

SUSTAINABILITY REVIEW

TRANSITIONING TO A CLEANER ENERGY AND CIRCULAR ECONOMY FUTURE

MATERIAL MATTERS

Operational Excellence

Physical and Transition Climate Risks

Renewable Energy Transition

Energy Mix and Efficiency

GHG Emissions

Waste Management and Effluents

Coal Ash Management

Asset Life Cycle and Integrity

Water Management

Biodiversity



Sustainability Review

M4 – Operational Excellence



★ Why It Is Important

Operational excellence is an approach aimed at enhancing organisational performance to achieve better deliverables and provide greater value. Malakoff understands that operational excellence is essential for ensuring efficiency, reliability and cost effectiveness across all business segments. As the energy industry evolves, staying competitive requires more than just maintaining performance. It requires continuous improvements, strong governance and the right use of technology to enhance productivity while meeting regulatory and environmental standards. A strong focus on operational excellence allows us to maximise asset value, improve service delivery and build long-term business resilience.

We are fully aware that failing to meet desired operational performance can lead to challenges such as increased unplanned downtime, higher maintenance costs and reduced productivity. However, by achieving our Key Performance Indicators (KPIs), we not only reduce downtime but also enhance asset performance and maintain a high availability of assets, which strengthens the long-term resilience and sustainability of our operations.

To this end, we are committed to working towards maximising our asset value by improving process efficiencies, adopting digital solutions and strengthening performance management systems. These efforts help us manage risks, make better use of resources and ensure our assets operate reliably and efficiently.

★ Our Approach

At Malakoff, our approach to operational excellence is driven by the following principles:



Process Optimisation ensures that operations run smoothly and efficiently. Refining workflows, reducing waste and improving system integration help us enhance productivity while keeping costs under control.



Technology Integration allows real-time monitoring, automation and data driven decision making. Digital solutions improve oversight, strengthen risk management and enable proactive interventions to sustain peak performance.



Risk and Compliance Management ensures that operations meet regulatory requirements, safety standards and internal governance frameworks. A clear compliance approach helps manage risks effectively while maintaining operational integrity and environmental responsibility.



Performance Monitoring enables continuous tracking of key operational metrics to improve efficiency and reliability. Regular assessments allow us to identify inefficiencies, enhance asset performance and ensure operations remain competitive in a changing industry landscape.



Business Process Improvement ensures a systematic approach to help the Group to achieve operational excellence by continuously analysing and optimising business processes, including keeping policies and procedures updated in adherence to standards and regulatory requirements.



For additional information, kindly refer to Business Review on pages 89 to 122.

In addition to these, certain aspects of our operations have met the standards required for ISO certification, namely ISO 14001:2015 Environmental Management Systems, ISO 9001:2015 Quality Management Systems and ISO 45001:2018 Occupational Safety and Health Management Systems.

Furthermore, Malakoff's Environmental Policy, which is aligned with the Malaysian Environmental Quality Act 1974 and other relevant regulations, continues to guide us in our operations. The Policy is accessible to all employees on our intranet.

★ Our Initiatives

In 2024, various initiatives were carried out at Malakoff's operations:



For **Malakoff Green Solutions**, please refer to pages 89 to 94.



For **Malakoff Environmental Solutions**, please refer to pages 95 to 107.



For **Malakoff Energy**, please refer to pages 108 to 122.

Sustainability Review

M4 – Operational Excellence

★ Our Achievements

Malakoff Green Solutions

Strengthened our alignment with Malaysia's low-carbon agenda and sustainability commitments through the expansion of our renewable energy (RE) capacity, which is currently at 173 MW from 153 MW in 2023. The expansion of our RE capacity directly supports the nation's transition to a greener energy mix.

 For more information on our operational overview and achievements at Malakoff Green Solutions, please refer to pages 89 to 94.

Malakoff Environmental Solutions

Recorded a 21% recycling rate, a 2% increase from the previous year. This progress reflects our commitment to sustainability and continuous improvements in waste management. Furthermore, with the completion of the E-Idaman acquisition, our waste management capacity grew close to 5,200 TPD, enhancing our ability to manage waste more effectively.

On 17 October 2024, Alam Flora launched its upgraded waste management fleet to enhance operational efficiency and improve service quality. The introduction of new compactors marks one of the most significant fleet upgrades to date. Equipped with a dual-function bin lifter designed to meet European Standard EN 1501-05, the new compactors enable more efficient waste collection, allowing for faster and more reliable services while increasing coverage within a shorter timeframe.

 For more information on our operational overview and achievements at Malakoff Environmental Solutions, please refer to pages 95 to 107.

Malakoff Energy

Advanced biomass co-firing at the 2,100 MW Tanjung Bin Power Plant (TBPP), a key project under the Malaysia's National Energy Transition Roadmap (NETR) Catalyst Projects. We also optimised planned outages and improved plant efficiencies, which increased net energy sold from 28,215 GWh in 2023 to 35,040 GWh in 2024. This strengthened our role in the NETR and raised our contribution to the Peninsular Malaysia's power grid from 21% to 25%.

Additionally, with the implementation of all efforts for operational excellence, all Malakoff Energy's plants, including TBPP, Tanjung Bin Energy Power Plant (TBEPP), Segari Power Plant (SEV) and Prai Power Plant (PPP), recorded zero non-compliance with environmental laws and regulations in 2024.

 For more information on our operational overview and achievements at Malakoff Energy, please refer to pages 108 to 122.

Going Forward

As we look ahead, Malakoff remains focused on achieving operational excellence across our three core businesses: Malakoff Green Solutions, Malakoff Environmental Solutions and Malakoff Energy. We aim to enhance efficiency, sustainability and overall performance by leveraging advanced technologies and continuous improvements in our operations.

In Malakoff Green Solutions, we will expand our portfolio of RE projects to support our organisation's vision of transitioning to a low-carbon economy. We will strengthen waste management efforts and improve recycling rates through Malakoff Environmental Solutions to contribute to a cleaner and healthier environment. In Malakoff Energy, we will continue optimising asset performance to maintain high availability and reliability. Achieving set KPIs will also help reduce unplanned downtime, enhance operational efficiency and ensure a stable and sustainable electricity supply.

Sustainability Review

M5 – Physical and Transition Climate Risks



★ Why It Is Important

Climate change poses significant risks to our operations, assets and the communities we serve. Physical risks, such as extreme weather events and rising sea levels, can disrupt our infrastructure and supply chains. Transition risks, including regulatory changes and shifts in market preferences towards low-carbon solutions, can impact our business model and financial performance.

Moreover, Malaysia's climate risk projections further highlight the urgency of this approach. Between 1970 and 2013, the country experienced a surface mean temperature increase of 0.14°C–0.25°C per decade, with average temperatures expected to rise by 3.11°C by the 2090s under high emissions scenarios. Additionally, precipitation patterns are anticipated to become more intense, particularly in East Malaysia, leading to more frequent and severe flooding events. Sea levels are also projected to rise between 0.4 and 0.7 metres by the end of the century, posing significant threats to coastal infrastructure and communities¹.

For Malakoff, understanding and mitigating physical and transition climate risks is essential to build our resilience against future climate impacts, ensuring the company's long-term viability and success. These projections underscore the need for comprehensive risk management strategies to mitigate both physical and transition climate risks. By integrating climate risk assessments into our strategic planning, we aim to build resilience against future climate impacts and ensure Malakoff's long-term viability and success.

¹ Source: *Climate Risk Country Profile - Malaysia 2021, World Bank Group*

★ Our Approach

We recognise the significant impacts that climate change can have on our operations and we are focused on addressing both physical and transition climate risks. By identifying and addressing these risks, we can develop strategies that reduce the likelihood of disruptions and protect our long-term operations.


Our Board Risk and Investment Committee (BRIC) oversees the Group's risk oversight responsibilities, followed by the Management Risk Committee, which assists BRIC in its functions.

At the plant operational level, our risks are managed through the Plant Risk Committee (refer to Statement on Risk Management and Internal Control, pages 257 to 262 of this Integrated Annual Report). The Group will continue to monitor the risks associated with this material topic.




Decarbonisation Pathway

- ▶ We continuously track, manage and record our GHG emissions to better understand our carbon footprint and mitigate climate change impacts. Through robust data collection and reporting mechanisms, we aim to identify emission hotspots and implement targeted reduction strategies.

 Refer to *GHG Emissions* at pages 134 to 137 for our emissions management-related initiatives.


- ▶ We utilise monitoring systems to track, manage and optimise our operational efficiency by monitoring energy consumption and carbon emissions.

 Refer to *Business Review Malakoff Energy* at pages 108 to 122 for further details on the initiative.



Accelerating RE Growth

- ▶ We are dedicated to rapidly expanding our RE initiatives to increase our green energy capacity and significantly lower our carbon footprint. Additionally, we actively engage in strategic partnerships with industry leaders and policymakers to accelerate RE adoption while setting clear carbon reduction milestones to monitor and track progress.

 Refer to *Business Review Malakoff Green Solutions* at pages 89 to 94 for further details on the initiative.


Sustainability Review

M5 – Physical and Transition Climate Risks



Enabling the Transition to a Holistic Circular Economy

- ▶ We are committed to advancing our environmental solutions by implementing innovative waste management practices and enhancing recycling rates and programmes. We also enhance recycling rates through community-based programmes and incentives while optimising resource management, such as water usage and material recovery. By continuously monitoring and improving our circular economy performance, we aim to support a more sustainable future.

 Refer to Business Review Malakoff Environmental Solutions at pages 95 to 107 for further details on the initiative.


★ Our Achievements

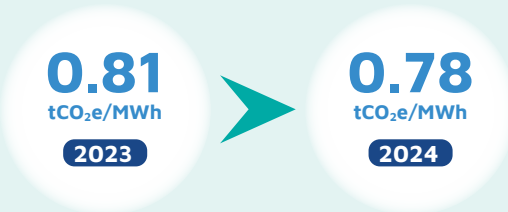
At this juncture, we recognise the importance of further strengthening our climate resilience and transitioning to a low-carbon future. Below are some notable achievements:




Decarbonisation Pathway

- ▶ Enhanced our reporting disclosures to meet the latest requirements through the commencement of tracking and reporting of Scope 3 emissions for Business Travel and Employee Commuting.

 Refer to GHG Emissions at pages 134 to 137 for more details on this achievement.




- ▶ Reduced our emissions intensity from 0.81 tCO₂e/MWh in 2023 to 0.78 tCO₂e/MWh in 2024, alongside a 33% reduction in electricity consumption at plants during the same reporting year.

 Refer to GHG Emissions at pages 134 to 137 and Energy Mix and Efficiency at pages 130 to 133 for more details on this achievement.



Accelerating RE Growth


- ▶ Reached a total RE capacity of **173 MW** as of 2024, with plans to increase our capacity to 1,400 MW by 2031.

 Refer to Business Review Malakoff Green Solutions at pages 89 to 94 for more details on this achievement.



Enabling the Transition to a Holistic Circular Economy

- ▶ Achieved a recycling rate of 21% as of the end of 2024, exceeding the Group's initial target of achieving 15% to 20% recycling rate by 2025.

 Refer to Business Review Malakoff Environmental Solutions at pages 95 to 107 for more details on this achievement.

Going Forward

We will continuously monitor climate policies and emerging market trends. Integrating sustainability into our business practices enables us to strive for operational efficiency while embracing innovation to develop solutions and technologies that support sustainability goals.

Additionally, we plan to explore climate-related scenario analysis in the future, to align ourselves with the latest reporting requirements of IFRS S2 Climate-related Disclosures. Through this effort, we aspire to create long-term value for our stakeholders and contribute positively to Malaysia's and global climate goals.

Sustainability Review

M6 – Renewable Energy Transition



★ Why It Is Important

RE is central to our long-term strategy, aligning with Malaysia's low-carbon agenda and sustainability commitments. Guided by the NETR and the Malaysia Renewable Energy Roadmap (MyRER), we are accelerating our energy transition to meet the growing demand for cleaner energy solutions, driven by shifting investor priorities.

We remain committed to expanding our RE assets, envisioning a future with reduced reliance on fossil fuels that contributes to long-term stability. This strategic focus supports sustainable growth and paves the way for a resilient, low-carbon energy landscape for generations to come.

★ Our Approach

Our RE initiatives are guided by MyRER, aligning with the national target of achieving 31% renewable energy capacity by 2025 and 40% by 2035. These efforts are further reinforced by our Sustainability Strategy and Framework, which focuses on climate action and resource efficiency, ensuring that our RE projects contribute to reducing greenhouse gas (GHG) emissions.

In addition, as part of our commitment to advancing Malaysia's energy transition, we play a key role in the NETR through our involvement in biomass projects. We are working towards Malakoff's target of achieving 1,400 MW of RE capacity by 2031. This ambition underscores our commitment to accelerating the shift towards cleaner energy solutions.

★ Our Initiatives

In 2024, Malakoff made significant progress in strengthening its position within the energy sector:



Strengthening RE Initiatives

Malakoff expanded its RE footprint by securing 22.1 MWp of commercial and industrial solar projects across various locations in Peninsular Malaysia. Additionally, the company actively participated in Malaysia's Large Scale Solar (LSS) bidding, contributing to the nation's RE goals by developing utility-scale solar farms.

In addition, Malakoff has completed its acquisition of ZEC Solar Sdn. Bhd. and TJZ Suria Sdn. Bhd. on 31 January 2025, strengthening its clean energy portfolio. With the completion of the acquisition, the Group's RE generating capacity has risen up to 173 MW.

Despite the challenges of acquiring and developing RE assets, we continue to capitalise on opportunities for sustainable growth. Our strategic investments not only mitigate financial risks associated with fuel price fluctuations and carbon tax volatility but also enhance long-term financial resilience.



Strategic Partnerships and Technological Advancements

The company pursued strategic partnerships with state and private entities to enhance RE capacities, including joint ventures in biomass, hydro and waste-to-energy (WTE) projects. In parallel, Malakoff invested in technology and research and development, exploring Battery Energy Storage Systems to complement RE installations and enhance grid reliability. We also continue our efforts to modernise existing power plants, integrating RE technologies to improve operational efficiency.

Sustainability Review

M6 – Renewable Energy Transition



Supporting Malaysia’s Energy Transition

Demonstrating its commitment to Malaysia’s sustainable energy transition, Malakoff launched a biomass co-firing project at TBPP, aligning with the NETR. We completed the construction and commissioning of 2% biomass co-firing system in Q1 2024. Building on this, Malakoff plans to increase the biomass co-firing capacity from 2% to 5% in 2025, with the goal of reaching at least 15% by 2027.



Expanding International Collaborations

Malakoff strengthened its global presence by signing a Memorandum of Understanding with Korea Electric Power Corporation. This partnership facilitates the adoption of best practices and new technologies in energy generation, ensuring Malakoff remains at the forefront of innovation.



Community-Centric Renewable Energy Projects

Malakoff’s RE expansion also reached local communities, as seen in its December 2024 solar initiative at Masjid Saidina Umar Alkhattab in Bukit Damansara, Kuala Lumpur. This project reflects Malakoff’s dedication to enriching communities through sustainable energy solutions, integrating RE into everyday life.

★ Our Achievements

We are steadily progressing towards our target of achieving 1,400 MW of RE capacity by 2031. Since 2019, we have impressively grown our RE capacity from 29 MW to 153 MW in 2023.



This momentum has continued into 2024, where we have reached a generating capacity of 173 MW, marking a 13% increase from 2023.

Current RE Capacity Breakdown

Our RE portfolio consists of the following:

Project	Location	RE Type	Generating Capacity (MW)
Commercial & Industrial Solar	Across Peninsular Malaysia	Solar	60
ZEC Solar	Johor	Large Scale Solar (LSS)	29
RP Hydro	Kelantan	Small Hydropower Plant (SHP)	84
Total Generating Capacity (MW)			173

With these advancements, we are strengthening our alignment with Malaysia’s low-carbon agenda and sustainability commitments. The expansion of our RE capacity directly supports the nation’s transition to a greener energy mix by integrating RE across various locations, diversifying energy sources and enhancing resilience in the renewable sector. Additionally, our investment in biomass co-firing technology underscores our proactive approach to decarbonisation and reinforces our role in driving sustainable energy solutions.

Going Forward

We remain dedicated to prioritising sustainable practices and innovation in RE, advancing towards a cleaner, more resilient energy future for Malaysia. As we aim to increase our RE capacity to 1,400 MW by 2031, we will continue engaging stakeholders, championing policy advancements and embracing innovative technologies.

Sustainability Review

M7 – Energy Mix and Efficiency



★ Why It Is Important

Malakoff aims to achieve net-zero emissions by 2050, and we are committed to advancing our sustainability goals through a diversified energy mix and enhanced operational efficiency.

Our approach involves integrating various RE sources across our power generation plants, reducing our carbon footprint and reliance on a single fuel source, while also strengthening our energy security. In addition to generating electricity from a diverse mix of energy sources, we prioritise optimising electricity consumption at our plants and operations.

By implementing energy-efficient technologies and practices, we aim to minimise energy waste and improve our overall operational performance. These efforts are crucial in supporting our long-term sustainability objectives and demonstrating our dedication to environmental stewardship.

★ Our Approach

Understanding Our Energy Consumption Data

Malakoff applies the Equity Share Approach in tracking and monitoring our energy consumption. This method accounts for energy consumption from operations based on our share of equity in each operation.

The following entities and the energy mix are included in our current energy consumption data:

Tanjung Bin Power Plant (TBPP)	Coal, Light Fuel Oil (LFO), Biomass, Import Electricity, Vehicle Fuel Consumption
Tanjung Bin Energy (TBEPP)	Coal, LFO, Import Electricity, Vehicle Fuel Consumption
Prai Power Plant (PPP)	Natural Gas, Distillate, Import Electricity, Vehicle Fuel Consumption
Segari Power Plant (SEV)	Natural Gas, Distillate, Import Electricity, Vehicle Fuel Consumption
Alam Flora Sdn. Bhd. (AFSB)	Import Electricity, Vehicle Fuel Consumption
Alam Flora Environmental Solutions (AFES)	Import Electricity, Vehicle Fuel Consumption
Corporate Offices (KLHQ, MUSB)	Import Electricity, Vehicle Fuel Consumption

Monitoring our energy consumption is crucial for achieving cost savings by identifying inefficiencies and implementing corrective measures to reduce unnecessary expenditures. It also plays an essential role in reducing environmental impact, contributing to lower carbon emissions.

In addition, effective energy monitoring ensures compliance with evolving regulations related to energy efficiency and environmental standards. This practice further helps in optimising operations across the Group. In 2024, our internal audit team has conducted a data assurance review for our energy consumption data, ensuring the accuracy and reliability of the reported figures.

Sustainability Review

M7 – Energy Mix and Efficiency

★ Our Initiatives

Energy Consumption Data

Across our plants, facilities and corporate offices including our headquarters, we have tracked fuel and electricity consumption as follows:

Type of Energy	Unit	2022	2023	2024
FUEL (NON-RENEWABLE) ¹				
Coal	GJ	159,686,552	175,985,986	194,197,212
LFO	GJ	341,245	303,094	233,338
Natural Gas	GJ	6,768,646	8,045,802	24,800,253
Distillate	GJ	955,861	698,463	421,499
Vehicle Fuel Consumption	GJ	213,952	186,324	161,297
Total Fuel (Non-Renewable)	GJ	167,966,256	185,219,669	219,813,599
Total Fuel (Non-Renewable) ⁴	MW	46,694,619	51,491,068	61,108,180
FUEL (RENEWABLE) ¹				
Biomass ²	GJ	N/A	N/A	84,801
Total Fuel (Renewable) ⁴	MW	N/A	N/A	23,575
Total Fuel Consumption (Non-Renewable & Renewable)	GJ	167,966,256	185,219,669	219,898,400
	MW	46,694,619	51,491,068	61,131,755
ELECTRICITY CONSUMPTION (PLANTS)				
GB3 ³	MW	4,351	N/A	N/A
SEV	MW	12,755	13,146	7,988
PPP	MW	23,946	23,087	16,977
TBP	MW	26,627	23,216	15,968
TBE	MW	8,517	8,812	5,111
Total Import Electricity (Plants)	MW	76,195	68,261	46,044
ELECTRICITY CONSUMPTION (OFFICES)				
Corporate Offices	MW	42,563	37,430	39,886
Total Import Electricity (Offices)	MW	42,563	37,430	39,886
Total Electricity Consumption	MW	118,759	105,691	85,930
GRAND TOTAL ENERGY CONSUMPTION	MW	46,813,378	51,596,759	61,217,685

Note:

¹ For FY2024 reporting, units used for Fuel (non-renewable and renewable) were converted to gigajoule or GJ.

² Biomass consumption recorded was for the pilot phase of 2% biomass co-firing at TBPP in 2024.

³ Data for GB3 only available for FY2022. The GB3 Power Plant in Lumut, Perak, officially ceased operations on 30 December 2022, following the expiry of its 21-year Power Purchase Agreement (PPA) with TNB.

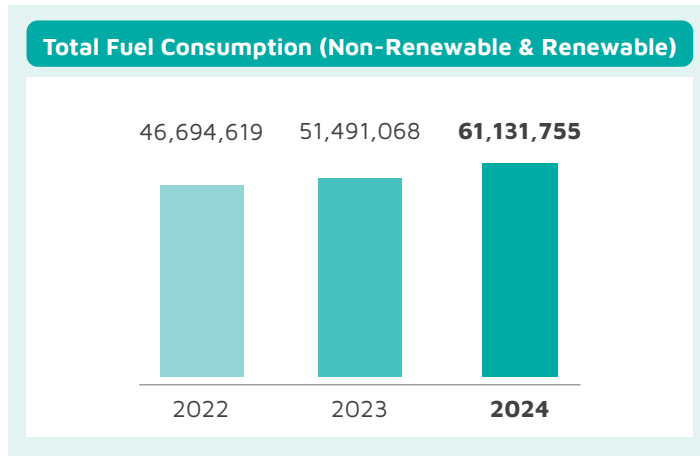
⁴ Total of Fuel Consumption (non-renewable and renewable) was converted to MW to comply with Bursa Malaysia's reporting requirements. For the unit of measurement to be in MW, we have converted GJ into MW at a rate of 1 GJ to 0.278 MW.

Sustainability Review


M7 – Energy Mix and Efficiency

★ Our Achievements

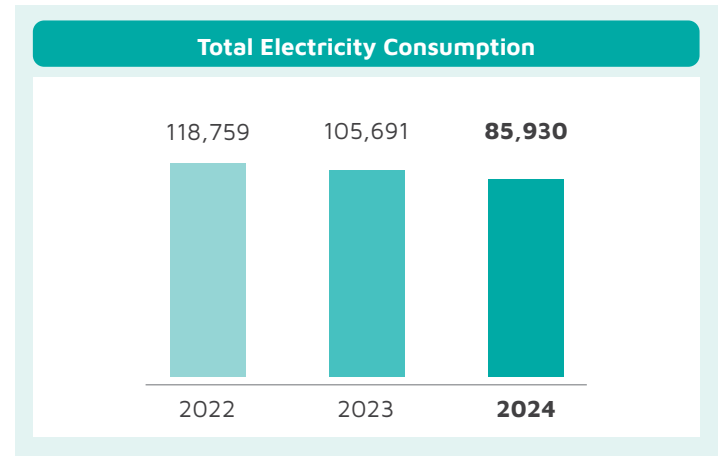
Total Fuel Consumption (MW)



In 2024, our total fuel consumption increased by 19%, primarily due to a higher demand for electricity from the national grid. This surge in electricity demand required greater fuel usage to generate the necessary power, reflecting the expanding energy needs of our operations. Despite the increase in fuel consumption, we achieved a significant reduction in our emissions intensity, lowering it from 0.81 tCO₂e/MWh in FY2023 to 0.78 tCO₂e/MWh in 2024. Additionally, the higher gross energy produced highlighted our operational efficiency and effective utilisation of available energy sources. We also included biomass in our inventory, demonstrating our commitment to scaling up our renewable sources and ensuring more efficient and sustainable energy production.

 For more details on our gross energy produced and emissions intensity, please refer to the GHG Emissions section on pages 134 to 137.

Total Electricity Consumption (MW)



Our total electricity consumption showed a decreasing trend in 2024 due to the expiry of the GB3 Power Plant in Perak as well as significant improvements in electricity conservation initiatives at SEV, PPP, TBPP and TBEP. These conservation efforts are a crucial step in reducing our carbon footprint and demonstrating our commitment to more sustainable operations. We will continue striving to optimise our energy use, implement energy-efficient practices and maintain our operational effectiveness, ensuring that our environmental impact remains minimal.

Sustainability Review

M7 – Energy Mix and Efficiency

Malakoff's Biomass Co-firing: Reducing Coal Dependence

In May 2024, Malakoff took a pioneering step in Malaysia's energy transition with the successful launch of its Biomass Co-firing Project at its 2,100 MW TBPP in Johor. As a key component of the NETR, the project integrates biomass co-firing alongside coal, progressively increasing biomass utilisation to reduce coal consumption in the power sector. At 2% biomass co-firing, the project reduces CO₂ emissions by approximately 755,000 tonnes per year. With full-phase implementation of 15% biomass co-firing with coal, the project is estimated to offset a significant amount of carbon dioxide equivalent (CO₂e) emissions, comparable to the impact of nearly 142 million matured trees planted.

This shift not only brings substantial environmental benefits but also enhances agricultural waste management and strengthens the local economy. Aligned with Malaysia's commitment to a Just Energy Transition, it also promotes an equitable shift to a greener economy, inclusive opportunities, meaningful employment and addressing the Energy Trilemma of security, sustainability and affordability. In recognition of this milestone, Malakoff received the Forward Faster Sustainability Award in the category of Pioneer Sustainable Development Action Recognition from the United Nations Global Compact Network Malaysia & Brunei (UNGCMYB). This recognition is a testament to our efforts in championing this project and our commitment to the energy transition.



Going Forward

To drive industry progress, we prioritise active collaboration with stakeholders, particularly authorities and regulators responsible for fuel supply in the power sector, to enhance the sustainable management of energy consumption.

Biomass co-firing presents a promising future alternative renewable fuel for us, reducing our reliance on fossil fuels. We are committed to increasing our biomass co-firing capacity to 5% in 2025, with a target of at least 15% by 2027.

Additionally, we continuously ensure that our business assets and operations are at optimal level to remain adaptable to evolving dispatch patterns, enabling efficient and responsive power generation.

Sustainability Review

M8 – GHG Emissions



★ Why It Is Important

The energy sector remains the largest contributor to climate change, with CO₂ emissions from fuel combustion being a major driver. Despite global efforts to curb emissions, they continue to rise at an unsustainable rate.

Malaysia accounts for 0.7% of global CO₂ emissions from combustible fuels, with total emissions reaching 241.142 MtCO₂ in 2022.¹ Over the past two decades, emissions from fuel combustion in Malaysia have surged by 110% (2000–2022), reflecting the nation's growing energy demands and reliance on fossil fuels.² This context underscores the urgent need for proactive climate action, particularly within the energy sector.

Malakoff, as the country's major industry player, has an opportunity to make a significant impact by advancing to

sustainable energy solutions, reducing its carbon footprint and aligning with both national and global climate commitments. As the largest Independent Power Producer in Malaysia, we remain steadfast in our commitment to reducing GHG emissions through continuous investments in renewable energy projects and energy efficiency measures.

Our efforts extend beyond managing climate-related risks. Tracking and disclosing our emissions actively and transparently contributes to a sustainable future and demonstrates our commitment to environmental stewardship. These initiatives reflect our dedication to reducing our carbon footprint and fostering a culture of sustainability within our organisation.

^{1 2} Source: The International Energy Agency (IEA) <https://www.iea.org/countries/malaysia/emissions>

★ Our Approach

Understanding Our Carbon Emissions

Organisational Boundaries

Malakoff's approach to measuring and managing our GHG emissions was guided by the GHG Protocol and Bursa Malaysia, ensuring that our methods are comprehensive and aligned with the internationally recognised standards and local regulatory requirements.

Malakoff applies the Equity Share Approach to define the boundaries of our GHG Inventory. This method accounts for GHG emissions from operations based on our share of equity in each operation, reflecting our economic interest and aligning with our percentage of ownership. Malakoff includes entities in which we hold an ownership stake of 51% or more. The following entities are included in our current GHG Inventory:

Tanjung Bin Power Plant Sdn. Bhd. (TBP)	Tanjung Bin Energy Sdn. Bhd. (TBE)	Segari Power Plant Sdn. Bhd. (SEV)
Prai Power Sdn. Bhd. (PPP)	Alam Flora Sdn. Bhd. (AFSB)	Alam Flora Environmental Solutions Sdn. Bhd. (AFES)

Operational Boundaries

The following are the categories of GHG emissions tracked:

Scope 1 Direct Emissions	Scope 2 Indirect Emissions	Scope 3 Indirect Emissions
<ul style="list-style-type: none"> Coal LFO Natural Gas Distillate Vehicle Fuel Consumption 	<ul style="list-style-type: none"> Purchased Electricity <ul style="list-style-type: none"> - Plants - Corporate Offices 	<ul style="list-style-type: none"> Business Travel Employee Commuting

We began tracking and disclosing Scope 1 and 2 emissions in our 2021 report, with data dating back to the baseline year of 2019. In 2024, we have started tracking our Scope 3 emissions, starting with Business Travel and Employee Commuting.

Sustainability Review

M8 – GHG Emissions

★ Our Initiatives

Carbon Emissions Data Summary

Carbon Emissions	Unit	2022	2023	2024
SCOPE 1				
Coal ¹	tCO ₂ e	16,369,457	16,170,474	17,748,870
LFO ¹	tCO ₂ e	23,556	17,910	17,668
Natural Gas ²	tCO ₂ e	342,081	237,142	1,253,397
Distillate ²	tCO ₂ e	66,684	38,070	31,915
Vehicle Fuel Consumption ³	tCO ₂ e	15,008	13,063	11,303
Biomass ⁴	tCO ₂ e	N/A	N/A	155
Total Scope 1	tCO₂e	16,816,786	16,476,659	19,063,308
SCOPE 2				
Import Electricity (Plants) ⁵	tCO ₂ e	57,756	51,742	35,638
Import Electricity (Corporate offices) ⁵	tCO ₂ e	32,263	28,372	30,872
Total Scope 2	tCO₂e	90,019	80,114	66,510
SCOPE 3				
Business Travel ⁶	tCO ₂ e	N/A	N/A	769
Employee Commuting ⁶	tCO ₂ e	N/A	N/A	352
Total Scope 3	tCO₂e	N/A	N/A	1,121
Biogenic CO₂ Emissions⁷		N/A	N/A	8,056
Total Scope 1+2+3 (Absolute Emissions)	tCO₂e	16,906,805	16,556,773	19,130,939
Emissions Offset for Scope 2⁸	tCO₂e	6,940	9,484	10,018
Net Emissions⁹	tCO₂e	16,882,669	16,532,551	19,106,214
Gross Energy Produced	MWh	18,565,504	20,510,169	24,537,892
Emissions Intensity¹⁰	tCO₂e/MWh	0.91	0.81	0.78

Notes:

¹ Coal and LFO consumptions were recorded at TBPP and TBEPP. Please refer to page 131 for total from energy consumption at TBPP and TBEPP.

² Natural gas consumptions were recorded at PPP and SEV. Please refer to page 131 for total energy consumption at PPP and SEV.

³ Vehicle fuel consumption included AFSB's fleets. However, AFSB's fleet portion is excluded from the net emissions calculation in this inventory. Please refer to page 131 for total vehicle fuel consumption.

⁴ Biomass consumption recorded was for the testing period of 2% biomass co-firing at TBPP in 2024.

⁵ Scope 2 import electricity's emissions for 2024 were calculated using the latest 2022 Grid Emissions Factor in Peninsular Malaysia of 0.774 tCO₂e/MWh which was published on 25 November 2024.

⁶ Tracking of Scope 3 Business Travel and Employee Commuting only started in 2024. We are using emissions conversion factors 2024 from United Kingdom's Department for Environment, Food and Rural Affairs.

⁷ The biogenic CO₂ emissions for biomass is zero-rated under the GHG Protocol methodology. Biogenic CO₂ emissions are reported separately as "outside of scope" and not included in the total absolute emissions.

⁸ Emissions offset for Scope 2 were from rooftop solar's 50% green attributes.

⁹ We exclude specific emissions from the Alam Flora Group to accurately calculate the emissions intensity for our energy business.

¹⁰ Emissions Intensity recorded during baseline year 2019 was 0.76 tCO₂e/MWh.

Sustainability Review

M8 – GHG Emissions

For 2024, we have expanded our internal assurance to include emissions management, ensuring a more integrated approach to managing our carbon footprint. We also incorporate data assurance to strengthen the credibility of our reported data.

Non-GHG emissions, in mg/m³

Plant	Unit	2022		2023		2024	
		SOx	NOx	SOx	NOx	SOx	NOx
SEV	Unit 11	0.00	0.31	0.00	7.59	0.00	11.63
	Unit 12	0.00	0.00	0.00	1.14	0.00	6.57
	Unit 13	0.00	0.75	0.00	7.46	0.00	20.61
	Unit 21	3.42	0.38	0.79	2.08	0.00	6.66
	Unit 22	0.00	0.00	0.00	0.74	2.22	2.38
	Unit 23	0.00	0.60	0.00	1.95	0.00	17.94
PPP	-	5.75	21.29	1.79	14.28	3.50	19.9
TBPP	U10	186.88	196.45	270.71	276.71	297.05	176.01
	U20	281.35	208.97	366.67	412.13	303.66	198.63
	U30	291.89	280.32	155.39	150.00	178.31	257.5
TBEPP	-	193.92	128.55	247.58	169.99	268.12	166.35

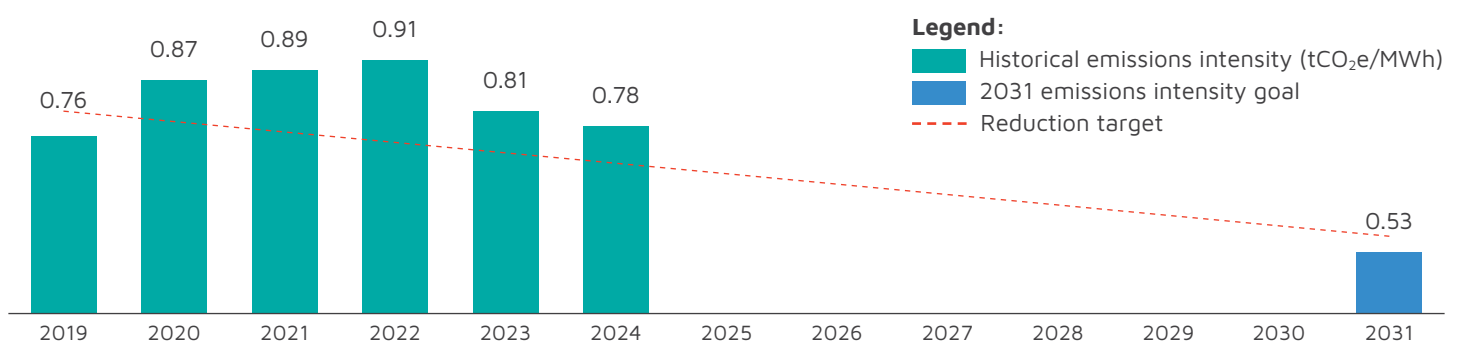
The non-GHG emissions data recorded above are daily averages for 2024. Throughout the year, we have diligently monitored our non-GHG emissions. We are pleased to report that all emissions levels have remained within the allowable limits, demonstrating our commitment to environmental compliance and sustainability.

★ Our Achievements

In 2024, we have made a significant improvement in reducing our emissions intensity, which has improved from 0.81 tCO₂e/MWh in FY2023 to 0.78 tCO₂e/MWh. This metric, which measures the amount of GHG emissions produced per unit of energy generated, reflects our commitment to more efficient and sustainable energy production.

This achievement underscores our commitment to our decarbonisation pathway initiative towards net zero by 2050, which focuses on enhancing the efficiency of our power plants and expanding our RE portfolio.

Historical versus 2031 Goal Emissions Intensity (tCO₂e/MWh)



Sustainability Review

M8 – GHG Emissions

Although our emissions intensity remains 0.02 tCO₂e/MWh above the baseline year, we are more determined than ever to advance our decarbonisation initiatives. We are focused on further improving the efficiency of our power plants and expanding our RE portfolio to achieve our long-term sustainability goals.

Going Forward

Through a series of consistent efforts in energy efficiency, RE adoption and operational optimisation, we are making significant progress towards our target of reducing our emissions intensity by 30% by 2031. The key drivers propelling us forward in this journey towards net zero include:

Enhancing power plants efficiency through continuous improvements

Scaling up biomass co-firing project to at least 15% by 2027

Accelerating our growth in RE portfolio, including rooftop solar, large scale solar, small hydro and WTE solutions

Upholding our commitment to no new coal investments

Advancing our tree planting programme, with each tree absorbing approximately 21 kg of CO₂ annually

Additionally, we are committed to continuously improving our efforts to reduce GHG emissions. This involves implementing advanced technologies and practices to enhance the efficiency of our operations and minimise our environmental impact. We will also rigorously monitor our GHG emissions to ensure accurate and transparent reporting. By regularly assessing our performance and making necessary adjustments, we aim to achieve our sustainability goals and contribute positively to global climate change mitigation efforts.

Sustainability Review

M12 – Waste Management and Effluents



★ Why It Is Important

Effective waste management and the proper handling of effluents are crucial to minimising our environmental impact and promoting community well-being. We acknowledge the risks associated with poor waste management, including environmental pollution, adverse effects on public health, fines, punitive measures and reputational damage.

As such, we remain dedicated to mitigating our environmental impact through sustainable practices, optimising resource efficiency and supporting the long-term health of ecosystems. Additionally, adopting circular economy initiatives enables us to tap into cost-saving opportunities, enhance efficiency and explore new revenue streams while maintaining compliance and fostering stakeholder trust.

★ Our Approach

Waste Management at Our Operations

We remain committed to managing waste generated from our operations in compliance with the Environmental Quality Act 1974. Our waste management efforts are focused on scheduled waste across all our plants and are guided by the Group's Environmental Policy and procedures. At our facilities, we produce a considerable volume of both scheduled and unscheduled waste. In managing scheduled waste, we engage licensed contractors for disposal at prescribed premises, ensuring full compliance with Department of Environment (DOE) regulations. This includes ensuring that all the scheduled waste maintenance sites utilised by TBPP, TBEPP, PPP and SEV meet the Environmental Quality Act (Scheduled Waste) Regulations 2005. To continuously improve our scheduled waste management practices, we conduct regular internal audits and site inspections.

Scheduled Waste

We continue to manage our scheduled waste, including fly ash, bottom ash, used oil and chemicals from the power plant and incinerators, in strict accordance with our Scheduled Waste Management Policy. This policy provides a framework for maintaining consistent and best-practice approaches across the Group.

Furthermore, we ensure that our scheduled waste is safely stored at designated maintenance sites until it is collected by licensed contractors for proper disposal, in full compliance with the DOE regulations. This process is monitored through the DOE's Electronic Scheduled Waste Information System, ensuring transparency, accountability and adherence to regulatory requirements.

At TBPP and TBEPP, we utilise life cycle assessment to analyse and evaluate potential alternatives for reducing, reusing and recycling waste. Licensed domestic contractors collect internally generated scheduled waste, such as used lube oil, distillates and contaminated solid waste, which is then directed to dedicated disposal methods including incineration, landfill, physical chemical treatment and solidification.

Unscheduled Waste

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

Sustainability Review

M12 – Waste Management and Effluents

★ Our Initiatives

Waste Generated at Our Operations

In 2024, we recorded the following levels of scheduled waste (SW) across our plants and depots:

Plant	Scheduled waste by composition (tonnes)		
	Total waste generated	Waste diverted from disposal	Waste directed to disposal
TBPP ¹	180.0	0.0	180.0
TBEPP ²	19.9	0.0	19.9
SEV ³	15.4	2.9	12.5
PPP ⁴	23.0	20.0	3.0
AFSB ⁵	47.3	31.5	15.8
Total	285.6	54.4	231.2

Scheduled Waste Codes

SW1 Metal & Metal-Bearing Wastes	SW102 SW104 SW109 SW110
SW2 Wastes Containing Principally Inorganic Constituents	SW204
SW3 Wastes Containing Principally Organic Constituents	SW305 SW306 SW307 SW312 SW325
SW4 Wastes Containing Either Organic or Inorganic Constituents	SW409 SW410 SW417 SW421 SW429

Note:

¹ Scheduled wastes at TBPP include SW102, SW109, SW110, SW204, SW305, SW306, SW307, SW312, SW325, SW409, SW410, SW417, SW421, SW429

² Scheduled wastes at TBEPP include SW102, SW109, SW204, SW305, SW307, SW409, SW410, SW429

³ Scheduled wastes at SEV include SW102, SW110, SW305, SW307, SW312, SW409, SW410, SW417, SW429

⁴ Scheduled wastes at PPP include SW102, SW109, SW305, SW307, SW409, SW410, SW429

⁵ Scheduled wastes at AFSB include SW102, SW305, SW409, SW410

At TBPP and TBEPP, we have third-party offtake agreements with three 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. We have recycled bottom ash and fly ash generated from TBPP and TBEPP as follows:

Plant	FY2022 (tonnes)	FY2023 (tonnes)	FY2024 (tonnes)
TBPP	311,353	413,247	485,898
TBEPP	87,289	84,395	95,409
Total	398,642	497,642	581,307

TBPP and TBEPP implemented the cradle-to-cradle life cycle process. In 2024, TBPP and TBEPP diverted 581,307 tonnes of bottom ash and fly ash from landfill, and managed to increase our recycling tonnage of fly ash and bottom ash by 17% from 2023. This is a testament of our continued commitment to efficient coal ash and waste management at our operations.

Sustainability Review

M12 – Waste Management and Effluents

Effluents Management at Malakoff Environmental Solutions

Leachate, a liquid that passes through a landfill and extracts dissolved and suspended matter, poses a significant threat to surface water and groundwater. It forms when precipitation infiltrates the landfill and from moisture present in the waste during decomposition. Additionally, leachate emits an unpleasant odour and negatively impacts public health and well-being.

As the operator of an incinerator on Pangkor Island, we have adopted advanced technology that achieves zero leachate discharge. Our incineration process treats and reuses the leachate in the flue gas cooling process within the water quenching system. The treated leachate from our treatment plant is then utilised as one of the water sources to lower the flue gas temperature from approximately 850°C-1,000°C to around 200°C after combustion. This approach not only ensures zero leachate discharge but also supports the local community by mitigating the environmental impact associated with municipal solid waste.

★ Our Achievements

Won the Excellent Waste Management Recognition and Waste Reduction and Circularity Award at the Waste Management Association of Malaysia Conference and Exhibition 2024, in recognition of Alam Flora's outstanding contributions to sustainable waste management practices

**54.4 tonnes
or 19%**

scheduled waste from our operations
diverted from landfill

581,307 tonnes

fly ash and bottom ash diverted
from landfill

**Zero leachate
discharge**

for incinerator

Going Forward

As we move forward, Malakoff remains resolute in our commitment to effective waste management and effluent control. The data on scheduled waste and recycled ash reflects our progress and dedication to minimising environmental impact. We will continue to enhance our waste management practices, increase recycling rates and ensure the safe disposal of all waste materials.

Our ongoing initiatives in waste management and effluent control are integral to achieving our sustainability goals and reinforcing our role as a responsible corporate citizen. With innovative technologies and best practices, we aim to further reduce waste generation and improve resource efficiency. Through these efforts, we strive to meet regulatory requirements, implement industry best practices, protect our natural resources and contribute to the well-being of our communities.

Sustainability Review

M13 – Coal Ash Management



★ Why It Is Important

At Malakoff, responsible coal ash management is crucial to our environmental stewardship. Improper handling of coal ash can lead to soil and water contamination, posing significant environmental and health risks. To mitigate these risks, we adhere to stringent safety and regulatory standards.

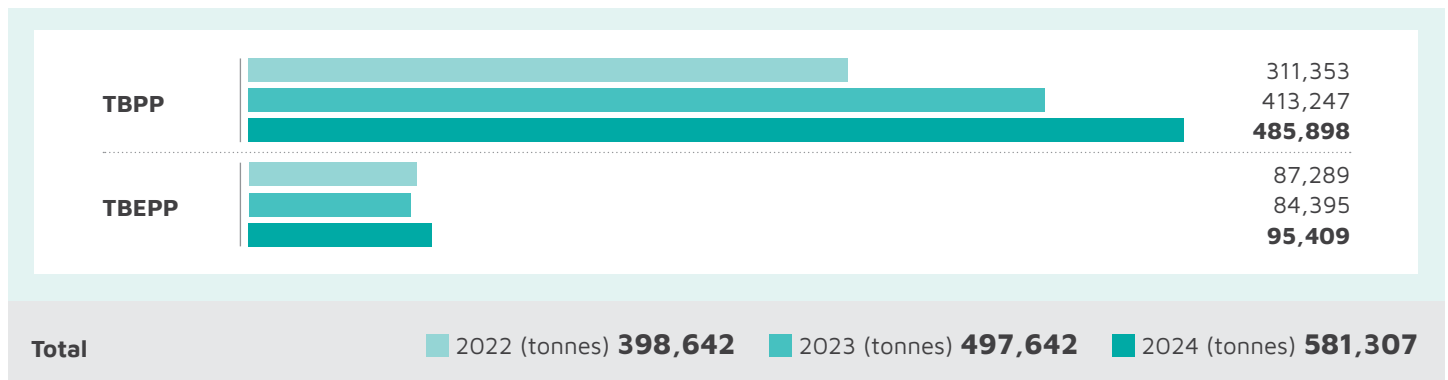
However, coal ash also presents opportunities for repurposing, such as in the production of construction materials like cement and concrete. This not only reduces waste by diverting it from landfills, but also generates additional revenue streams.

★ Our Approach

We are guided by DOE’s Environmental Quality (Scheduled Waste) Regulations 2005 and our in-house guideline in managing our coal ash generated from the power plants.

★ Our Initiatives & Achievements

At TBPP and TBEPP, we have third-party offtake agreements with three (3) companies to recycle the ash generated from the Tanjung Bin Complex into construction material such as sand replacement, which is a common practice in Europe and Japan. We have recycled bottom ash and fly ash generated from TBPP and TBEPP as follows:



TBPP and TBEPP implemented the cradle-to-cradle life cycle process. In 2024, TBPP and TBEPP diverted 581,307 tonnes of bottom ash and fly ash from landfill, and managed to increase our recycling tonnage of fly ash and bottom ash by 17% from 2023. This is a testament of our continued commitment to efficient coal ash and waste management at our operations.

The information and data above are also reflected in Waste Management and Effluents section on pages 138 to 140.

Going Forward

Going forward, Malakoff remains committed to enhancing our coal ash management practices to ensure environmental safety and sustainability. We will continue to adhere to stringent regulatory standards and implement best practices for the safe handling, storage and disposal of coal ash. Additionally, we will continue to actively explore innovative opportunities for repurposing coal ash in construction materials and other applications, turning waste into valuable resources.

Sustainability Review

M15 – Asset Life Cycle and Integrity



★ Why It Is Important

At Malakoff, we believe proper management of power plant assets is essential for sustaining efficiency and extending their lifespan. A well-structured life cycle management approach ensures assets operate effectively while maintaining their integrity from installation to decommissioning. A structured approach also supports transition planning, allowing for a more strategic and sustainable shift in operations.

Poor asset management can lead to stranded assets over time, increasing financial and operational risks. Therefore, we are committed to strengthening our asset management practices via proper planning to extend asset life cycle, improve cost management and minimise disruptions while ensuring long-term business sustainability.

★ Our Approach

Our approach is centred around ensuring the operational reliability of our plants by implementing due diligence measures and planned maintenance outages. To this end, each power plant has a dedicated maintenance team responsible for managing and overseeing critical assets. These teams follow a structured maintenance strategy that combines predictive and preventive measures to detect and address potential issues before they escalate. When unexpected equipment failures occur, corrective maintenance is carried out promptly to restore operations and maintain asset integrity.

★ Our Initiatives & Achievements

To illustrate our dedication to preserve our assets at its best condition, we have successfully extended three of our power plants' PPA – Port Dickson Power Plant from 2016 to 2019, SEV Power Plant for another 10 years from 2017 to 2027 and PPP for a year from 2024 to 2025 with an option for another one-year extension.

All the extensions above go beyond the original 21-year PPA term. For Port Dickson Power Plant, we successfully decommissioned the facility and sold the plant's assets to a buyer from Nigeria in 2021, showcasing that the assets were well maintained and continued to be operational even after its three-year extension. Additionally, we have successfully maintained and operated our GB3 Power Plant located in Perak for its full PPA term from 2001 to 2022. Its assets are currently under preservation while awaiting a decision on the next course of action.

This achievement highlights our ability to effectively manage and sustain our assets beyond their expected operational lifespan, ensuring continued efficiency, reliability and value for all stakeholders while supporting the stability of the energy supply.

Sustainability Review

M15 – Asset Life Cycle and Integrity

The following are the power plants under Malakoff’s operations:



 For more information about our assets please refer to Business Review: Malakoff Energy on pages 108 to 122.

Sustainability Review

M17 – Water Management



★ Why It Is Important

In a world increasingly impacted by climate change, water security has become a critical factor in ensuring business continuity. The risk of reduced or disrupted access to water can lead to significant operational disruptions and impact the productivity of our assets.

To mitigate these risks, we focus on efficient and sustainable water use practices. Our focus on sustainable water management and innovative solutions allows us to reduce dependency on utility-sourced water, enhance resilience and lower costs, ensuring the long-term success of our business.

★ Our Approach

Water remains a vital resource for Malakoff, playing a key role in the seamless operation of our core business areas, from electricity generation to waste management and district cooling. We are guided by the National Water Resources Policy and Environmental Quality Act 1974 to manage our water sustainably and responsibly.

At our power plants, raw water is essential for replenishing steam and water losses, ensuring the consistent generation of electricity. It also serves various operational and administrative functions. In addition, we utilise seawater in our cooling systems to support efficient plant performance.

To secure a reliable supply of this crucial resource, we source our raw water from Pembekalan Air Pulau Pinang, Syarikat Air Johor and Lembaga Air Perak, ensuring uninterrupted operation of our power plants.



Producing steam to rotate turbines for power generation



Supporting day-to-day operations in balance of plant areas, including office usage and housekeeping activities



Operating firefighting system



Replenishing ash pond water to suppress fly ash in storage yards



Suppressing dust in coal yards



Operating water cannons to prevent clinker formation in boilers at TBPP

In 2024, key initiatives were undertaken to enhance water conservation and system efficiency, reflecting our consistent commitment to sustainability. These measures collectively demonstrate our cohesive strategy to integrate water conservation into daily operations, ensuring resource optimisation and long-term sustainability.

Sustainability Review

M17 – Water Management

★ Our Initiatives

Water Management at our Power Plants

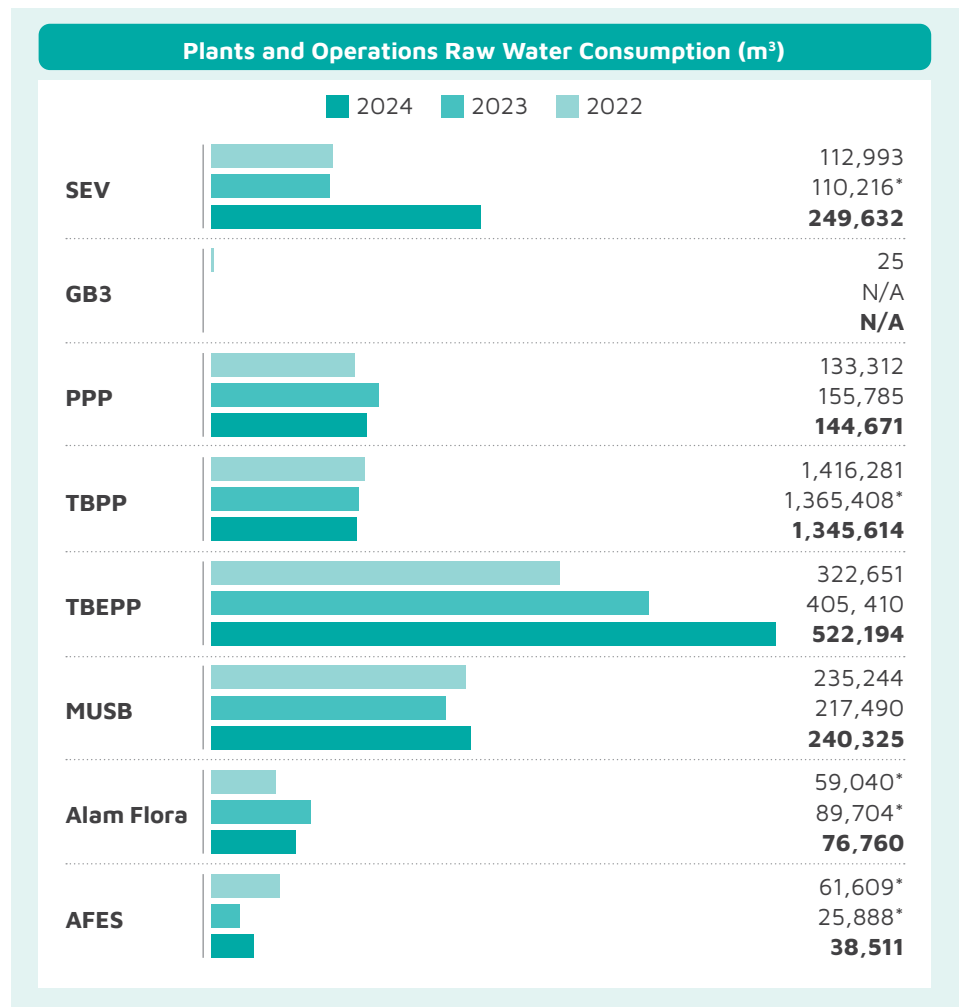
We employed continuous monitoring of raw water at TBPP by installing flow meters at submerged chain conveyer and blow-down tank. This ensured that daily consumption remained within normal thresholds and allowed for the identification of faults or defects in the systems. We also monitored condensate water make-up at TBPP. Through this monitoring system, swift corrective actions were taken whenever deviations occurred, minimising water wastage and maintained operational balance.

Meanwhile, our efforts at TBEPP centred on reducing the frequency of flue gas desulfurisation gas gas heater washing, which contributed to a significant reduction in our water consumption. Similarly, the PPP focused on optimising auxiliary boiler operations to conserve water and improve overall system efficiency. At SEV, improvements in heat recover steam generator water blowdown operations effectively reduced water usage while maintaining operational reliability.

Another key aspect of our monitoring efforts is seawater monitoring. We monitor seawater at the intake and release points in our plants, ensuring that the water temperature remains below 40°C. This is crucial to prevent any negative impact on marine life and to maintain a sustainable balance in the surrounding ecosystems.

Furthermore, through Malakoff Environmental Solutions, we incorporate rainwater harvesting systems for housekeeping and landscaping purposes as well as implementing leachate waste treatment systems to reduce raw water consumption in incinerators for temperature control.

Throughout 2024, we recorded a total of 2,617,707 m³ or 2,618 megalitres of water consumed. The table below shows water consumption across our plants:



*Figures have been restated to reflect consumptions based on equity approach.

In 2024, we observed a 10% increase in water consumption compared to 2023, driven by our expanded activities and enhanced productivity. While higher water usage is a natural consequence of our growth, it also reflects our commitment to operational excellence and efficiency.

Sustainability Review

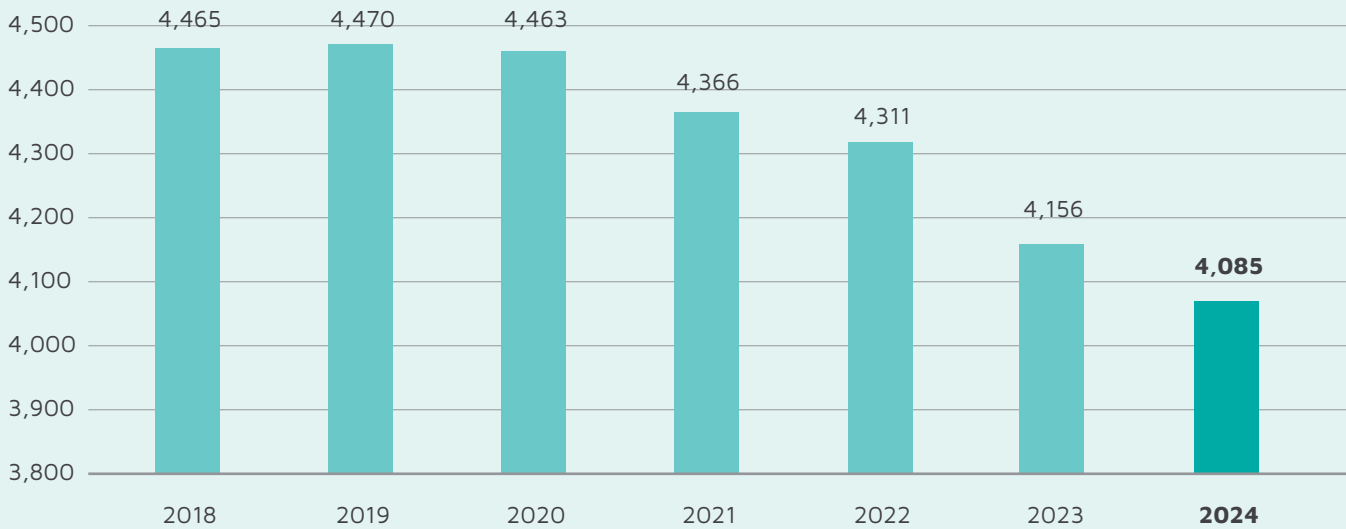
M17 – Water Management

★ Our Achievements

The installation of flow meters at TBPP successfully optimised water consumption, with average daily consumption in 2023 and 2024 recorded as lower than in previous years.

Water Consumption Optimisation Initiative at TBPP

Average Daily Consumption 2018-2024 (m³)



Going Forward

As we continue to ramp up our operations, we are using this opportunity to enhance and refine our water management practices. By focusing on sustainable water use and innovative conservation strategies, we aim to reduce our dependence on utility-sourced water and develop more resilient operations. This proactive approach not only supports our sustainability goals but also ensures the long-term viability of our business. Moving forward, we remain committed to optimising our water management to achieve greater efficiency and environmental stewardship.

Sustainability Review

M20 – Biodiversity



★ Why It Is Important

For Malakoff, biodiversity protection is not just an environmental responsibility but a strategic business priority. As our operations depend on seawater for cooling, we are committed to minimising our ecological footprint. This allows us to safeguard our reputation, opens doors to valuable partnerships to enhance our reputation and build stronger relationships with stakeholders.

★ Our Approach

Malakoff prioritises environmental protection and preservation through our Environmental Policy, which is in line with the Environmental Quality Act 1974.

★ Our Initiatives

Environmental Monitoring at Our Operations

We also conduct environmental monitoring across our plants as shown in the table below, which are usually carried out by third-party consultants:

SEV	PPP	TBPP	TBEPP
Environmental Monitoring Report <ul style="list-style-type: none"> Involves sampling for water analysis Includes ecology of turtle monitoring, which is conducted by the Department of Fisheries Malaysia in Perak (JPNP), with statistical data shared with SEV 	Marine Ecology Monitoring Report <ul style="list-style-type: none"> Marine Ecology <ul style="list-style-type: none"> Consists of phytoplankton, zooplankton, macrobenthos and fishes 	Marine Ecology Monitoring Report <ul style="list-style-type: none"> Marine Ecology <ul style="list-style-type: none"> Comprises both physical (sediment quality) and biological (phytoplankton, zooplankton, macrobenthos, fisheries and mangrove) components Mangroves <ul style="list-style-type: none"> Monitors the natural environment - mangroves (crabs, mammals, gastropods) and marine fishes 	

Our marine ecology monitoring is carried out quarterly or biannually to assess the health of the marine environment.

Another key aspect of our monitoring efforts is seawater monitoring. We monitor seawater at the intake and release points in our plants, ensuring that the water temperature remains below 40°C. This is crucial to preventing any negative impact on marine life and to maintaining a sustainable balance in the surrounding ecosystems.

Beach Clean Up & Save Our Sea Programme in Lumut, Perak

Since 2011, we have been partnering with the JPNP and Jabatan Taman Laut Malaysia to implement the Save Our Sea programme. Spearheading activities such as beach clean-ups and coral conservation, the initiatives have seen the active participation of local communities, authorities and tertiary students, all working together to improve marine biodiversity in the surrounding areas. Malakoff’s Beach Clean-Up & Save Our Sea Programme is aligned with SDG 14: Life Below Water, which emphasises the conservation and sustainable use of oceans, seas and marine resources.

Sustainability Review

M20 – Biodiversity

Beyond its environmental contributions, the initiative strengthened community engagement and heightened environmental awareness. The collaboration between Malakoff, JPNP, My Komuniti Perikanan, Maahad Dakwah Dar Al-Abrar and Kolej Perikanan Sultan Nazrin Muizzuddin Shah fostered communal bonds and inspired continued stewardship of natural resources. These partnerships are vital for ensuring the long-term preservation of Malaysia's coastal environments.

As part of the initiative, Malakoff contributed RM5,000 to the Segari Turtle Conservation & Information Centre, enhancing its support for local marine conservation efforts. Other activities included a 5R (Reduce, Reuse, Recycle, Refuse, Repurpose) talk by Alam Flora and a fun "senamrobik" (aerobics) session, ensuring participants remained engaged and motivated throughout the programme.

Saya Sayang Bumi Beach Plogging Programme in Kuantan, Pahang

The 2024 "Saya Sayang Bumi — Beach Plogging" programme, organised by Alam Flora at Pantai Pelindung, Kuantan, effectively raised environmental awareness and promoted responsible waste disposal. The event featured plogging, a combination of jogging and litter collection, which not only encourages civic duty and environmental consciousness but also offers health benefits to participants. By integrating waste disposal practices into recreational activities, the initiative helps create a safer and greener environment while fostering a caring attitude towards natural resources.

Alam Flora's efforts are in line with the government's goal of reducing recyclable waste sent to landfills by 2025 and support the SDG 11: Sustainable Cities and Communities, reflecting the Group's ongoing commitment to environmental management and sustainable community solutions. Additionally, Alam Flora has organised numerous cleanup programmes, successfully collecting over 150 tonnes of waste through more than 300 events in Kuantan.

★ Our Achievements

In 2024, Beach Clean Up & Save Our Sea Programme achieved a significant environmental milestone, where more than 300 volunteers, including 20 Malakoff employees collected 1,327 kg of waste from the shores of Segari and Teluk Senangin in Lumut, Perak. This large-scale removal of debris plays a critical role in reducing pollution and safeguarding marine ecosystems, ultimately protecting wildlife from its harmful effects.

The plogging event saw the involvement of around 150 participants from local communities, Unitar College, University College of Yayasan Pahang, Alam Flora and the Solid Waste Management and Public Cleansing Corporation. Additionally, the Pahang State Forestry Department has contributed 20 trees as part of a coastal tree planting programme for environmental preservation.

Going Forward

We will continue to uphold our Environmental Policy and our environmental monitoring initiatives, while also continue cultivating strong partnerships with the local communities through outreach programmes. Similarly, we will strive to instil the value of biodiversity preservation, empowering individuals to contribute meaningfully to a sustainable and resilient future.

SUSTAINABILITY REVIEW

EMPOWERING OUR PEOPLE AND SUPPORTING OUR COMMUNITIES

MATERIAL MATTERS

—
Occupational Safety and Health

—
Stakeholder Management and Engagement

—
Talent Management and Development

—
Human and Labour Rights

—
Supply Chain Management

—
Community Impact



Sustainability Review

M3 – Occupational Safety and Health



★ Why It Is Important

Occupational Safety and Health (OSH) remain critical to us at Malakoff because it keeps our employees and contractors safe while minimising disruptions to our daily operations. It enables us to reduce downtime caused by accidents and injuries, which improves overall operational efficiency. Additionally, our focus on OSH helps create a sustainable, safe and conducive work environment for both our people and contractors, enabling them to return home safely after work.

★ Our Approach

We are committed to upholding the principles set out in the Occupational Safety and Health (Amendment) Act 2022 (Act A1648) (OSHA 2022). Our operations have attained the ISO 45001:2018 Occupational Health and Safety Management Systems certification, ensuring the highest standards are maintained across our businesses. This enables us to continuously improve our OSH performance, minimise the risk of work-related injuries and create a secure work environment for employees, workers and contractors.

OSH Management System

We continue to maintain our OSH Management System to protect our people and ensure compliance to legal requirements and internationally recognised standards. Central to our system is the integration of best practices in risk management, such as hazard identification, risk assessment and the application of risk control measures, all aligned with ISO 45001.

The scope of safety implementation covers all employees, as outlined under Part VI General Duties and Rights of Employees of the OSHA 2022, specifically Section 2024, which mandates employees to take reasonable care for their own safety and health, as well as that of others. Both our employees and contractors are covered by our OSH Management System, as shown in the table below:

	Employees		Workers who are not employees but whose work is controlled by the organisation	
	Number	%	Number	%
Covered by an OSH Management System based	910	100	6,661 (In-house contractors and other contractors, including outage contractors)	100

Notes:

"Employees" refers to the definition provided in the Occupational Safety and Health Act A1648 Amendment 2022, Section 3(a)(xii), while "Contractor" refers to the definition in Section 3(a)(iv), which includes in-house contractors and other contractors.

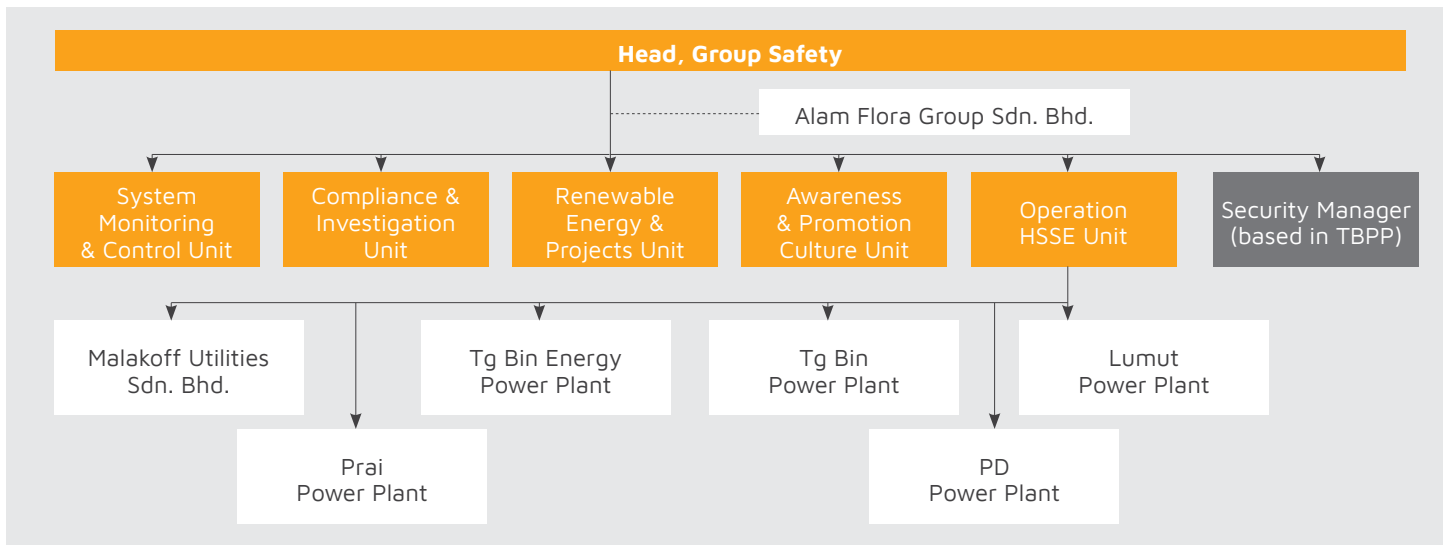
Health and Safety Governance

In line with ISO 45001, we have developed an organisation chart and job descriptions to clearly define safety and health roles, responsibilities and authorities across the organisation. We also ensure communication of roles, responsibilities, processes and procedures to control safety and health risks to raise awareness.

The Safety and Health (S&H) Committee comprises both management and non-management representatives. The committee meets quarterly, with each member's responsibilities outlined in accordance with the Occupational Safety and Health Act.

Sustainability Review

M3 – Occupational Safety and Health



Hazard Identification, Risk Assessment and Risk Control (HIRARC)

We identify and assess work-related hazards through a systematic approach involving the operation team and HSSE, as illustrated in the following diagram:



The effectiveness of our processes is evaluated and continually improved through inputs from incident investigations, S&H Committee meetings, internal and external audits and ongoing inspections and assessments across our operations. These results inform the refinement of our OSH Management System, ensuring it remains effective and responsive to emerging risks.

To facilitate the reporting of work-related hazards and hazardous situations, we provide the HOPE card system for workers to offer feedback and raise safety concerns. These reports are categorised as leading indicators or positive reporting, proactive measures taken by staff and contractors to address hazards before they escalate. We ensure that workers can report concerns without fear of reprisal, fostering an open environment for safety dialogue.

Sustainability Review

M3 – Occupational Safety and Health

Our policies and processes also support workers' rights to remove themselves from work situations they believe could cause injury or ill health. As outlined in our OSH Policy, we are committed to:



Providing a healthy and safe working environment for our employees, contractors and others, in addition to preventing injury and ill health caused by exposure to hazards



Developing OSH objectives and targets and implementing programmes



Promoting OSH awareness and enhancing the knowledge of all employees through various activities, training and educational programmes



Ensuring continual improvement of processes and practices related to OSH management and performance



Eliminating hazards and reducing OSH risks from our operations and maintenance activities



Complying with all applicable statutory and regulatory requirements of the local, state and federal authorities in relation to OSH and electrical safety, as well as adopting the best codes of practice as far as practicable



Valuing the participation of employees in OSH programmes and activities



Being a caring organisation and a good neighbour



Contributing to nation-building

We have integrated this policy into our work culture, ensuring that it is upheld by everyone at Malakoff. Where applicable, we make the policy available to the public and remain fully committed to it as part of our broader contribution to society.

In the event of a work-related incident, we form an investigation committee to determine the probable root causes. This committee conducts a thorough root cause analysis and collaborates to identify possible corrective actions and improvements. Hazard controls are listed based on their practicality and effectiveness, following the hierarchy of controls of our OSH Management System.

The outcomes of these investigations help inform improvements in our OSH Management System, ensuring that our processes are continually refined to prevent future incidents. Periodically, we organise a series of HIRARC review workshops to assess the effectiveness and improve hazard control measures.

★ Our Initiatives

HSSE Implementation Units

Since 2022, Group Safety KLHQ Office had established dedicated specific implementation units, each focusing on key areas such as System Monitoring and Control, Compliance and Investigation, Communication and Promotion, Operations Safety as well as a dedicated Security Unit to enhance effectiveness.

Medical Health Surveillance Programmes

Throughout 2024, the implementation of Medical Surveillance Programmes had been continued at all plants. This encompasses key initiatives such as audiometric testing, urine testing for drug detection as well as the ongoing health promotion programme which were carried out in 2023.

HSSE Programmes

In 2024, we remain committed to organising the following initiatives, prioritising awareness, training and well-being for employees and contractors alike:

Sustainability Review

M3 – Occupational Safety and Health

Awareness and Engagement	Health and Wellness	Training and Risk Management	Health and Safety Compliance
<ul style="list-style-type: none"> • HSSE Week Day • Group Safety Awareness Quiz • Contractor Outage Safety Forum 	<ul style="list-style-type: none"> • Wellness Centre Open Day • Breast Cancer Awareness • KLHQ Virtual Fun Run 	<ul style="list-style-type: none"> • HIRARC Workshop • First Aider and Automated External Defibrillator (AED) Training • Tabletop Exercise 'Kawalan Ancaman Keganasan Kod ISPS' 	<ul style="list-style-type: none"> • Audiometric Test • Drug Test Screening for Outage Contractors

OSH Training for Employees

In 2024, a total of 1,809 employees were trained across various programmes, including:

KLHQ & MUSB	TBPP	TBEPP	PPP	SEV	AFSB	AFES
114	375	82	40	115	817	266

KLHQ Kuala Lumpur Head Quarters
 MUSB Malakoff Utilities Sdn. Bhd.
 TBPP Tanjung Bin Power Plant
TBEPP Tanjung Bin Energy Plant
 PPP Prai Power Plant
 SEV Lumut Power Plant
 AFSB Alam Flora Sdn. Bhd.
AFES Alam Flora Environmental Solutions

The training covered the following:

 Emergency Response Team Training	 Authorised Entrant and Standby Person Training
 Occupational First Aid with AED and Cardiopulmonary Resuscitation	 HIRARC Workshop
 Fire Safety Awareness	 Hearing Conservation Programme Awareness Training

Sustainability Review

M3 – Occupational Safety and Health

Health and Safety Performance

Work-Related Injuries

We have identified work-related injuries through reported incidents, S&H Committee meetings, inspections and audits. The work-related hazards that pose a risk of high-consequence injury include working at heights, heavy lifting operations and coal handling operations.

To eliminate or minimise the associated risks, we have implemented key measures such as ensuring proper Method Statements, HIRARC evaluations, Permit to Work systems and on-site internal controls, following the hierarchy of controls. In addition to addressing these specific hazards, we are conducting continual safety awareness and improvement programmes to eliminate other work-related hazards and minimise risks across the board. This includes ensuring the proper use of approved and certified Personal Protective Equipment and safety equipment, with rigorous monitoring to ensure compliance.

Health and Safety Performance at Malakoff

In the year under review, the Lost Time Incident Rate (LTIR) for Malakoff decreased to 0.42 from 0.73 in 2023. The breakdown of health and safety performance at Malakoff is as follows:

Employees	2022	2023	2024
i. Fatalities as a result of work-related injury			
Number	0	0	0
Rate	0	0	0
ii. High-consequence work-related injuries			
Number	0	0	0
Rate	0	0	0
iii. Recordable work-related injuries			
Number	1	8	2
Rate	0.39	3.20	5.03
iv. Main types of work-related injury	Reportable Lost Time Injury, Non-Reportable Lost Time Injury, Medical Treatment Injury, First Aid Injury		
v. The number of hours worked	2,545,857	2,503,284	2,515,187

Sustainability Review

M3 – Occupational Safety and Health

Non-Employees	2022	2023	2024
b. Workers who are not employees but whose work and /or workplace is controlled by the organisation			
i. Fatalities as a result of work-related injury			
Number	0	1	0
Rate	0	0.15	0
ii. High-consequence work-related injuries			
Number	0	0	0
Rate	0	0	0
iii. Recordable work-related injuries			
Number	5	6	7
Rate	1.09	1.34	33.42
iv. Main types of work-related injury			
	Reportable Lost Time Injury, Non-Reportable Lost Time Injury, Medical Treatment Injury, First Aid Injury		
v. The number of hours worked			
	4,584,706	4,479,928	4,773,572
LTIR	0.29	0.73	0.42

Notes:

For clarity in data compilation:

- "Employees" are defined as per the Occupational Safety and Health Act A1648 Amendment 2022, Section 3(a)(xii).
- "Contractors" refers to IHC and other contractors under Section 3(a)(iv).
- Serious bodily injuries are defined under Section 54 (4th Schedule, Subsection 3(1)).
- The injury rates are calculated based on 1,000,000 hours worked.

Health and Safety Performance at Malakoff Environmental Solutions

AFSB

In 2024, the LTIR for Alam Flora Sdn. Bhd. (AFSB) rose to 1.16 from 0.86 in 2023. We acknowledge this increase and will remain focused on enhancing safety for all employees. The breakdown of health and safety performance at AFSB is as follows:

Safety Performance Indicators	2022	2023	2024
Total Manhours Worked	36,822,718	46,466,129	37,882,129
LTIR	0.68	0.86	1.16

AFES

With the implementation of ongoing safety measures, the LTIR for AFES in 2024 decreased to 0.26 from 0.50 in 2023. The breakdown of health and safety performance at AFES is as follows:

Safety Performance Indicators	2022	2023	2024
Total Manhours Worked	1,626,521	12,048,476	15,580,414
LTIR	1.84	0.50	0.26

Sustainability Review

M3 – Occupational Safety and Health

Work-related Ill Health

The work-related ill health at our operations is mainly caused by coal handling, working at heights, heavy lifting and working with machinery. The causes of the work-related ill-health were identified through reported incidents, HIRARC evaluations, audit and inspection findings and the issuance of HOPE card system. To address these risks, we are taking proactive measures to eliminate the hazards and minimise the associated dangers, in line with the hierarchy of controls.

Our priority is elimination, actively seeking ways to remove hazards wherever possible. Where elimination is not feasible, we consider substitution, exploring safer alternatives for performing tasks. We also implement engineering controls, such as the addition of machine guarding and providing contractors with guidance to improve Method Statements, HIRARC and specific safety plans for work activities. Our administrative controls also aim to improve training methods, prioritising the use of approved and certified PPE and safety equipment by ensuring strict monitoring on compliance.

Work-Related Ill Health Performance

In 2024, the Group has achieved zero fatalities in relation to work-related ill health among employees. The details are tabulated below:

Employees	2022	2023	2024
i. Number of fatalities as a result of work-related ill health	0	0	0
ii. Number of cases of recordable work-related ill health	0	0	0
iii. Main types of work-related ill health	0	0	0
Non-Employees	2022	2023	2024
b. Workers who are not employees but whose work and/or workplace is controlled by the organisation			
i. Number of fatalities as a result of work-related ill health	0	1	0
ii. Number of cases of recordable work-related ill health	0	0	0
iii. Main types of work-related ill health	0	0	0

In the year under review, two (2) fatalities were recorded at AFSB due to accidents involving non-employees. We acknowledge these incidents and are committed to enhancing our safety and health awareness programmes, extending our efforts beyond employees to the entire supply chain.

★ Our Achievements

Achieved 2,000,000 Safe Manhours at PPP

Recorded 1,000,000 Safe Manhours at MUSB

Going Forward

Moving forward, we aim to prioritise continuous improvement by fostering a culture of ongoing evaluation and adaptation. We will enhance stakeholder involvement, ensuring that diverse perspectives are embedded into our decision-making processes. By encouraging active participation, we anticipate not only more effective strategies and impactful outcomes but also the drive for innovation, uncovering new opportunities for growth.

Sustainability Review

M9 – Stakeholder Management and Engagement



★ Why It Is Important

Effective stakeholder management ensures alignment with our company’s strategic direction, reinforcing long-term stability and business resilience. Engagement is more than communication. It involves understanding stakeholder expectations, addressing concerns and delivering value that supports sustainable growth.

Internally, employees benefit from transparency, participation in decision-making and a workplace that prioritises engagement, leading to higher job satisfaction and productivity. Externally, engaging with the government, clients, vendors, capital providers, investors and the community builds trust, strengthens cooperation and ensures regulatory compliance. Through value distribution, including dividends to shareholders, tax contributions to the government, competitive salaries for employees and payments to vendors, we generate economic impact while maintaining operational continuity.

A structured approach to stakeholder engagement strengthens financial performance, reduces risks and secures long-term support, reinforcing our commitment to sustainable value creation.

 For more information on initiatives, refer to Stakeholder Engagement at pages 46 to 53 and Financial Review at pages 77 to 83 of the report.

★ Our Approach

Our approach centres around creating and distributing value across key stakeholder groups, ensuring sustainable business growth while contributing to broader economic and social development. We categorise our stakeholders into internal and external groups, each receiving value through financial contributions and engagement efforts:

Employees	Capital Providers	Shareholders	Government	Vendors and Suppliers	Community
Employees are essential to our operations. We provide competitive salaries and wages to support financial stability, encourage productivity and enhance job satisfaction.	Capital providers support our financial stability. We ensure timely payments of finance costs, maintaining investor confidence and sustaining long-term growth.	We create value for shareholders through dividend distributions. To this end, Malakoff’s dividend policy commits to distributing at least 70% of Profit After Tax and Minority Interest to our shareholders.	We fulfil our corporate tax obligations, contributing to national development and supporting essential public services and infrastructure. Transparent tax practices reflect our role in economic progress.	Vendors and suppliers are critical to supply chain sustainability and operational continuity. Transparent procurement management and strategic budget allocation to vendors ensure a reliable supply chain and sustain business relationships.	We invest in initiatives that create positive social impact. Community investments support education, environmental conservation and local development, reinforcing our commitment to long-term social progress.

Sustainability Review

M9 – Stakeholder Management and Engagement

★ Our Initiatives

Economic Value Generated, Distributed and Retained

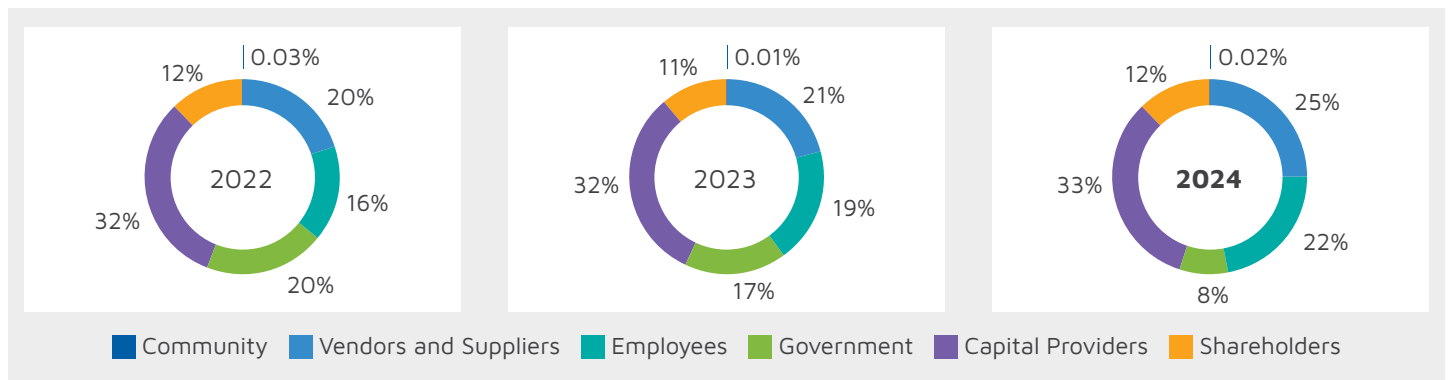
A. Direct economic value generated	FY2022	FY2023	FY2024
Revenue	10,355,150	9,066,954	8,969,567
Total A (RM'000)	10,355,150	9,066,954	8,969,567
B. Economic value distributed ¹			
Suppliers - Contracts to vendors and suppliers	382,599	362,413	384,343
Employees - Salaries and other staff costs	319,716	336,943	328,860
Government - Corporate taxation	397,925	282,757	126,032
Capital Providers - Finance Costs	607,932	566,874	504,032
Shareholders - Dividends	234,576	193,035	182,283
Community - Investment in Social Development	545	241	380
Total B (RM'000)	1,943,293	1,742,263	1,525,930
Economic value retained [A - B] (RM'000)²	8,411,857	7,324,691	7,443,637

¹ The economic value distributed to stakeholders only for Malakoff.

² The economic value retained is gross and only considers revenue less the value distributed to stakeholders, without accounting for any operating cost.

 For more information on Values created for stakeholders, refer to our Value Creation Model at pages 66 to 67 of this report.

In FY2024, we generated a revenue of RM8.97 billion, of which RM1.53 billion was distributed to our stakeholders:



This distribution reflects our commitment to engaging and supporting our stakeholders, including employees, suppliers and the community. By allocating a significant portion of our revenue to stakeholders, we foster strong relationships and ensure their continued support and collaboration. The economic value retained (gross), amounting to RM7.44 billion, underscores our ability to sustain and grow our business while maintaining a balanced approach to stakeholder engagement. This figure does not account for any operating cost, which is essential for our day-to-day operations. By focusing on both growth and stakeholder engagement, we align with our strategic goals of creating long-term value for all stakeholders involved.

Sustainability Review

M9 – Stakeholder Management and Engagement

★ Our Achievement

Over the past year, Malakoff has continued to create economic value for stakeholders through fair payments, competitive benefits and responsible business practices. We have supported a stable supply chain by maintaining strong relationships with vendors and suppliers and ensuring timely payments. Employees have benefited from competitive salaries, comprehensive benefits and opportunities for professional growth. Our tax contributions and compliance with regulations reflect our role in national development. Capital providers and shareholders have received consistent returns as a result of by transparent financial management. At the same time, our community initiatives have contributed to social well-being and long-term development, reinforcing our commitment to shared value creation.

Going Forward

Going forward, we will enhance stakeholder engagement and value creation by strengthening financial contributions, building long-term partnerships and ensuring transparent communication. We believe a structured engagement will align stakeholder expectations with business objectives, allowing us to reinforce stability, sustain growth and strengthen operational resilience.

Internally, we will prioritise employee well-being through competitive compensation, a participatory workplace culture and professional development. Externally, we will deepen collaboration with government bodies, investors, vendors and the broader community to drive mutual benefits and long-term business sustainability.

Sustainability Review

M10 – Talent Management and Development



★ Why It Is Important

Talent management is essential for Malakoff's ability to sustain operational excellence and drive innovation in green solutions, environmental initiatives and energy-related advancements. A well-managed talent strategy strengthens Malakoff's position in the evolving energy landscape. Skilled leadership boosts stakeholder confidence, while aligning workforce capabilities with strategic goals improves productivity, retention and leadership development.

By managing talent and developing a skilled, future-ready workforce, Malakoff positions itself to lead in sustainability-driven initiatives, ensuring long-term business success and positive environmental and societal impact. This equips us to navigate the complexities of sustainable operations, optimise resource use and tackle emerging industry challenges.

★ Our Approach

We are guided by the overarching People Transformation Framework, a comprehensive strategic initiative designed to create an agile, high-performing and rewarding organisation rooted in unwavering integrity and ethical practices. This framework focuses on driving operational excellence, fostering a high-performance culture and aligning talent strategies with Malakoff's business objectives.

People Transformation Framework

High-Performance Culture Through Effective Employee Engagement

Drives initiatives that enhance employee engagement, fostering collaboration, innovation and a sense of purpose to support Malakoff's long-term goals

Pillar 1	Pillar 2	Pillar 3	Pillar 4
<p>Increase People Function Effectiveness</p> <p>Aims to transform the People Function into an agile and holistic solution provider, meeting the diverse needs of stakeholders while ensuring responsiveness to dynamic business requirements</p>	<p>Improve Organisation Effectiveness</p> <p>Focuses on optimising workforce productivity and organisational performance through effective workforce planning, resource allocation and a commitment to continuous improvement in operational efficiency</p>	<p>Building & Strengthening Organisational Capabilities</p> <p>Strives for leadership excellence by implementing world-class talent management and succession planning programmes, ensuring Malakoff has a future-ready workforce equipped with the right skills to meet emerging challenges</p>	<p>Competitive Rewards and Performance Practices</p> <p>Aligns Malakoff's reward practices with the 50th percentile of the peer group market, ensuring competitive remuneration to attract, retain and motivate top talent while promoting a culture of recognition and high performance</p>

Sustainability Review

M10 – Talent Management and Development

★ Our Initiatives

Leadership and Succession Development

At Malakoff, we have adopted the Succession Planning and Talent Management Framework to guide our leadership and succession initiatives, ensuring continuity and reducing risks linked to talent shortages. The framework provides guidance on how to identify capable employees, evaluate their suitability for critical roles and support them with development plans. This supports a strong leadership pipeline backed by planned programmes, coaching and digital learning tools.

Leadership Development Programmes

- Malakoff's Leadership Development Programmes are designed to enhance critical leadership capabilities by strengthening both core and leadership competencies. These programmes aim to develop well-rounded leaders equipped to drive business success and navigate organisational challenges effectively
- Three main programmes:
 - Leadership Development Programme for Managers
 - Leadership Development Programme for Executives
 - Leadership Development Programme for Successors

Leadership Development Programme for Managers

- To enhance managerial capabilities aligned with Malakoff's core and leadership competencies, the six-month programme equips managers with the necessary skills to drive organisational goals effectively
- The programme covers four key modules: Strategic and Visionary Thinking, Transforming Self and Others, Stakeholder Management and Leading Change and Innovation
- **Total participants in 2024: 19**

Leadership Development Programme for Executives

- To enhance executives capabilities aligned with Malakoff's core and leadership competencies, the six-month programme equips executives with the necessary skills to drive performance and career growth
- The programme covers four key modules: Strategic and Visionary Thinking, Transforming Self and Others, Stakeholder Management and Leading Change and Innovation
- **Total participants in 2024: 19**

Leadership Development Programme for Successors

- To prepare high-potential employees for critical leadership roles aligned with Malakoff's core and leadership competencies and gaps to ensure their readiness level is improved and they can assume critical roles in the future
- **Total participants in 2024: 15**

Malakoff Coaching Programme: Coaching with Impact

- Designed to foster a culture of continuous development, the programme provides one-on-one coaching with internal coaches, including senior leaders, to guide employees in addressing challenges, setting goals and achieving personal and professional growth
- It supports leadership development, enhances employee engagement and aligns with Malakoff's strategic objectives under the People Transformation Agenda
- In 2024, the programme provided personalised guidance and mentorship to a total of 36 Leadership Development Programme graduates (23 Managers and 13 Executives) from Cohort 1 and Cohort 2, ensuring continuous development and effective application of leadership skills
- Additionally, Malakoff developed 22 internal coaches to strengthen its coaching culture

EDGILE and Moddle Online Learning Platform

- Serves as Malakoff's proprietary online learning platform, offering a wide range of courses, training modules and development tools
- Provides employees with the flexibility to upskill and reskill at their own pace, covering topics such as leadership and soft skills (Edgile) as well as technical skills (Moddle)
- The platform plays a key role in fostering a culture of continuous learning and supporting career advancement

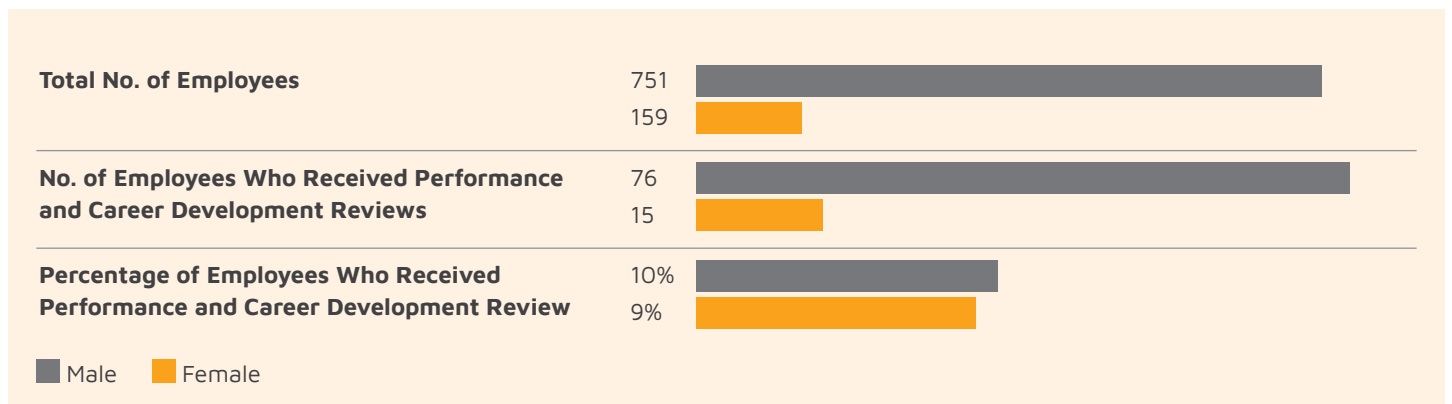
Another initiative supporting our leadership and succession development is the Malakoff Competency Dictionary. It outlines the skills, behaviours and knowledge needed for each role across the organisation. The dictionary helps identify gaps and guides the development of learning plans that align employee capabilities with role requirements.

Sustainability Review

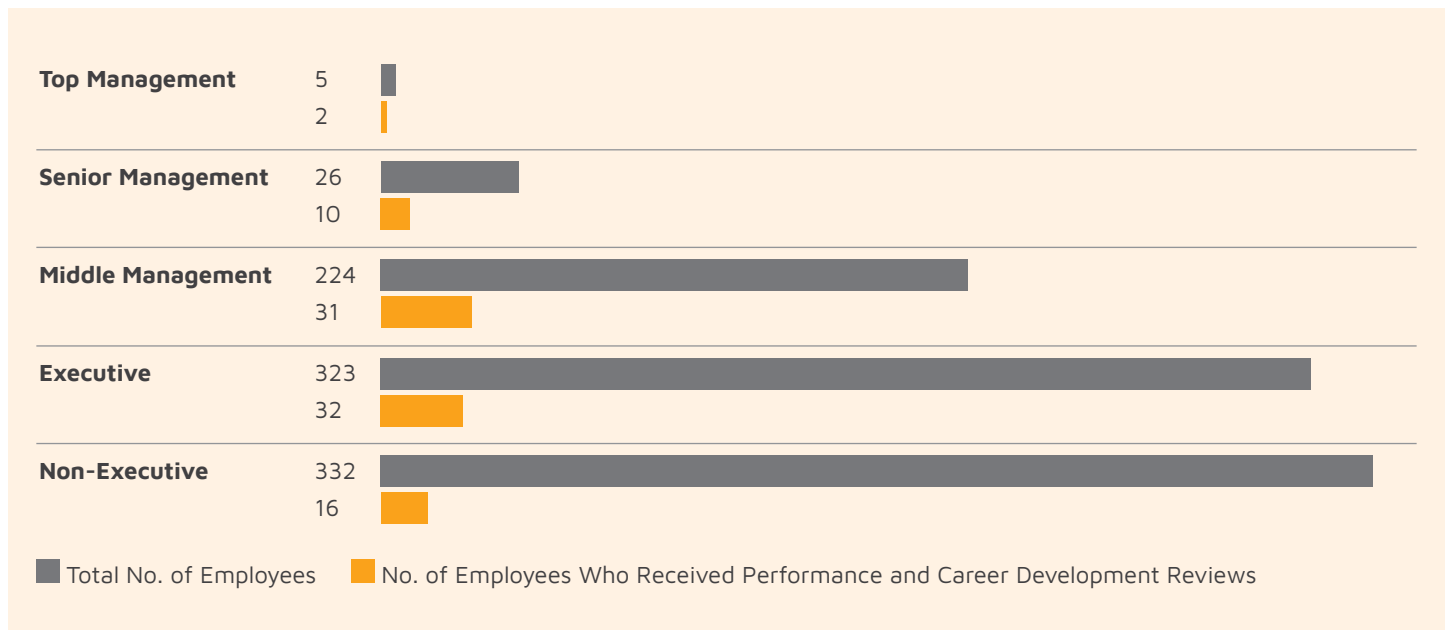
M10 – Talent Management and Development

We acknowledge the significance of employees being well-informed about their roles and responsibilities, as well as what is expected from them. Simultaneously, gaining insight into their career aspirations enables us to support their professional development. These aspects are addressed during annual appraisal sessions, where employees and their direct supervisors openly discuss performance and career objectives. In 2024, 10% of our male and 9% of our female employees underwent performance and career development reviews.

Percentage of Employees Receiving Regular Performance and Career Development Reviews by Gender



Breakdown of Total Employees and Those Who Received Performance and Career Development Reviews by Employee Category



Note: The data above only consists of Malakoff, not including Alam Flora Group.

Sustainability Review

M10 – Talent Management and Development

Talent Acquisition and Growth

At Malakoff, talent acquisition and growth are pivotal to our success. We prioritise attracting top-tier candidates through a rigorous recruitment process that values diversity and inclusivity. Once onboard, employees are nurtured through comprehensive training programmes and career development initiatives. Our commitment to continuous learning ensures that our workforce remains agile and innovative, ready to tackle emerging challenges in the sector.

Our strategic focus on talent acquisition is reflected in the diverse breakdown of our workforce, encompassing gender and employment status.

In 2024, we have a total of 4,304 employees including employees in Malaysia and Oman. Percentage of employees that are permanent is at 80%, while percentage of employees that are contractors or temporary staff is at 20%.

Malaysia

Employees by Gender

	2022	2023	2024
Number of Employees (Headcount/FTE)	3,271	3,609	3,627
	704	708	675
Number of Permanent Employees (Headcount/FTE)	2,495	2,713	2,846
	584	579	595
Number of Temporary Employees (Headcount/FTE) (Employees on Renewable Contract)	776	896	781
	120	129	80
Number of Non-Guaranteed Hours Employees (Headcount/FTE)	0	0	0
	0	0	0
Number of Full-Time Employees (Headcount/FTE) (Must fulfil 8 hours per day or as required by labour law)	3,271	3,609	3,627
	704	708	675
Number of Part-Time Employees (Headcount/FTE) (Employees with fewer working hours compared to full-time employees)	0	0	0
	0	0	0

■ Male ■ Female
























Note:
The figures in bold have been restated to ensure the highest level of accuracy and transparency in our reporting. This adjustment reflects our commitment to providing stakeholders with precise and reliable information moving forward.



Sustainability Review

M10 – Talent Management and Development

Oman

Employees by Gender

	2022		2023		2024	
Number of Employees (Headcount/FTE)	2		2		2	
	0		0		0	
Number of Permanent Employees (Headcount/FTE)	2		2		2	
	0		0		0	
Number of Temporary Employees (Headcount/FTE) (Employees on Renewable Contract)	0		0		0	
	0		0		0	
Number of Non-Guaranteed Hours Employees (Headcount/FTE)	0		0		0	
	0		0		0	
Number of Full-Time Employees (Headcount/FTE) (Must fulfil 8 hours per day or as required by labour law)	2		2		2	
	0		0		0	
Number of Part-Time Employees (Headcount/FTE) (Employees with fewer working hours compared to full-time employees)	0		0		0	
	0		0		0	

 Male
  Female

Sustainability Review

M10 – Talent Management and Development

New Employee Hires and Employee Turnover

In the past year, Malakoff has welcomed a diverse group of new hires, strengthening our team with fresh talent and diverse perspectives. While we experienced some employee turnover, our focus remains on fostering a supportive and dynamic work environment that attracts and retains top talent.

New Employee Hires				2022				2023				2024			
Gender															
Male	81%		519	90%		811	84%		443						
Female	19%		120	10%		92	16%		86						
Age Group															
<30 years	69%		441	37%		334	57%		303						
30-50 years	31%		198	56%		505	40%		210						
>50 years	0%		0	7%		64	3%		16						
Region															
Malaysia	100%		582	100%		903	100%		529						
Saudi Arabia	0%		0	0%		0	0%		0						
Bahrain	0%		0	0%		0	0%		0						
Oman	0%		0	0%		0	0%		0						
Employee Turnover															
Gender															
Male	77%		153	77%		182	78%		401						
Female	23%		45	22%		54	22%		115						
Age Group															
<30 years	39%		78	35%		83	28%		142						
30-50 years	54%		106	54%		127	48%		248						
>50 years	7%		14	11%		26	24%		126						
Region															
Malaysia	100%		198	100%		236	100%		516						
Saudi Arabia	0%		0	0%		0	0%		0						
Bahrain	0%		0	0%		0	0%		0						
Oman	0%		0	0%		0	0%		0						

Sustainability Review

M10 – Talent Management and Development

Total Number of Employee Turnover by Employee Category

	2022	2023	2024
Top Management	0	0	7
Senior Management	3	3	16
Middle Management	40	36	31
Executive	54	51	66
Non-Executive	101	146	396

Total Number of Employee Turnover by Gender

Employee Category	Gender	2022	2023	2024
Top Management	Male	0	0	7
	Female	0	0	0
Senior Management	Male	3	2	12
	Female	0	1	4
Middle Management	Male	30	29	16
	Female	10	7	15
Executive	Male	34	24	45
	Female	20	27	21
Non-Executive	Male	86	127	321
	Female	15	19	75

Total Number of Employee Turnover by Age Group

Employee Category	Age Group	2022	2023	2024
Top Management	<30 years	0	0	0
	30-50 years	0	0	1
	>50 years	0	0	6
Senior Management	<30 years	0	0	0
	30-50 years	0	2	6
	>50 years	3	1	10
Middle Management	<30 years	0	0	0
	30-50 years	33	31	25
	>50 years	7	5	6
Executive	<30 years	25	26	14
	30-50 years	28	23	48
	>50 years	1	2	4
Non-Executive	<30 years	53	57	128
	30-50 years	45	71	168
	>50 years	3	18	100

Note:
The FY2023 breakdown figures have been restated to ensure the highest level of accuracy and transparency in our reporting. This adjustment reflects our commitment to providing stakeholders with precise and reliable information moving forward.

Sustainability Review

M10 – Talent Management and Development

Our recent data analysis highlights several key opportunities for growth. While the number of new hires has declined, we recognise the potential to enhance our recruitment strategies. Additionally, the rise in employee turnover presents us an opportunity to further improve our retention efforts, ensuring we build a resilient and dedicated workforce.

The following are some of the initiatives which we have carried out to address these challenges and capitalise on the identified opportunities:

TVET Collaboration with the Ministry of Human Resources Malaysia

- Partnered with Public Skills Training Institutes to enhance trainer capabilities through knowledge-sharing and industry expertise, ensuring high-quality vocational education
- Supported talent development by providing access to Malakoff's facilities, equipment and funding for courses and training programmes, enriching students' learning experiences and professional growth

Career Fairs and Engagement with Young Graduates

- Participated in career fairs and organised engagement programmes for young graduates to attract top talent
- These efforts provide students and fresh graduates with insights into Malakoff's operations and career opportunities, fostering a strong employer brand and ensuring a sustainable talent pool

Project Management Professional (PMP) Certification Programme

- Supported talents in attaining the recognised PMP certification
- This initiative ensures that project managers are equipped with advanced project management skills, enabling them to manage complex projects effectively and support Malakoff's growth objectives
- **Total participants in FY2024: 6**

Innovation and Sustainability

At Malakoff, we embed innovation and sustainability at the core of our talent management strategy. Our forward-thinking culture and environment encourage creative thinking that drives sustainable solutions. This enables us to enhance our operational efficiency, as we strive to be at the forefront of the energy sector, delivering long-term value to our stakeholders.

Malakoff Innovation Programme

- Encourages employees to contribute innovative ideas and solutions to improve processes, enhance sustainability and drive business growth
- Provides a structured platform for employees to propose, develop and implement creative solutions that align with Malakoff's strategic priorities

Collaboration with Subject Matter Trainers (SMTs)

- Collaborated with SMTs, experts who provide specialised training on specific topics relevant to Malakoff's business operations, such as renewable energy, sustainability and safety protocols
- Instrumental in transferring critical knowledge and skills to employees, ensuring Malakoff's workforce remains competent, compliant and competitive in the industry
- Work closely with the Learning and Development Team to design and deliver impactful training programmes tailored to organisational needs

Letter of Intent with UniKL

- Enhanced industry experience and knowledge through various initiatives, including internships for UniKL students as part of the university's 'Industrialmanship' programme
- Outlined joint research projects in areas of mutual interest
- Granted both parties access to research and development facilities, enabling them to secure research collaboration grants to support these joint efforts
- Collaborated with UniKL to upskill and upgrade the competencies of our technical staff through timely training programmes, ensuring that our workforce remains at the forefront of industry standards

Sustainability Review

M10 – Talent Management and Development

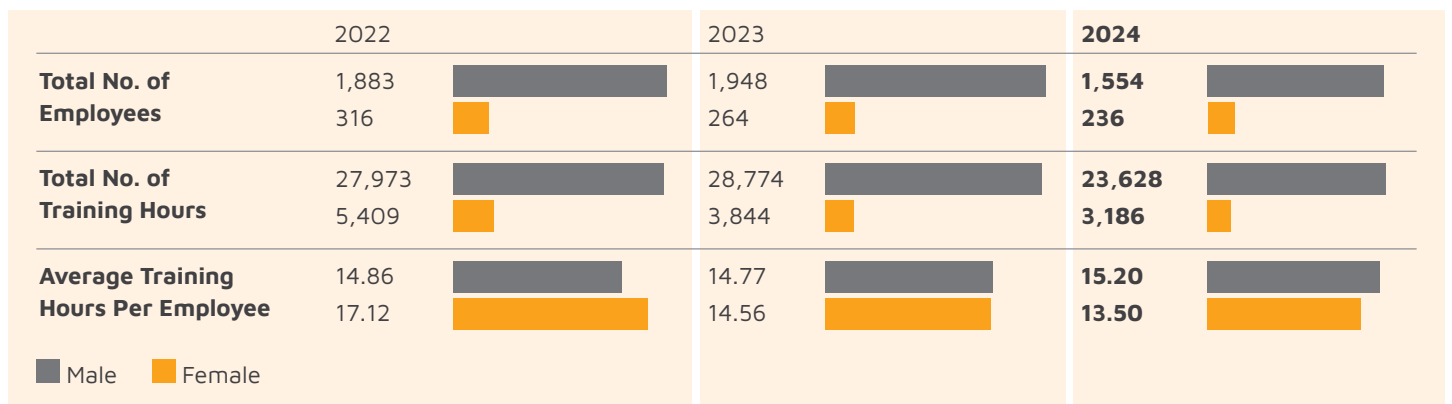
Training and Development

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

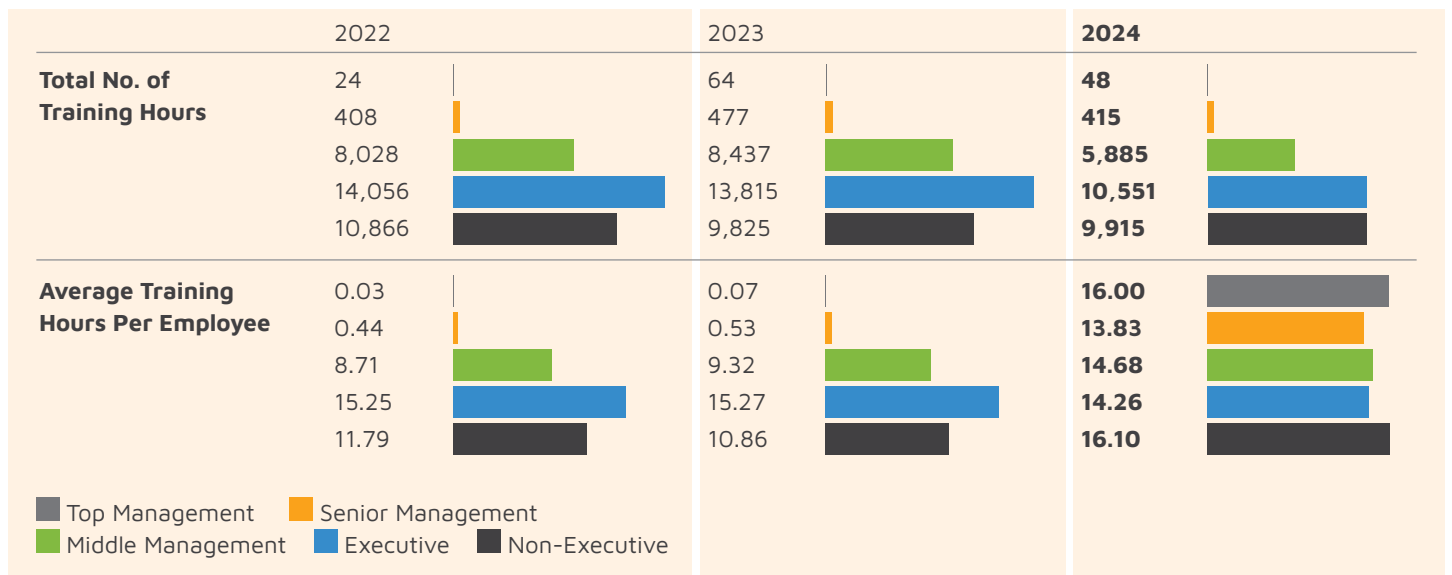
Employee Training Programmes at Malakoff

In 2024, our investment of RM1.34 million in employee training programmes resulted in 26,814 training hours. This equates to an average of 14.98 training hours per employee. The following table presents the breakdown by gender and employee category:

By Gender



By Employee Category



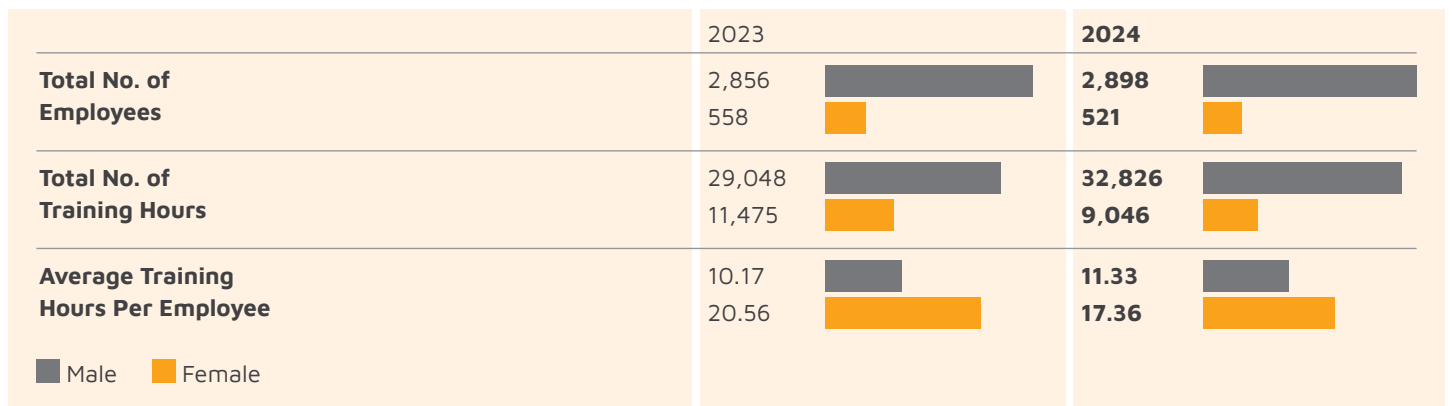
Sustainability Review

M10 – Talent Management and Development

Employee Training Programmes at Malakoff Environmental Solutions

In 2024, we invested RM606,359 in employee training programmes, delivering a total of 41,873 training hours. This resulted in an average of 12.25 training hours per employee. The breakdown by gender and employee category is as follows:

By Gender



By Employee Category



Sustainability Review

M10 – Talent Management and Development

★ Our Achievements

Number of Soft Skills and Functional Training Conducted

128

Number of Technical Training Conducted

228

55 Certification

Programmes and **81** Participants Certified

Going Forward

We are dedicated to continuously refining our talent management strategies to remain at the forefront of industry standards. This includes developing and implementing robust policies while taking ownership of the process. We are focused on prioritising employee growth by investing in development programmes and training to enhance their skills and prepare them for future challenges. Additionally, we aim to cultivate a diverse and inclusive workforce, which we believe is key to driving innovation. By regularly evaluating employee satisfaction, we strive to create a dynamic and fulfilling workplace that fosters productivity and long-term success.



Malakoff Innovation Programme

Sustainability Review

M11 – Human and Labour Rights



★ Why It Is Important

As an independent power producer in Malaysia, we are proud to be among the companies aligned with the National Energy Policy 2022-2040, which aims to transform Malaysia into a progressive low-carbon country. This policy emphasises the need to balance social inclusivity, health and economic growth within our energy strategies. Recognising that our employees are the backbone of our operations and with the energy sector accounting for 25%¹ of the total workforce in Malaysia, we are committed to upholding human and labour rights. This commitment is not only a moral and ethical obligation but also a critical component in achieving the policy’s ambitious goals. By prioritising these rights, we ensure that our operations contribute positively to the nation’s sustainable development and foster a resilient, equitable and prosperous society.

Our dedication to upholding human rights within our operations ensures that we are free from forced labour, child labour, discrimination, harassment and unfair practices. Additionally, promoting diversity and equal opportunity not only protects the well-being of our employees but also plays a critical role in attracting top talent, driving business growth and maintaining our competitive edge in the market. Strong labour relations are also vital to our organisational success, influencing workplace harmony, satisfaction and productivity of our people. We cultivate a collaborative and respectful environment by adhering to labour laws and treating all individuals, including contractors, with dignity. This approach minimises conflicts, enhances stability and lays the foundation for our sustainable growth.

¹ Source: National Energy Policy 2022-2040

★ Our Approach

We continue to uphold human rights and foster positive labour relations across our operations, with our approach shaped by the following policies and guidelines. This ensures our commitment to the highest standards:



Since 2023, we have officially joined the United Nations Global Compact (UNGC), the world’s largest sustainability initiative for the development, implementation and disclosure of responsible business practices. This ongoing membership has affirmed our commitment to upholding the 10 universally accepted principles of the UNGC in the areas of environment, human rights, labour standards and anti-corruption.

★ Our Initiatives

In 2024, we implemented a range of initiatives to manage human rights and labour relations:

Child Labour, Forced Labour and Compulsory Labour

We remain committed to eliminating child labour, forced labour and compulsory labour within our operations, ensuring that our practices meet international standards and adhere to ethical guidelines. This includes aligning our practices with the International Labour Organization’s (ILO) Forced Labour Conventions and the 2014 Protocol, as well as complying with the Employment Act 1955 and the Industrial Relations Act 1967, which prohibit such practices and provide effective reporting mechanisms.

Sustainability Review

M11 – Human and Labour Rights

We also focus on establishing fair and transparent recruitment practices, ensuring that all hiring processes are free from exploitation. We are steadfast in implementing rigorous monitoring, which allows us to identify and mitigate any risks to human rights or labour relations. To support workers who may have been subjected to forced labour, we are implementing due process mechanisms for effective remediation.

Through regular and transparent reporting, including in our annual reports, we are building accountability and trust with our stakeholders. Additionally, we sustained our active participation in awareness campaigns that focus on preventing forced labour and promoting ethical practices across the industry.

Minimum Notice on Operational Changes

Building on our approach from 2023, we continued to provide employees with advance notice of any changes to their work location, roles or other employment-related matters across all operating sites. This practice continues into 2024, ensuring that operational changes are deliberated and negotiated between employee unions and management for a fair and structured transition.

The implementation of these changes takes effect upon reaching mutual agreement. As stipulated in Collective Agreements, the consultation and negotiation period was extended over six months. The notice period and related terms are outlined in Article 5: Date and Duration of Collective Agreement and Article 15: Notice of Termination of Service of the Collective Agreement.

Maintaining Harmony Working Environment through Collective Bargaining

We continue to uphold our employees' right to participate in labour unions. With two in-house Unions, we are actively holding Joint Consultative Meetings on quarterly basis between Management and our two in-house unions in updating information, addressing matters related to the welfare of our employees with amicable solution, in line with local regulations. Throughout 2024, 33% of our workforce remained covered by Collective Agreements (2023: 32%), while we continued to establish fair employment terms for those not under such agreements.

Diversity and Equal Opportunity

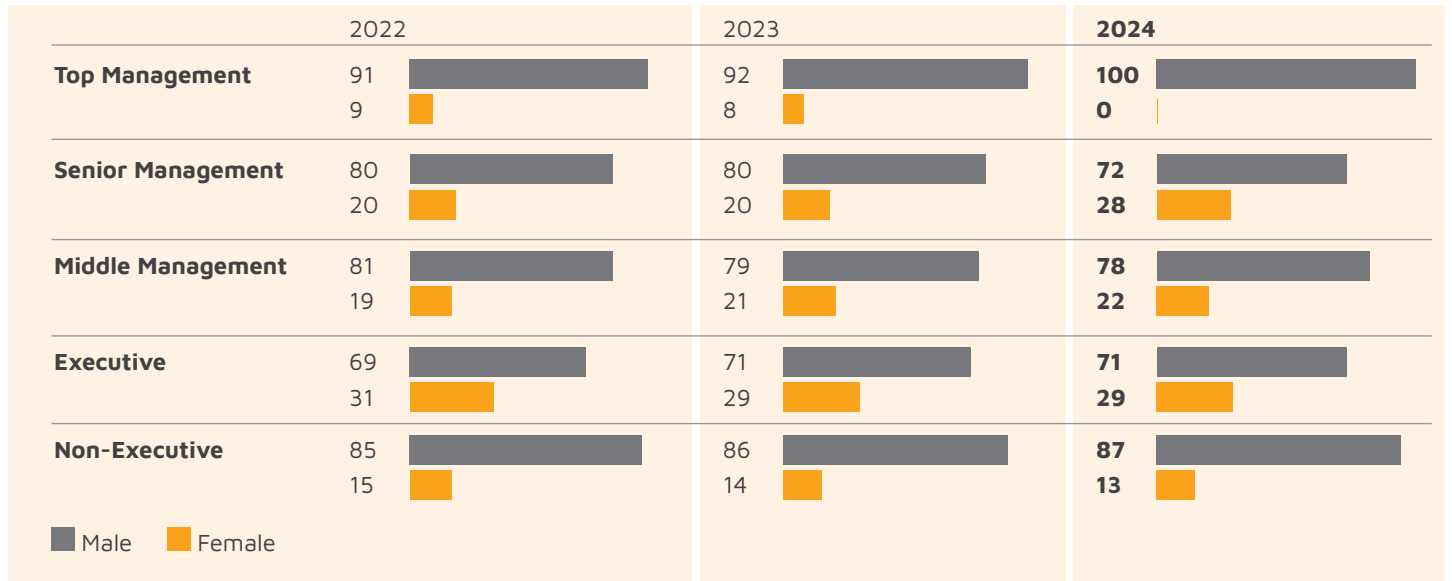
We believe that an inclusive and diverse workplace is fundamental to our success. Our commitment to equal opportunity ensures that all individuals are recognised for their skills, abilities and potential, with merit as the guiding principle. This approach not only enhances employee satisfaction but also strengthens our reputation as an employer of choice.

By embracing a range of perspectives, backgrounds and experiences, we create an environment where creativity, innovation and collaboration can flourish. This diversity strengthens our ability to solve complex challenges and fosters a more resilient and dynamic talent pool.

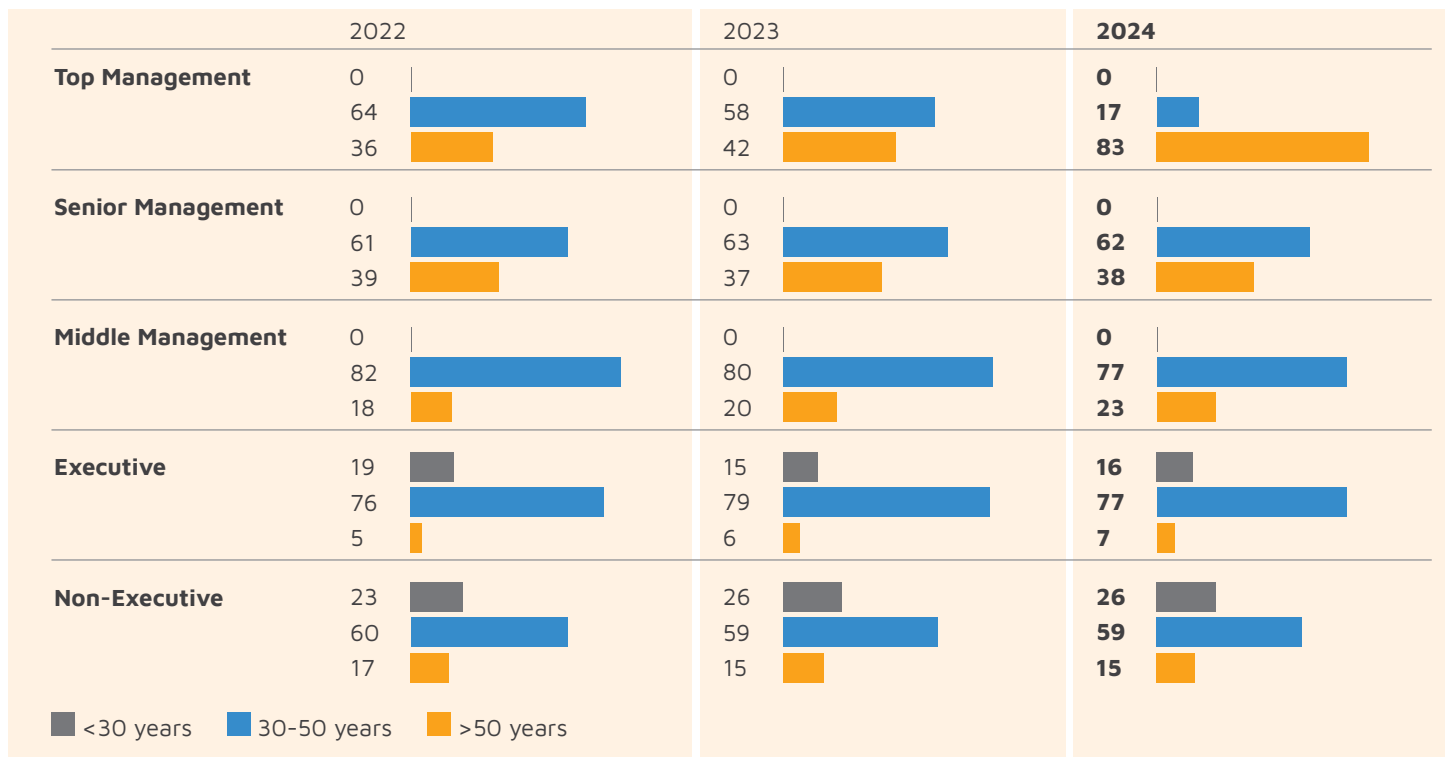
Sustainability Review

M11 – Human and Labour Rights

Gender Representation Across Employee Categories (%)



Age Group Representation Across Employee Categories (%)

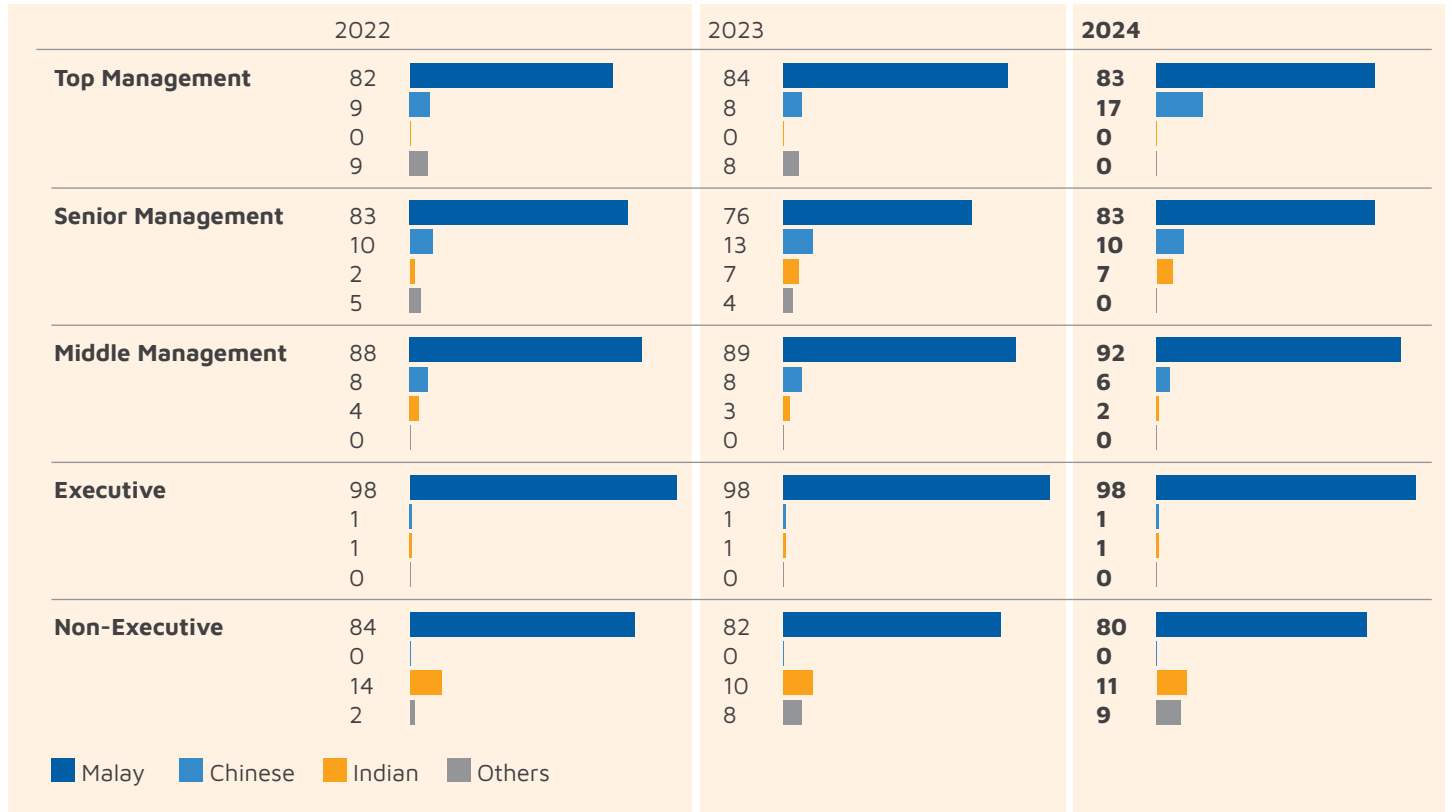


Note: The breakdown of the above data by gender, employment status and region are available under Talent Management and Development section on pages 160 to 170.

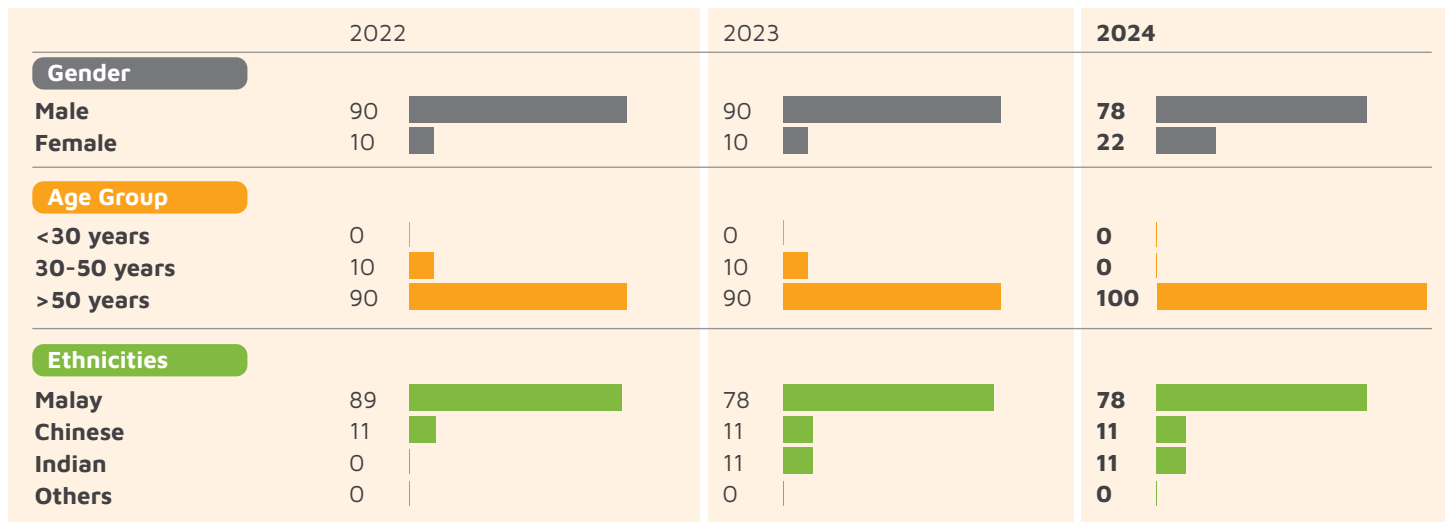
Sustainability Review

M11 – Human and Labour Rights

Ethnicities Representation Across Employee Categories (%)



Board Members Diversity by Gender and Age Group (%)



Sustainability Review

M11 – Human and Labour Rights

Fair Wage Practices

We are committed to fair and competitive remuneration in accordance with the Malaysia's Employment Act. We uphold minimum wage regulations and ensure equitable pay practices across all employee categories. Ratio of basic salary and remuneration of women to men in 2024 for Malakoff and Alam Flora are tabulated as follows:

Ratio of Basic Salary and Remuneration of Women to Men for Malakoff

	Ratio
Top Management	
Basic salary	0.00
Remuneration	0.00
Senior Management	
Basic salary	0.71
Remuneration	0.69
Middle Management	
Basic salary	0.86
Remuneration	0.72
Executive	
Basic salary	0.83
Remuneration	0.42
Non-Executive	
Basic salary	0.97
Remuneration	0.23

Ratio of Basic Salary and Remuneration of Women to Men for Alam Flora

	Ratio
Top Management	
Basic salary	0.67
Remuneration	0.75
Senior Management	
Basic salary	1.09
Remuneration	1.36
Middle Management	
Basic salary	0.94
Remuneration	0.90
Executive	
Basic salary	0.99
Remuneration	0.97
Non-Executive	
Basic salary	1.11
Remuneration	0.57

We recognised that some of the ratios by employee category are lower. Malakoff is committed to maintaining a healthy wage ratio of women to men and fostering a fair and inclusive workplace by providing equitable opportunities for professional growth, training mentorship and career advancement for all employees.

At Alam Flora, every employee regardless of gender and category are entitled to overtime pay and allowances for hours beyond their regular schedule and job scope, offering them opportunities to earn above the minimum wage.

We adopted the recently announced Minimum Wages Order 2024 on 1 February 2025, raising our entry-level wage to RM1,700 or RM8.72 per hour from RM1,500 or RM7.89 per hour previously, reflecting our ongoing commitment to fair remuneration. This adoption of the new minimum wages benefits more than 2,000 employees in Alam Flora. In addition, under the Collective Agreement, employees are entitled for yearly increment of wages regardless the company's performance, provided that the employee did not have disciplinary issues throughout his/her year of service.

Sustainability Review

M11 – Human and Labour Rights

Other Initiatives

Employee Engagement Survey

We conducted the Employee Engagement Survey (EES) and achieved an impressive 99% response rate as well as an Engagement Index of 74.47%. From the survey, it was revealed that one of the lowest-scoring areas in the EES results was Respect and Recognition. In response, we have continued our engagement initiatives, including the Long-Term Service Award to honour employees' dedication and tenure. Additionally, we organised HR2U Day as part of our annual engagement efforts. During the event, we introduced an inaugural carnival run embedded in a one-day family day session known as EnviRUNment Carnival 2024 for our employees and their families.

Engagement Sessions with Employees

While there were no town hall sessions conducted in 2024, we held engagement sessions with employees from all levels and locations during our HR2U Day. This two-day event aimed to foster open communication, address employee concerns and strengthen workplace relationships between staff and representatives from the People Division.

Long-Service Award Recipients

In the reporting period, a total of 108 employees received the Long-Service Award, recognising their commitment to the company. This included 61 recipients for 10 years of service, 39 for 15 years, six for 20 years and two for 25 years.

Annual Wellness Programme

As part of our annual HR2U Day, we organised several wellness initiatives across all locations. These included health screenings, heart disease screenings, musculoskeletal screenings, vision screenings, dental and oral health screenings, influenza vaccinations, DNA tests and physiotherapy sessions to promote overall employee well-being.

★ Our Achievements

Zero

substantiated complaints concerning human rights violations reported in 2024

Zero

discrimination cases reported in 2024

Going Forward

We aim to build stronger labour relations by reinforcing transparent communication, fostering meaningful employee engagement and investing in training, wellness and safety initiatives. Through regular evaluations and employee insights, we will ensure our human rights and labour management efforts evolve to support a fair, collaborative and supportive work environment.

Sustainability Review

M16 – Supply Chain Management



★ Why It Is Important

Supply chain management is part and parcel of Malakoff’s plan to drive sustainable business growth, which is done via strategic sourcing and procurement practices. We believe local procurement strengthens economic resilience while enabling us to develop the community across our operations. Furthermore, having a systematic vendor engagement and transparent procurement processes allow us to establish long-term partnerships with our vendors based on ethical business conduct. For this reason, we remain committed to enhancing supply chain efficiency through our procurement management initiatives, ensuring sustainable development and equitable value distribution across our business ecosystem.

★ Our Approach

The details and information presented in this section are limited to the scope of Procurement Management, as it is the most critical component of our supply chain management.

Our Procurement Policy establishes integrity standards across procurement processes. In this regard, we build vendor trust through fair and transparent subcontracting and procurement methods. Furthermore, every transaction undergoes systematic verification to meet integrity requirements. Local vendor partnerships remain our priority where feasible, as we recognise our role in national development.

We recognise the importance of environmental assessments for vendors in supporting the sustainability of our business and ensuring they meet expected deliverables. To this end, we will continue to enhance these requirements and integrate them into the procurement process to strengthen environmental accountability across our supply chain.

Environmental Assessment



Our vendors are encouraged to integrate sustainable practices into their business operations and supply chains, focusing on reducing carbon footprints by among others, minimising emissions, enhancing recycling, using renewable resources and optimising transportation routes. We also encourage our vendors to uphold ethical business conduct, fair labour practices, transparency, integrity and other Environment, Social and Governance (ESG) principles, ensuring alignment with our commitment to sustainability and responsible business practices.

Social Assessment



We are cognisant of the importance of social assessment for vendors in making sure integral to the sustainability of our business. We are committed to Social sustainability efforts, particularly integrity, in all business dealings and stakeholder relationships. Vendors are required to comply with Malakoff’s Vendor Code of Conduct, which consists of integrity requirements.

★ Our Initiatives



E-Auction Training for Vendors

The E-Auction training for vendors is conducted as and when required through the online bidding platform to ensure that vendors are equipped with the necessary skills and knowledge to participate effectively.



Awareness Programme with Vendors

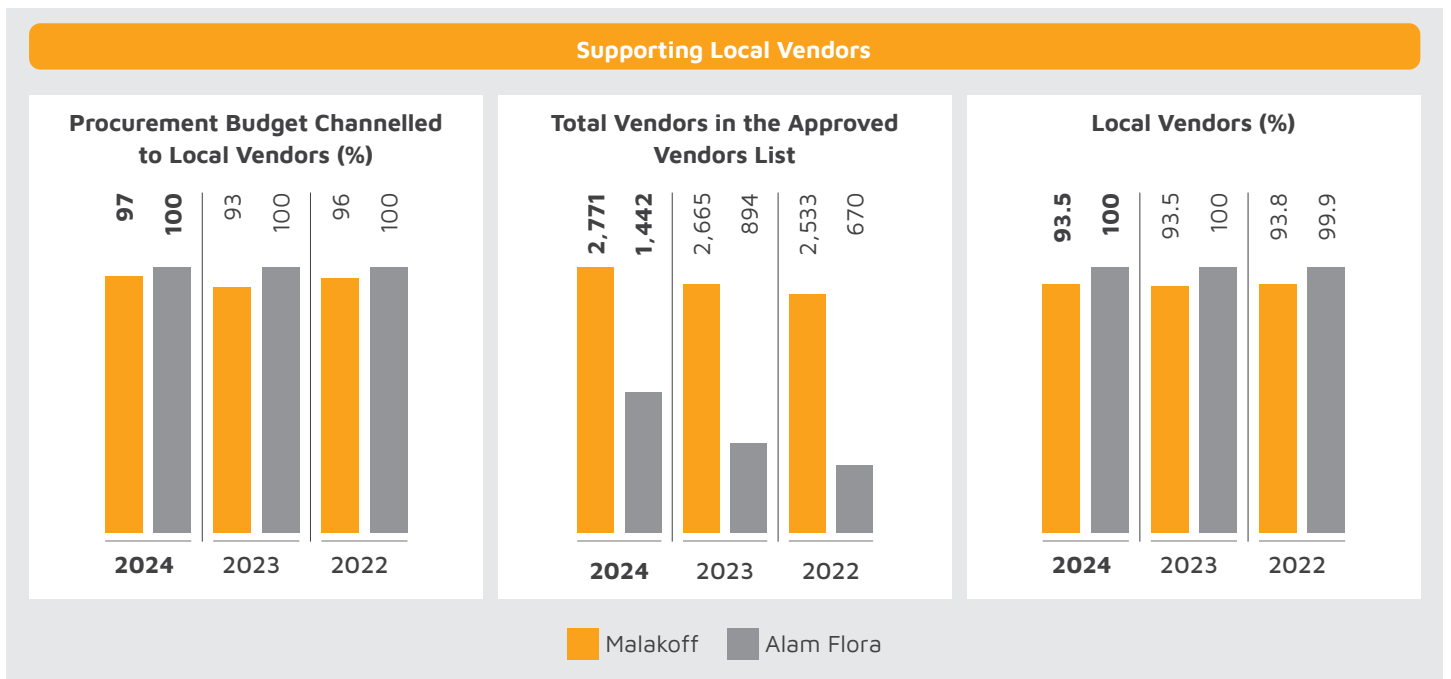
On 26 November 2024, Alam Flora Group Integrity & Governance held an Awareness Programme with vendors at Shah Alam Convention Centre. The programme aimed to strengthen understanding and adherence to integrity and governance principles among vendors.

Sustainability Review

M16 – Supply Chain Management

★ Our Achievements

Throughout 2024, Malakoff has spent RM384,343,197 while Alam Flora spent RM261,933,769 for the vendors. The breakdown of the budget spent for the vendors are tabulated below:



Going Forward

Moving forward, we will strengthen our procurement framework through systematic process and sustainability enhancements. Our focus remains on implementing ESG standards while maintaining operational efficiency across our procurement management processes.

Sustainability Review

M19 – Community Impact



★ Why It Is Important

Community development represents fundamental drivers of Malakoff's corporate sustainability strategy that enables us to create a positive social impact across our operations. We believe that strategic community engagement programmes strengthen stakeholder relationships, enhance corporate reputation and drive sustainable business growth while fulfilling social responsibilities. Furthermore, our multifaceted support initiatives foster local economic growth and improve the overall well-being of communities that support our operations. We remain dedicated to strategic community partnerships that generate sustainable socio-economic benefits, ensuring long-term value creation for stakeholders and beneficiaries.

★ Our Approach

Malakoff's community engagement approach is guided by its ESG strategy, sustainability framework and Corporate Social Responsibility (CSR) pillars, which provides a framework for meaningful and holistic community development. In addition, our internal policies and Standard Operating Procedures are certified under the ISO 37001 Anti-Bribery Management System to ensure transparency and integrity in all aspects of our community investment.

Furthermore, our environmental conservation and social development initiatives align with the UN SDGs 2030, promoting a recycling culture and sustainable waste management practices across Malaysia. Through Malakoff Environmental Solutions' Communication, Education and Public Awareness (CEPA) strategy, we promote environmental responsibility and encourages recycling as an essential part of sustainable waste management. These efforts are complemented by community development programmes anchored in established ESG strategies and sustainability frameworks. The programmes target educational support, skills development, disaster relief and community enrichment to address socio-economic gaps in underserved communities. Our CSR pillars ensure the systematic delivery of meaningful community support across all operational areas.

★ Our Initiatives

Educational Programmes at Malakoff

- 1 Motivational Talk Programme with Adopted Schools in Segari
- 2 Majlis Penyerahan Zakat – IPT Students Kg Segari
- 3 Majlis Penyerahan Zakat – IPT Students Mukim Serkat
- 4 "Jom Ke Sekolah" Bersama Mukim Serkat - Back To School Programme
- 5 Majlis Penyerahan Bantuan Yuran Persekolahan Anak-Anak Kawasan 1, Mukim Serkat
- 6 Motivational Camp with Lumut Adopted Schools
- 7 Motivational Camp with Adopted Schools Mukim Serkat
- 8 Program Kesedaran Kitar Semula Alam Flora di Komuniti PPAM Pudina Presint 17, Putrajaya
- 9 Recycling awareness talks for Pos Malaysia
- 10 Recycling awareness talks at Petrosains
- 11 Recycling Awareness Talk: Our Environment, Our Responsibility at Sekolah Menengah Kebangsaan Jalan Tiga, Bandar Baru Bangi
- 12 Recycling awareness talks for the Strategic Communications Staff Engagement Programme at PETRONAS
- 13 Recycling Awareness at Hari Teknologi Hijau dan Alam Sekitar 2024 Peringkat Negeri

Community Enrichment Programmes at Malakoff

- 1 Majlis Penyerahan Lembu Korban Segari
- 2 Majlis Penyerahan Lembu Korban Kawasan (1) Mukim Serkat, Pontian
- 3 Majlis Penyerahan Lembu Korban Prai
- 4 Karnival Sukan Kawasan 1, Kg Sg Chengkeh, Mukim Serkat
- 5 Karnival Sukan Rakyat Mukim Serkat
- 6 Ceramah Perdana Mukim Serkat
- 7 Karnival Sukan Rakyat Kg Segari
- 8 Majlis Buka Puasa with Kariah Masjid Mukim Serkat

Sustainability Review

M19 – Community Impact

- 9 Majlis Buka Puasa with Kariah Masjid Segari
- 10 Majlis Buka Puasa with Kariah Masjid Prai
- 11 Majlis Penyerahan Zakat with Kariah Masjid Mukim Serkat
- 12 Majlis Penyerahan Zakat with Kariah Masjid Khairul Jariah Segari
- 13 Majlis Penyerahan Zakat with Komuniti Prai
- 14 Program Kongsi Rezeki Alam Flora
- 15 Prihatin Box for Asnaf in Concession Areas: Kuala Lumpur, Putrajaya and Pahang
- 16 Program Penggantian Tong Bersama Parlimen Wangsa Maju di Taman Wangsa Budi
- 17 Saya Sayang Bumi: Beach Plogging
- 18 Program Pengedaran Tong MGB 120L Bersama Parlimen Setiawangsa di Taman Sri Rampai
- 19 Majlis Serahan Tong Baru & Pelancaran Bulan Kitar Semula Putrajaya 2024 di Presint 10, Putrajaya
- 20 Majlis Serahan Tong Baru & Pelancaran Bulan Kitar Semula Putrajaya 2024 di Presint 10, Putrajaya
- 21 Flag-Off Jentera Pembersihan Sisa Pasca Banjir

During the year under review, we strengthened our CEPA efforts to engage the public and promote responsible waste management through education and awareness programmes under our subsidiaries, AFSB and AFES:



Use of Reusable Food Containers

- AFSB encouraged the public to adopt reusable food containers. This initiative aimed to reduce the environmental impact of single-use plastics and foster a culture of responsible waste disposal



Solid Waste Collection in Ramadan

- AFSB scaled its operations to manage the significant surge in solid waste during Ramadan, with the collection of solid waste increasing by 3,600 metric tonnes



National Day Celebration Clean-Up

- AFSB carried out its largest clean-up effort of the year by deploying 220 employees to maintain cleanliness after the National Day celebrations



Mobile Garbage Bin Distribution

- AFSB distributed 120-litre mobile wheelie bins to improve waste disposal accessibility, particularly in high-density areas. A total of 4,112 units of 120-litre bins have been distributed in Kuala Lumpur as of July 2024, with 113,245 units planned for the city's allocation



Karnival Hari Kitar Semula Putrajaya 2024

- AFSB collaborated with Perbadanan Putrajaya and jointly organised the Karnival Hari Kitar Semula Putrajaya 2024 in celebration of National Recycling Day. The event brought together the Ministry of Housing and Local Government, Solid Waste Management and Public Cleansing Corporation, AFES and Majlis Perwakilan Penduduk Wilayah Persekutuan. Blending fun and education, the carnival featured highlights such as the AFSB 3R Exhibition Booth and the Plogging 3R (Rimba Walk), which encouraged practical environmental actions and active participation, reinforcing the importance of sustainable waste management and recycling practices



Sustainability Review

M19 – Community Impact

★ Our Achievements

In 2024, we held a total of 100 awareness programmes through AFES, including recycling talks, workshops and school engagements. These efforts successfully promoted recycling initiatives and led to the collection of 6,579 tonnes of recyclables.

Additionally, through AFES, we organised 30 educational activities at our Integrated Recycling Facility and Recovery Initiative Sustainable Eco-Facility Kuala Lumpur, Gombak, attracting over 500 visitors, while our Fasiliti Inovasi Kitar Semula (FIKS), the country’s first integrated recycling and awareness facility has received 747 visitors in 2024. These visits provided valuable insights into proper waste management practices and the importance of recycling, equipping participants with the knowledge to contribute meaningfully to environmental conservation.

In 2024, the total investment for the community was **RM407,413** which **benefitted 6,740 individuals**, with a breakdown below:



Malakoff invested RM380,400, focusing on education and community enrichment programmes, benefitted 4,343 individuals.



Alam Flora Group invested RM27,013, focusing on community enrichment programmes, which benefitted 2,397 individuals.

“Jom Ke Sekolah” Bersama Mukim Serkat - Back to School Programme

In January 2024, Malakoff continued its Jom Ke Sekolah Bersama Mukim Serkat programme at Masjid Al-Amin Kampung Sungai Dinar, Mukim Serkat, Pontian, Johor. The initiative provided 181 Standard 1 students with essential school supplies, including uniforms, stationery, shoes and bags, to support their preparations for the new school year. This initiative reinforces Malakoff’s commitment to community development by easing the financial burden on families and ensuring students have the resources they need for a strong start to their education. It also supports the UN SDG No. 8, which promotes inclusive and sustainable economic growth through equitable access to education.



Going Forward

Moving forward, we will enhance community engagement through development programmes across our operational areas. We will continue implementing development interventions that drive sustainable socio-economic progress, such as awareness and educational initiatives to positively impact the community surrounding us.

SUSTAINABILITY REVIEW

EMBEDDING SUSTAINABLE,
INNOVATIVE BUSINESS
PRACTICES AND ACTING
WITH INTEGRITY

MATERIAL MATTERS

—
Good Governance and Corporate Integrity

—
Regulatory Compliance

—
Grid Stability

—
Technology and Innovation



Sustainability Review

M1 – Good Governance and Corporate Integrity



★ Why It Is Important

Good governance and corporate integrity are critical to Malakoff. Having a good governance framework and ethical practices establishes stakeholder trust, mitigate operational risks, ensure regulatory compliance and safeguard corporate reputation. By implementing robust governance principles and ethical standards, we demonstrate accountability, foster a positive workplace culture and attract stakeholders who prioritise integrity. For this reason, we remain committed to upholding sound governance, ethics and integrity practices as we pursue sustainable growth in a dynamic business landscape.

★ Our Approach

Our approach to good governance and corporate integrity are embedded in Malakoff’s organisational DNA. The framework is guided by established policies, structured frameworks and strategic guidelines that establish systematic protocols for transparency, accountability and ethical conduct across all operational levels.

The policies, frameworks and guidelines include:

Anti-Bribery & Corruption Management System (ABMS)



Our ABMS framework aligns with ISO 37001 standards to ensure comprehensive integrity measures across operations. We also established integrated policies to strengthen governance practices, including the Anti-Bribery and Anti-Corruption (ABAC) Policy, Corruption Risk Assessment, Internal Compliance Audit Protocol, Gift Policy and Whistleblowing Policy. These policies serve as a mechanism for effective bribery risk management and operational integrity assurance.

Adequate Procedure (TRUST Principles)



Malakoff’s Adequate Procedure framework aligns with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) through the implementation of TRUST principles. The framework encompasses Top Management Commitment, Risk Assessment protocols, Undertaking of Control Measures, Systematic Review mechanisms and Training programmes. Implementing these principles enables effective corruption risk mitigation while reinforcing a culture of integrity and accountability in our operations.

Furthermore, we communicate our anti-corruption policies and procedures to all relevant stakeholders through various engagement channels. Within the organisation, the Board of Directors, Top Management, Senior Management, Middle Management, Executives and Non-Executive Employees receive communications through policy statements, email communications and company intranet platforms. They are also required to attend training sessions on anti-corruption on an annual basis.

Similarly, Malakoff’s external stakeholders and business partners including suppliers and vendors receive information through awareness sessions, posters, banners and dedicated Vendor Day Awareness Sessions. These communication methods ensure comprehensive understanding and adherence to anti-corruption standards across internal operations and business partnerships.

Sustainability Review

M1 – Good Governance and Corporate Integrity

★ Our Initiatives

We implemented the following initiatives in 2024:



ABAC Awareness Programme

We conducted continuous ABAC Awareness Training Programmes for our employees and other business associate throughout the year that focuses on anti-bribery and corruption to promote ethical conduct and strengthen vigilance against corrupt practices across the organisation.

Apart from that, we collaborated with the Malaysian Anti-Corruption Commission (MACC) Kuala Lumpur to organise a session on Section 17A - Corporate Liability for Malakoff's Board of Directors and Senior Management. The Board of Directors also affirmed their stance against bribery and corruption via the Corruption Free Pledge or Ikrar Bebas Rasuah.

For vendors, Malakoff also conducted the Vendor Anti-Bribery and Corruption Awareness Session 2024 to brief vendors on anti-bribery regulations and compliance requirements.



Corruption Risk Register Online Database

We assessed the Corruption Risk related to our activities and registered it in our online database through the TricorRadar System to ensure effective monitoring and management of integrity and corruption-related risk.



Audit Programmes

In 2024, we conducted three audit programmes to ensure our operations adhere to our governance, ethics and integrity framework:

ABMS Internal Compliance Audit

Third-Party Surveillance Audit (SIRIM)

Group Internal Audit



Raising Awareness on Anti-Bribery and Anti-Corruption among Our Stakeholders

At Alam Flora, our Integrity and Governance Unit (IGU) collaborated with the Procurement Department on 26 November 2024 to organise an Awareness Programme for private contractors. The session ensured that contractors fully understood Alam Flora's ABAC Policy, including key provisions and penalties under the MACC Act. During the programme, the contractors also signed the ABAC Pledge, reaffirming their commitment to ethical business practices. This initiative will be conducted regularly for all active contractors.

Alam Flora's IGU also conducted an integrity awareness session during a tender pre-qualification evaluation briefing on 18 December 2024 to reinforce ethical standards in the tendering process. The session covered confidentiality, ethical conduct, secure handling of tender documents and measures to prevent unauthorised access.

Furthermore, Alam Flora's IGU continues to ensure that all employees, from General Service (G-level) staff to Top Management, receive structured integrity awareness training to reduce corruption risks.

Sustainability Review

M1 – Good Governance and Corporate Integrity

Operations assessed for risks related to corruption

In 2024, we assessed Malakoff's potential corruption risks across our operations through systematic evaluation of business activities and internal controls to strengthen anti-corruption measures:

Operations assessed for risk related to corruption		
	2023	2024
Percentage (%) of operations assessed for risks related to corruption	100	100
Significant risks related to corruption identified through the risk assessment	0	

Communication and training about anti-corruption policies and procedures

We also communicated and reinforced Malakoff's anti-corruption policies and procedures through training and awareness initiatives to strengthen ethical conduct across all levels of the organisation:

Communication and training about anti-corruption policies and procedures						
Total number and percentage of Board of Directors, employees and business partners who have been informed of Malakoff's Anti-Corruption Policies and Procedures	2022		2023		2024	
	Number	%	Number	%	Number	%
Board of Directors	N/A	N/A	1	11	9	90
Business Partners	N/A	N/A	1,306	49	843	31
Top Management	1	1	4	1	5	1
Senior Management	17	2	20	3	22	2
Middle Management	134	14	203	22	183	20
Executive	177	19	312	33	265	29
Non-Executive	87	9	249	26	247	27
Total number and percentage of Board of Directors and employees who have received training on anti-corruption						
Board of Directors	N/A	N/A	1	11	9	90
Employees	416	45	798	85	722	79

Sustainability Review

M1 – Good Governance and Corporate Integrity

Anti-corruption training for AFSB and AFES is tracked separately due to the need for a different approach. Starting in 2024, we introduced face-to-face training instead of online sessions, as it is more effective, especially to support employees and G-level staff, who make up 91% of the total workforce. We also implemented roll call sessions to improve engagement and ensure that G-level employees receive proper guidance on integrity-related matters. In total, 440 employees attended the training, with the breakdown by employee category as follows:



Ikrar Bebas Rasuah by Board of Directors and Senior Management Team

Sustainability Review

M1 – Good Governance and Corporate Integrity

★ Our Achievement


**United Nations Global Compact Network Malaysia & Brunei (UNGCMYB)
Forward Faster Sustainability Award 2024**

We are proud to announce Malakoff's recognition at the United Nations Global Compact Network Malaysia & Brunei (UNGCMYB) Forward Faster Sustainability Award 2024, for The Forward Faster Sustainability Award for Anti-Corruption in the Large Company category. The recognition ceremony, held at Grand Hyatt Kuala Lumpur, validates our strategic commitment to governance excellence, positioning Malakoff as an industry leader in Malaysia's evolving corporate integrity landscape.

Our commitment to excellence is reinforced through adherence to international standards, particularly the ISO 37001 Anti-Bribery Management System (ABMS) and ISO 31000 Enterprise Risk Management Guideline certification. Furthermore, we continue to elevate integrity standards by aligning with the National Anti-Corruption Plan (NACP) under the guidance of our IGU.

Our dedication to upholding governance and integrity was further recognised at the Anugerah Integriti, Governans dan Anti Rasuah 2023 (AIGA 2023), where we received the Gold award for our strong anti-corruption framework and ethical business practices. Organised by the Malaysian Institute of Integrity, this recognition highlights our effective implementation of the ISO 37001 ABMS and ISO 31000 Enterprise Risk Management Guideline, alongside the structured oversight of our IGU. The award was presented to us on 1 March 2024.

This achievement reflects our ongoing efforts to embed integrity in our corporate governance practices. AIGA 2023 serves as a platform to encourage ethical business conduct and foster healthy competition among public and private sector entities. By reinforcing the principles of transparency and accountability, we continue to strengthen our role in advancing Malaysia's position in the Corruption Perceptions Index and promoting a corporate environment built on integrity.


Going Forward

Moving forward, we will continue to develop the Malakoff Organisational Anti-Corruption Plan to strengthen our governance framework and integrity standards. This plan aligns with the NACP 2019–2023 which sets a clear measure to address corruption risks across our operations. At the same time, we are reviewing our Anti-Corruption Plan to ensure it aligns with the National Anti-Corruption Strategy 2024–2028 which focuses on improving anti-bribery efforts to enhance governance and integrity.

Sustainability Review

M2 – Regulatory Compliance



★ Why It Is Important


At Malakoff, regulatory compliance helps us maintain high standards in our operations and governance practices. Our compliance frameworks and monitoring systems protect stakeholder interests and corporate reputation while managing risks effectively. Non-compliance can result in fines, sanctions, financial costs for rectification and, in severe cases, temporary or permanent closure of operating sites. It may also lead to reputational damage and potential health and safety risks for employees, workers and the local community.

Adhering to regulatory requirements ensures accountability and ethical conduct across our operations. Strong compliance safeguards our reputation, enhances employee morale and productivity, supports smooth and efficient business operations and strengthens trust with regulatory bodies and the wider community. For this reason, we remain committed to strengthening our compliance standards and ensuring sustainable growth as regulations evolve.

★ Our Approach

We adopt a proactive approach to regulatory compliance. Our Board of Directors and Senior Management are dedicated to ensuring that all operations comply with relevant laws and regulations. We have established a robust compliance framework that includes regular audits, risk assessments and continuous monitoring of regulatory changes. This framework is designed to identify and mitigate compliance risks effectively.

We also implemented quarterly action plans to mitigate strategic and operational risks, alongside quarterly safety performance reviews of local operating assets. Internal audit reports from the Board Audit Committee provide additional oversight on operational governance and internal control systems.

 For more information on Malakoff's compliance practices, refer to the Corporate Governance Overview Statement on pages 228 to 249.

★ Our Initiatives

At Malakoff, adhering to both international and local regulatory compliance is essential to ensure smooth operations and maintain a strong reputation. Below are some key regulations and standards that Malakoff is committed to upholding:

INTERNATIONAL REGULATIONS AND STANDARDS

Policy/Standards	Initiatives
ISO Standards	For initiatives related to this policy/standard, please refer to Operational Excellence section on page 124 to 125.
Human Rights Standards Outlined by the International Labour Organization	For initiatives related to this policy/standard, please refer to Human and Labour Rights section on page 171 to 176.
GHG Protocol Corporate Standard	For initiatives related to this policy/standard, please refer to GHG Emissions section on page 134 to 137.

Sustainability Review

M2 – Regulatory Compliance

MALAYSIA'S REGULATIONS AND STANDARDS

Policy/Standards	Initiatives
Companies Act 2016	For initiatives related to this policy/standard, please refer to Corporate Governance Statement on pages 228 to 249.
Malaysian Code on Corporate Governance 2021	For initiatives related to this policy/standard, please refer to Corporate Governance Statement on pages 228 to 249.
Malaysian Anti-Corruption Commission Act 2009	For initiatives related to this policy/standard, please refer to Good Governance and Corporate Integrity section on pages 183 to 187.
Environmental Quality Act 1974	For initiatives related to this policy/standard, please refer to Operational Excellence section on page 124 to 125 and Biodiversity section on pages 147 to 148.
Occupational Safety and Health (Amendment) Act 2022 (Act A1648)	For initiatives related to this policy/standard, please refer to Occupational Safety and Health section on pages 150 to 156.
Bursa Malaysia Main Market Listing Requirements	For initiatives related to this policy/standard, please refer to Corporate Governance Statement section on pages 228 to 249 and Investor Relations section on pages 84 to 88.
Renewable Energy Act 2011	For initiatives related to this policy/standard, please refer to Renewable Energy Transition section on pages 128 to 129.
National Policy on Climate Change	For initiatives related to this policy/standard, please refer to GHG Emissions section on pages 134 to 137 and Energy Mix and Efficiency section on pages 130 to 133.
Solid Waste Management and Public Cleansing Act 2007 (Act 672)	For initiatives related to this policy/standard, please refer to Business Review: Environmental Solutions section on pages 95 to 107.

Sustainability Review

M2 – Regulatory Compliance

★ Our Achievement



ISO Certifications:

- ISO 14001:2015 Environmental Management Systems
- ISO 9001:2015 Quality Management Systems
- ISO 45001:2018 Occupational Health and Safety Management Systems
- ISO 37001 Anti-Bribery Management Systems
- ISO 27001:2022 Information Security Management Systems



- Zero non-compliance with environmental laws and regulations

Going Forward

Looking ahead, Malakoff will continue strengthening our commitment to upholding regulatory compliance and best practices by investing in technology and training to improve our capabilities. We will regularly review our compliance framework to keep pace with evolving regulations and industry standards, ensuring that our practices remain effective and up to date. At the same time, we will integrate sustainability into our compliance approach, aligning responsible business growth with regulatory expectations to support long-term organisational stability.

Sustainability Review

M14 – Grid Stability



★ Why It Is Important

The National Grid, which spans the entire Peninsular as the main transmission network, serves as a crucial backbone for meeting energy demand. Without a reliable grid system, electricity supply and other services could be disrupted. The National Grid is owned by Tenaga Nasional Berhad and overseen by the Grid System Operator (GSO). The GSO is responsible for the real-time operation and management of the Peninsular grid system, as well as short- and medium-term planning for both transmission networks and generation facilities to ensure efficiency and reliability.


The National Energy Transition Roadmap aims to increase renewable energy (RE) installed capacity to at least 70% by 2050, making the transition to a sustainable energy mix a key priority. Achieving this target will require significant upgrades to grid infrastructure to support the integration of RE sources, while also accounting for long-term emissions from the energy sector. Major investments to the improvement of the National Grid's infrastructure are expected to facilitate RE integration, connect new generation capacity to the grid and meet the rising demand for electricity, while improving energy efficiency and customer service. The initiative also includes the adoption of smart grid technologies, the replacement of outdated equipment, the reinforcement of power lines and the modernisation of substations to enhance overall grid stability and reliability.

★ Our Approach

Although we are not directly responsible for managing the National Grid, we adhere to the Grid Code for Peninsular Malaysia, a regulatory instrument used to coordinate various electricity supply activities of the electricity producer, operator, distributor and the consumer; henceforth we have our role to play in ensuring the grid's stability and reliability. By maintaining consistent and efficient power generation, reliable operations of our power plants prevent fluctuations that could disrupt the grid.

Effective coordination with the GSO is essential, as our power plant operators must respond to real-time energy demands, ramping our generation up or down as needed to maintain the grid frequency and generation levels accordingly. Additionally, adherence to strict operational standards, regular maintenance and rapid response to unexpected issues all contribute to minimising the risk of grid disturbances. This commitment does not only improve the overall stability of our facilities but also ensures uninterrupted supply of electricity for the nation.



 For more information about our generated electricity to the grid which accounts for 25% of Peninsular Malaysia's generated electricity, please refer to Business Review: Malakoff Energy on pages 108 to 122.

Sustainability Review

M18 – Technology and Innovation



★ Why It Is Important

At Malakoff, we are committed to implementing fit-for-purpose technology to protect business assets, safeguard stakeholder confidentiality and ensure compliance with relevant laws and regulations. We believe in strengthening digital controls and investing in technology as a way to enhance information security, improve operational resilience and protect critical business infrastructure. While adopting new technology presents challenges such as rapid changes, implementation risks and uncertain returns, it also creates opportunities to boost efficiency, reduce costs, develop a competitive edge and reduce reliance on manual processes. To this end, we are committed to continuously refining data privacy and cybersecurity measures to ensure stakeholder information remains secure while supporting business sustainability in an increasingly digital landscape.

★ Our Approach

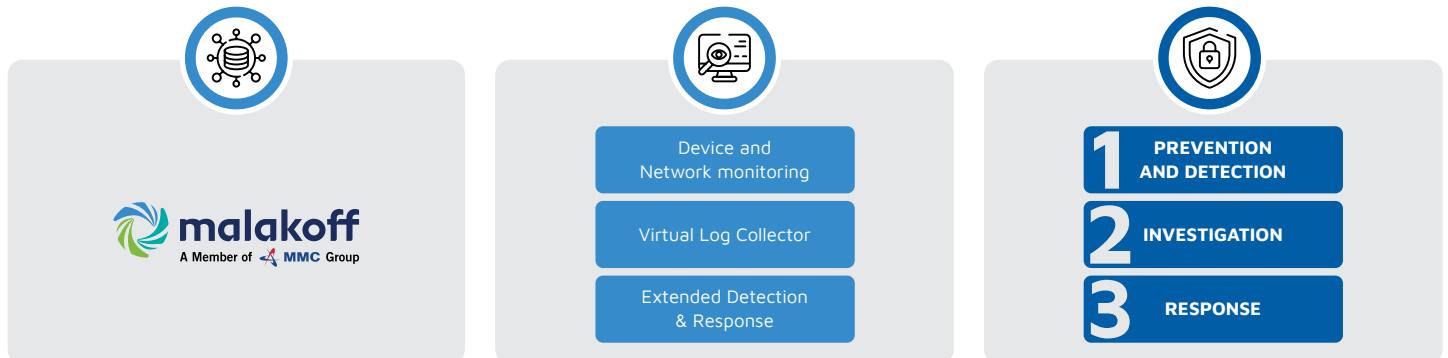
Our approach is centred around safeguarding data and security through regular risk assessments to identify and address potential vulnerabilities. By focusing on key risks and directing resources effectively, we strengthen our defences and ensure the resilience of our information assets. We also continuously refine our security controls to adapt to evolving threats, ensuring our protection measures remain effective and aligned with industry standards. We are guided by our internal policies, procedures and manuals under the Information Management.

Malakoff utilises an industry-standard Security Operation Centre (SOC), which plays a key role in protecting data privacy and ensuring robust security detection and response capabilities. Operating 24/7, the SOC is responsible for monitoring, preventing, detecting, investigating and responding to cyber threats in real-time.

By continuously monitoring devices and networks, the SOC identifies vulnerabilities and suspicious activities as they arise. The Virtual Log Collector compiles system logs from multiple sources, allowing for streamlined analysis and early threat detection. Extended Detection and Response strengthens the SOC’s ability to manage threats by integrating advanced analytics and security tools for a more proactive approach.

The SOC operates through three critical stages. Prevention and detection serve as the first line of defence, allowing risks to be identified early. This is followed by investigation, where advanced tools are used to assess and understand threats. The final stage is response, where measures are taken to mitigate risks, safeguard sensitive data and ensure business continuity.

Monitor, Prevent, Detect, Investigate and Respond to Cyber Threats around the clock



Sustainability Review

M18 – Technology and Innovation

★ Our Initiatives



Upgrading to ISO 27001:2022 Information Security Management Systems (ISMS) Certification

We have embarked on a strategic initiative to upgrade our ISO 27001:2022 ISMS certification, strengthening our security frameworks, conducting comprehensive risk assessments and implementing best practices to align with the latest standards. By continuously improving our ISMS, we safeguard sensitive data, mitigate risks and reinforce trust with our stakeholders. We also conduct regular vulnerability assessments and penetration testing to identify and address security weaknesses, strengthening our defences and ensuring comprehensive protection against cyber threats.



Leveraging Technology to Enhance Waste Management

At Alam Flora, we have been actively leveraging Geographic Information System (GIS) technology to enhance waste management efficiency and sustainability. Through our M Flora Telematics System, we introduced automated monitoring solutions that optimise waste collection routes and schedules, reducing fuel consumption and emissions while improving service delivery. This initiative aligns with the UN SDG No. 11, which focuses on building resilient infrastructure and promoting sustainable urban development.



Malakoff Innovation Challenge 2024

The Malakoff Innovation Challenge 2024 was launched to encourage innovative thinking and promote sustainable cost optimisation among employees. Participating teams were required to submit proposals outlining problem statements, cost-saving targets and potential impacts on stakeholders. To support their efforts, teams received guidance from external innovation coaches and internal motivators, helping them refine ideas, set clear goals and develop practical solutions. Between March and September 2024, participants focused on identifying cost-saving opportunities, analysing data and implementing strategies to achieve measurable results.

During the award ceremony, Malakoff recognised nine outstanding teams for their contributions and dedication throughout the challenge. Team Crush 'Em received the top honour for their innovative solutions, followed by Team TBPP PMS in second place and Team TBE OPS 42 in third place.

Sustainability Review

M18 – Technology and Innovation

★ Our Achievements



- Zero leaks, thefts or losses
- Zero substantiated complaints concerning breaches of customer privacy and losses of customer data
- Obtained the ISO 27001:2022 ISMS Certification



The top three winners of the Malakoff Innovation Challenge 2024 that demonstrated significant cost optimisation results qualified for the National Innovation Award 2024, hosted by the Malaysia Productivity Corporation



Leveraging Technology to Enhance Waste Management

For the efforts we made in leveraging technology to enhance waste management efficiency and sustainability, we were awarded the 2024 Special Achievement in GIS Award by Esri. The award was presented during the Esri User Conference in San Diego, California, acknowledging our commitment to integrating technology in environmental management. Further reinforcing our position as a leader in sustainability, we were also named Company of the Year (Waste Management) at the Sustainability and CSR Malaysia Awards 2024. Additionally, we received a 'Gold' Impact Assessment for our Green Financing Framework from MARC Ratings in 2022, supporting projects in RE and sustainable waste management

Going Forward

Looking ahead, we will continue to strengthen our technology and innovation efforts by enhancing protection measures, monitoring risks and refining our systems to ensure compliance with the Personal Data Protection Act and evolving privacy regulations. Regular risk assessments, proactive incident response and employee awareness initiatives will remain a priority to safeguard stakeholder data and maintain operational resilience.

We will focus on upgrading our security frameworks by improving our ISMS certification to ensure it aligns with the latest standards and best practices. We will also conduct regular vulnerability assessments and penetration testing to identify security gaps, address potential risks and strengthen our overall cybersecurity posture.

Sustainability Performance Data

Indicator	Measurement Unit	2022	2023	2024
Environmental				
Scope 1: Direct Emissions	tCO ₂ e	16,816,786	16,476,659	19,063,308
Scope 2: Indirect Emissions	tCO ₂ e	90,019	80,114	66,510
Scope 3: Indirect Emissions ¹	tCO ₂ e	-	-	1,121
Total Scope 1, 2 and 3	tCO ₂ e	16,906,805	16,556,773	19,130,939
Total energy consumption ²	MW	46,813,378	51,596,759	61,217,685
Total volume of water used ³	Megalitres	2,341	2,370	2,618
Total waste generated	Tonnes	-	-	285.60
Total waste diverted from disposal	Tonnes	-	-	54.40
Total waste directed to disposal	Tonnes	-	-	231.20
Social				
Occupational Safety & Health				
Total Manhours Worked	Hour	Malakoff 7,130,563 AFSB 36,822,718 AFES 1,626,521	Malakoff 6,983,212 AFSB 46,466,129 AFES 12,048,476	Malakoff 7,288,759 AFSB 37,882,129 AFES 15,580,414
Number of work-related fatalities ⁴	Number	0	1	0
Lost Time Incident Rate (LTIR)	Rate	Malakoff 0.29 AFSB 0.68 AFES 1.84	Malakoff 0.73 AFSB 0.86 AFES 0.50	Malakoff 0.42 AFSB 1.16 AFES 0.26
Number of employees trained on health and safety standards	Number	-	1,626	1,809
Community Investment & Development⁵				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	544,975	240,500	407,413
Total number of beneficiaries of the investment in communities	Number	2,324	4,000	6,740

Note:

¹ The tracking of Scope 3 only started in FY2024, which includes Business Travel (Category 6) and Employee Commuting (Category 7).

² For energy consumption FY2022 and FY2023 disclosed in IAR2023 only included electricity consumptions (MW). The figures for FY2022 and FY2023 are restated in this report to include fuel consumptions that were converted from GJ to MW unit which using 1GJ=0.278 MW.

³ Total volume of water used for FY2022 and FY2023 were restated to reflect the equity approach.

⁴ The number of work-related fatalities only represented Malakoff operations, excluding Alam Flora Group.

⁵ Total amount invested in the community and the number of its beneficiaries in FY2024 includes Alam Flora Group.

Sustainability Performance Data

Indicator	Measurement Unit	2022	2023	2024
Talent Management				
Total number of employees by Gender⁶				
Employee - Male	Number	3,273*	3,611	3,629
Employee - Female	Number	704	708	675
Permanent Employee - Male	Number	2,497*	2,715	2,848
Permanent Employee - Female	Number	584	579	595
Temporary Employee - Male	Number	776*	896	781
Temporary Employee - Female	Number	120	129	80
Non-guaranteed hours Employee - Male	Number	0	0	0
Non-guaranteed hours Employee - Female	Number	0	0	0
Full-time Employee - Male	Number	3,273	3,611	3,629
Full-time Employee - Female	Number	704	708	675
Part-time Employee - Male	Number	0	0	0
Part-time Employee - Female	Number	0	0	0
Percentage of employees that are contractors or temporary staff	Percentage	22	24	20
Total number of new employee hires by gender and age group				
Male	Number	519	811	443
Female	Number	120	92	86
Below 30	Number	441	334	303
Between 30 – 50	Number	198	505	210
Above 50	Number	0	64	16
Total number of employee turnover by employee category				
Top Management	Number	0	0	7
Senior Management	Number	3	3	16
Middle Management	Number	40	36	31
Executive	Number	54	51	66
Non-Executive	Number	101	146	396
Total training hours by employee category and age group⁷				
Top Management	Hours	24	64	48
Senior Management	Hours	408	477	415
Middle Management	Hours	8,028	8,437	5,885
Executive	Hours	14,056	13,815	10,551
Non-Executive	Hours	10,866	9,825	9,915

Note:

⁶ The figures marked with asterisks (*) have been restated to ensure the highest level of accuracy and transparency in our reporting, reflecting our commitment to providing stakeholders with precise and reliable information moving forward.

⁷ Data consists of Malakoff only, not including Alam Flora Group.

Sustainability Performance Data

Indicator	Measurement Unit	2022	2023	2024
Average training hours per employee by category⁷				
Top Management	Hours	0.03	0.07	16.00
Senior Management	Hours	0.44	0.53	13.83
Middle Management	Hours	8.71	9.32	14.68
Executive	Hours	15.25	15.27	14.26
Non-Executive	Hours	11.79	10.86	16.10
Percentage of employee who received performance and career development review by gender⁷				
Male	Percentage	-	8.7	10.0
Female	Percentage	-	19.8	9.0
Human Rights & Labour Relations				
Percentage of employees by gender and age group by employee category				
Gender representation across employee categories				
Top Management – Male	Percentage	91	92	100
Top Management – Female	Percentage	9	8	0
Senior Management – Male	Percentage	80	80	72
Senior Management – Female	Percentage	20	20	28
Middle Management – Male	Percentage	81	79	78
Middle Management – Female	Percentage	19	21	22
Executive – Male	Percentage	69	71	71
Executive – Female	Percentage	31	29	29
Non-Executive – Male	Percentage	85	86	87
Non-Executive – Female	Percentage	15	14	13
Age group representation across employee categories				
Top Management – Below 30	Percentage	0	0	0
Top Management – Between 30 – 50	Percentage	64	58	17
Top Management – Above 50	Percentage	36	42	83
Senior Management – Below 30	Percentage	0	0	0
Senior Management – Between 30 – 50	Percentage	61	63	62
Senior Management – Above 50	Percentage	39	37	38
Middle Management – Below 30	Percentage	0	0	0
Middle Management – Between 30 – 50	Percentage	82	80	77
Middle Management – Above 50	Percentage	18	20	23

Note:

⁷ Data consists of Malakoff only, not including Alam Flora Group.

Sustainability Performance Data

Indicator	Measurement Unit	2022	2023	2024
Executive – Below 30	Percentage	19	15	16
Executive – Between 30 – 50	Percentage	76	79	77
Executive – Above 50	Percentage	5	6	7
Non-Executive – Below 30	Percentage	23	26	26
Non-Executive – Between 30 – 50	Percentage	60	59	59
Non-Executive – Above 50	Percentage	17	15	15
Ethnicities representation across employee categories				
Top Management - Malay	Percentage	82	84	83
Top Management - Chinese	Percentage	9	8	17
Top Management - Indian	Percentage	0	0	0
Top Management - Others	Percentage	9	8	0
Senior Management - Malay	Percentage	83	76	83
Senior Management - Chinese	Percentage	10	13	10
Senior Management - Indian	Percentage	2	7	7
Senior Management - Others	Percentage	5	4	0
Middle Management - Malay	Percentage	88	89	92
Middle Management - Chinese	Percentage	8	8	6
Middle Management - Indian	Percentage	4	3	2
Middle Management - Others	Percentage	0	0	0
Executive - Malay	Percentage	98	98	98
Executive - Chinese	Percentage	1	1	1
Executive - Indian	Percentage	1	1	1
Executive - Others	Percentage	0	0	0
Non-Executive - Malay	Percentage	84	82	80
Non-Executive - Chinese	Percentage	0	0	0
Non-Executive - Indian	Percentage	14	10	11
Non-Executive - Others	Percentage	2	8	9

Sustainability Performance Data

Indicator	Measurement Unit	2022	2023	2024
Board members diversity by gender and age group				
Male	Percentage	90	90	78
Female	Percentage	10	10	22
Below 30	Percentage	0	0	0
Between 30 – 50	Percentage	10	10	0
Above 50	Percentage	90	90	100
Ratio of basic salary and remuneration of women to men				
Basic Salary				
Top Management	Ratio	0.00	0.00	0.00 0.67
Senior Management	Ratio	0.10	0.15	0.71 1.09
Middle Management	Ratio	0.19	0.20	0.86 0.94
Executive	Ratio	0.25	0.23	0.83 0.99
Non-Executive	Ratio	0.12	0.12	0.97 1.11
Remuneration				
Top Management	Ratio	0.00	0.00	0.00 0.75
Senior Management	Ratio	0.10	0.19	0.69 1.36
Middle Management	Ratio	0.19	0.14	0.72 0.90
Executive	Ratio	0.23	0.09	0.42 0.97
Non-Executive	Ratio	0.10	0.04	0.23 0.57
Number of discrimination cases reported	Number	-	0	0
Number of substantiated complaints concerning human rights violations	Number	0	0	0

Sustainability Performance Data

Indicator	Measurement Unit	2022	2023	2024
Governance				
Regulatory Compliance				
Percentage of employees who have received training on anti-corruption by employee category⁸				
Top Management	Percentage	0.11	0.43	1.00
Senior Management	Percentage	1.84	3.19	2.00
Middle Management	Percentage	14.53	21.57	20.00
Executive	Percentage	19.20	33.16	29.00
Non-Executive	Percentage	9.44	26.46	27.00
Total	Percentage	45.12	84.80	79.00
Operations assessed for corruption-related risks, confirmed incidents of corruption and action taken				
Percentage of operations assessed for corruption-related risks ⁸	Percentage	-	100	100
Confirmed incidents of corruption and action taken	Number	0	0	0
Data Privacy and Security				
Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0
Supply Chain Management				
Proportion of spending on local vendors	Percentage	■ 96	■ 93	■ 97
		■ 100	■ 100	■ 100

Note:

⁸ Data only consists of Malakoff, not including Alam Flora Group.

Statement of Assurance

Assurance Undertaken

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

Subject Matter

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

Sustainability Matters	Common Indicators
Energy Management	Energy consumption within the organisation
Emissions Management	<ul style="list-style-type: none"> • Scope 1 emissions in tonnes of CO₂e • Scope 2 emissions in tonnes of CO₂e • Scope 3 emissions in tonnes of CO₂e (at least for the categories of business travel and employee commuting)
Health and Safety	<ul style="list-style-type: none"> • Number of employees trained on health and safety standards • Number of work-related fatalities • Lost Time Incident Rate
Diversity	<ul style="list-style-type: none"> • Percentage of employees by gender and age group, for each employee category • Percentage of directors by gender and age group
Anti-corruption	<ul style="list-style-type: none"> • Percentage of operations assessed for corruption-related risks • Percentage of employees who have received training on anti-corruption by employee category • Total number and nature of confirmed incidents of corruption

Scope

The boundary of the internal review includes the Group's operations and activities in Kuala Lumpur, Johor, Pulau Pinang, Perak, Kedah, Putrajaya and Pahang. The internal review was with respect to the year ended 31 December 2024 information and does not include earlier periods.

Procedures Performed

The internal review includes the following:

- Compilation of sustainability data/ information from respective business units by the Sustainability, Research & Investor Relations department for preliminary review.
- Verification and validation of underlying records, information and data by Group Internal Audit.
- Inquiries and interview by Group Internal Audit on relevant key personnel in charge of the subject matter data collection, collation and reporting.
- Any corrective actions and process improvement recommendations arising from the internal review by Group Internal Audit were also communicated to the respective business units accordingly for immediate action.

Bursa Malaysia Indicators

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category ¹				
Top Management	Percentage	0.11	0.43	1.00
Senior Management	Percentage	1.84	3.19	2.00
Middle Management	Percentage	14.53	21.57	20.00
Executive	Percentage	19.20	33.16	29.00
Non-Executive	Percentage	9.44	26.46	27.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks ¹	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)²				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	544,975.00	240,500.00	407,413.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,324	4,000	6,740
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Top Management Under 30	Percentage	0.00	0.00	0.00
Top Management Between 30-50	Percentage	64.00	58.00	17.00
Top Management Above 50	Percentage	36.00	42.00	83.00
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	61.00	63.00	62.00
Senior Management Above 50	Percentage	39.00	37.00	38.00

Note:

¹ The data is only for Malakoff.

² The data for C2(a) and C2(b) in FY2024 includes Alam Flora Group.

Internal assurance External assurance No assurance

(*)Restated

Bursa Malaysia Indicators

Indicator	Measurement Unit	2022	2023	2024
Middle Management Under 30	Percentage	0.00	0.00	0.00
Middle Management Between 30-50	Percentage	82.00	80.00	77.00
Middle Management Above 50	Percentage	18.00	20.00	23.00
Executive Under 30	Percentage	19.00	15.00	16.00
Executive Between 30-50	Percentage	76.00	79.00	77.00
Executive Above 50	Percentage	5.00	6.00	7.00
Non-Executive Under 30	Percentage	23.00	26.00	26.00
Non-Executive Between 30-50	Percentage	60.00	59.00	59.00
Non-Executive Above 50	Percentage	17.00	15.00	15.00
Gender Group by Employee Category				
Top Management Male	Percentage	91.00	92.00	100.00
Top Management Female	Percentage	9.00	8.00	0.00
Senior Management Male	Percentage	80.00	80.00	72.00
Senior Management Female	Percentage	20.00	20.00	28.00
Middle Management Male	Percentage	81.00	79.00	78.00
Middle Management Female	Percentage	19.00	21.00	22.00
Executive Male	Percentage	69.00	71.00	71.00
Executive Female	Percentage	31.00	29.00	29.00
Non-Executive Male	Percentage	85.00	86.00	87.00
Non-Executive Female	Percentage	15.00	14.00	13.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	90.00	90.00	78.00
Female	Percentage	10.00	10.00	22.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	10.00	10.00	0.00
Above 50	Percentage	90.00	90.00	100.00

Internal assurance	External assurance	No assurance
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(*)Restated

Bursa Malaysia Indicators

Indicator	Measurement Unit	2022	2023	2024
Bursa (Energy management)³				
Bursa C4(a) Total energy consumption	Megawatt	46,813,378.00*	51,596,759.00*	61,217,685.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities ⁴	Number	0	1	0
Bursa C5(b) Lost time incident rate ("LTIR") ⁴	Rate	0.29	0.73	0.42
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	1,626	1,809
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category ⁵				
Top Management	Hours	24	64	48
Senior Management	Hours	408	477	415
Middle Management	Hours	8,028	8,437	5,885
Executive	Hours	14,056	13,815	10,551
Non-Executive	Hours	10,866	9,825	9,915
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	22.00	24.00	20.00
Bursa C6(c) Total number of employee turnover by employee category				
Top Management	Number	0	0	7
Senior Management	Number	3	3	16
Middle Management	Number	40	36	31
Executive	Number	54	51	66
Non-Executive	Number	101	146	396
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0

Note:

³ Data for FY2022 and FY2023 were restated in this report to include fuel consumptions that were converted from GJ to MW unit. For the unit of measurement from GJ to MW, we have converted the units using 1GJ=0.278 MW.

⁴ Data only represents Malakoff operations, excluding Alam Flora Group.

⁵ Data only includes Malakoff.

Internal assurance External assurance No assurance

(*)Restated

Bursa Malaysia Indicators

Indicator	Measurement Unit	2022	2023	2024
Bursa (Supply chain management)⁵				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	96.00	93.00	97.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)⁶				
Bursa C9(a) Total volume of water used	Megalitres	2,341.000000 *	2,370.000000 *	2,618.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	285.60
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	54.40
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	231.20
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	16,816,785.84 *	16,476,659.42 *	19,063,308.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	90,019.05 *	80,113.82 *	66,510.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting) ⁷	Metric tonnes	-	-	1,121.00

Note:

⁵ Data only includes Malakoff.

⁶ Data for FY2022 and FY2023 were restated to reflect the equity approach.

⁷ The tracking of Scope 3 only started in FY2024, which includes Business Travel (Category 6) and Employee Commuting (Category 7).

Internal assurance External assurance No assurance

(*)Restated