▶ Run training courses and implement programmes to increase awareness among employees on the Group's governance policies

Enforcement & Compliance

- ▶ Reporting of incidents and auditing of reports with documented remediation and disciplinary procedures

Our Approach to Sustainability



SOCIAL



Description	2023 Achievements	2024 Achievements	% Difference
DIVERSITY Fostering a culture of diversity & inclusion	10% Female Members on the Board	22% Female Members on the Board	12%
	0 Cases of discrimination reported	0 Cases of discrimination reported	-
HEALTH, SAFETY, SECURITY & ENVIRONMENT (HSSE) Creating a safe working environment and prioritising the well-being of the workforce	Lost Time Injury Rate: 0.73	Lost Time Injury Rate: 0.42 <ul style="list-style-type: none"> • Zero Lost Time Injuries or Lost Time Accidents across Shuaibah Phase 3 Independent Water and Power Plant (IWPP), Shuaibah Phase 3 Expansion, Al-Hidd IWPP and Al-Ghubrah Independent Water Plant, all in MENA** • 2 million Safe Man-Hours achieved at Prai Power Plant in Penang • 1 million Safe Man-Hours achieved at Malakoff Utilities Sdn. Bhd. 	42.5%
COMMUNITY INVESTMENT & DEVELOPMENT Directing resources and capital to underserved areas to foster economic growth, improve living conditions and promote social and environmental initiatives	CSR Contribution to Educational Institutions and Community-Enrichment Initiatives: RM309,537	CSR Contribution to Educational Institutions and Community-Enrichment Initiatives: RM407,413	31.6%
	Number of Individuals Impacted: 5,898	Number of Individuals Impacted: 6,740	14.3%
	Number of Engagements: 84	Number of Engagements: 56	33.3%*

* Higher amount in CSR contributions for Educational Institutions and Community-Enrichment Initiatives and number of individuals impacted despite the reduction in the total number of engagements.

** MENA - Middle East and North Africa.

Our Approach to Sustainability



GOVERNANCE



Description	2023 Achievements	2024 Achievements	% Difference
COMPLIANCE & INTEGRITY Acting with integrity and ensuring regulatory compliance	85% Employees* Received Anti-Corruption Training	79% Employees** Received Anti-Corruption Training	↓ 6%
	100% of operations assessed for corruptions-related risks	100% of operations assessed for corruptions-related risks	-

* 798 employees received the training against the total of 941 employees in 2023.
 ** 722 employees received the training against the total of 910 employees in 2024.

Sustainability Governance

The Board of Directors at Malakoff holds the ultimate responsibility for overseeing corporate governance and the creation of value for shareholders. This oversight is supported by the Sustainability, Research and Investor Relations (SRIR) Department, which regularly reports to both the Management team and Board on the Group’s sustainability and investor relations initiatives.

The MSC is tasked with steering the development of the Group’s strategic direction, chaired by the Managing Director & Group Chief Executive Officer. Established based on our 2022 Terms of Reference, the committee is also responsible for ensuring that the Group’s strategy is in line with Malakoff’s corporate vision, goals and values. In addition, the MSC plays a critical role in fostering a strong sustainability culture within the organisation.

The SRIR is at the forefront of executing sustainability strategies and projects. Serving as the core driver for sustainability efforts, the department oversees day-to-day operations and is committed to integrating sustainability principles into tangible initiatives. The department also ensures the Group’s actions are in line with ESG objectives, contributing to long-term sustainable success.

To further embed sustainability across Malakoff, we launched roadshows to engage our people; from senior management, Heads of Departments to key operational personnel. These sessions are designed to share our sustainability journey, highlighting the crucial role each person plays in advancing our corporate objectives. These are ongoing initiatives. We will continue to engage with all levels of internal stakeholders to entrench the importance of sustainability within the organisation.

In 2024, the Board actively engaged in various ESG-focused training programmes, seminars and workshops, strengthening their grasp of sustainability issues and climate-related risks. These requirements are included in the Annual Board Assessment, facilitated by the Company Secretary. It is a critical tool to evaluate the performance of Board members. While the integration of sustainability-related indicators into the Board’s Key Performance Indicators (KPIs) is still under consideration, we are actively exploring ways to embed these elements.

 For further details on the roles of the MSC as well as sustainability responsibilities and governance structure, please refer to the Corporate Governance Overview Statement on pages 228 to 249.

Group Structure



AS AT 17 FEBRUARY 2025



Thermal Power Generation

- 100% Prai Power Sdn. Bhd.
- 93.75% Segari Energy Ventures Sdn. Bhd.
- 90% Tanjung Bin Power Sdn. Bhd.
- 75% GB3 Sdn. Bhd.
- 40% Kapar Energy Ventures Sdn. Bhd.
- 100% Hypergantic Sdn. Bhd.
- 100% Port Dickson Power Berhad
- 100% Tanjung Bin Energy Sdn. Bhd.
- 100% Tanjung Bin Energy Issuer Berhad
- 65% PDP Gen Two Sdn. Bhd.
- 100% Yan Energy Ventures Sdn. Bhd.



Renewable Energy

- 100% Tuah Utama Sdn. Bhd.
- 100% Malakoff Radiance Sdn. Bhd.
- 100% Green Biogas Sdn. Bhd.
- 100% Sungai Udang WTE Sdn. Bhd.
(Formerly known as Southern Biogas Sdn. Bhd.)
- 70% RP Hydro (Kelantan) Sdn. Bhd.
- 49% E-Idaman Sdn. Bhd. (E-Idaman)^{IX}
- 100% ZEC Solar Sdn. Bhd. (ZEC Solar)^{VII}
- 100% Malakoff Solar Sdn. Bhd.



Environmental Solutions

- 100% Tunas Pancar Sdn. Bhd.
- 100% Genesis Facility Solutions Sdn. Bhd.
- 97.37% Alam Flora Sdn. Bhd.
- 97.37% Alam Flora Environmental Solutions Sdn. Bhd.



Operations and Maintenance

- 100% Malakoff Power Berhad
 - 100% Tanjung Bin O&M Berhad
 - 100% PDP O&M Sdn. Bhd.^I
- 100% Malakoff Technical Solutions Sdn. Bhd.
- 100% Natural Analysis Sdn. Bhd.^I
- 100% TJSB Services Sdn. Bhd.
- 100% TJSB Global Sdn. Bhd.
- 49% Hyflux-TJSB Algeria SPA
- 95% PT. Teknik Janakuasa
- 70% Rising O&M Engineering Services Sdn. Bhd.
- 51% Malakoff Gas Malaysia Cogen O&M Sdn. Bhd.
- 51% TJZ Suria Sdn. Bhd. (TJZ Suria)^{VIII}
- 100% TJSB International Limited
 - 100% TJSB Middle East Limited
 - 50% Muscat City Desalination Operation and Maintenance Company LLC
 - 100% TJSB International (Shoiba) Limited
 - 20% Saudi-Malaysia Operation & Maintenance Services Company Limited
 - 20% Al-Imtiaz Operation & Maintenance Company Limited



Electricity Distribution and District Cooling System

- 100% Malakoff Utilities Sdn. Bhd.



Project Management Services

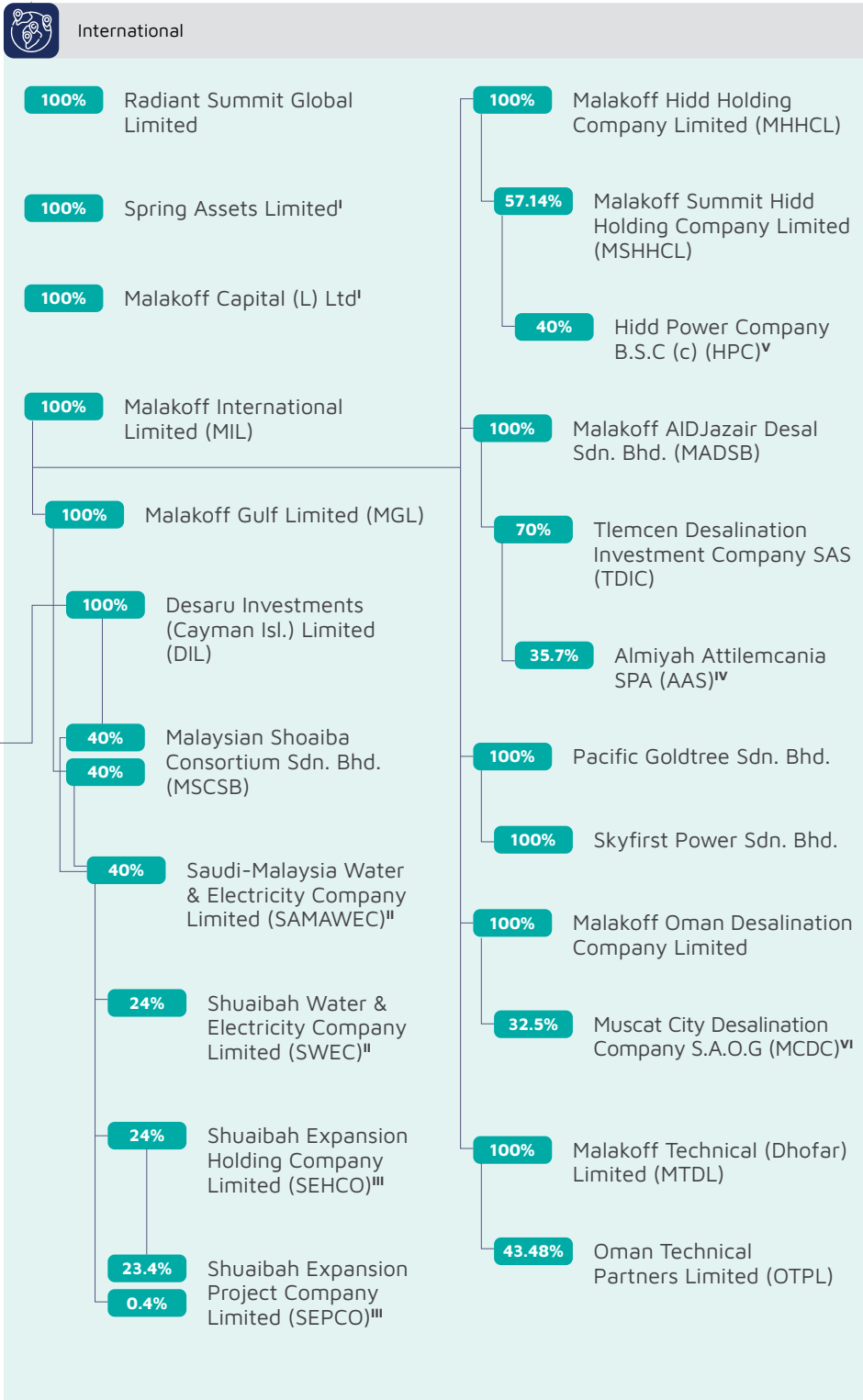
- 100% Malakoff Engineering Sdn. Bhd.
- 100% MESB Project Management Sdn. Bhd.^I



Others

- 100% Malakoff R&D Sdn. Bhd.
- 54% Desa Kilat Sdn. Bhd.

Group Structure



The percentage of shareholdings in the diagram represents effective equity interest of Malakoff in the respective companies.

- I. Dormant.
- II. Malakoff’s effective equity interest of 40% and 24% in SAMAWEC and SWEC respectively is held via MGL and DIL, which respectively hold 40% equity interest in MSCSB, which in turn holds 50% equity interest in SAMAWEC. SAMAWEC holds 60% equity interest in SWEC.
- III. Malakoff’s effective equity interest of 23.8% in SEPCO is held via MGL and DIL, which respectively hold 40% equity interest in MSCSB, which in turn holds 50% equity interest in SAMAWEC. SAMAWEC holds 60% equity interest in SEHCO, which in turn holds 97.5% equity interest in SEPCO. SAMAWEC also holds a direct shareholding of 1% in SEPCO.
- IV. Malakoff’s effective equity interest of 35.7% in AAS is held via MADSB, which holds 70% equity interest in TDIC, which in turn holds 51% equity interest in AAS.
- V. Malakoff’s effective interest of 40% in HPC is held via MHHCL, which holds 57.14% equity interest in MSHHCL, which in turn holds 70% equity interest in HPC.
- VI. MCDC is a company listed on the Muscat Stock Exchange since 2 January 2018.
- VII. Malakoff acquired additional effective equity interest of 51% in ZEC Solar on 31 January 2025.
- VIII. Malakoff acquired additional effective equity interest of 49% in TJZ Suria on 31 January 2025.
- IX. Malakoff acquired effective equity interest of 49% in E-Idaman on 28 February 2025.