

# OUR SUSTAINABILITY JOURNEY

Our Approach to Sustainability	128
Stakeholder Engagement	136
Our Material Sustainability Priorities	144
Impact Story: Energy	216
Impact Story: Environmental Solutions	219
Sustainability Performance Data	222
Climate-Related Disclosures (Sustainability Statement)	228
IFRS S2 Index	240
Bursa Malaysia Prescribed Table	244
Statement of Assurance	245

# OUR APPROACH TO SUSTAINABILITY

Setting the Future: Long-term Sustainability, Resilience and Future-readiness	129
Our Sustainability Approach	129
Guiding Principles	129
Governance of Sustainability Matters	130
Sustainability Framework	130
Sustainability Commitments	131
Our Material Sustainability Priorities	132
Materiality Analysis	132
How Material Matters Connect to Our Disclosures	133
Material Matters Reference: Risks, Opportunities and Our Commitment	134
Stakeholder Engagement	136

## OUR APPROACH TO SUSTAINABILITY

**SETTING THE FUTURE: LONG-TERM SUSTAINABILITY, RESILIENCE AND FUTURE-READINESS**

In advancing our commitment to responsible and sustainable growth, this Sustainability Statement sets out Malakoff's continued efforts to create long-term value for stakeholders through resilient business practices, responsible environmental stewardship and sound governance. It reflects our focus on managing sustainability priorities in a manner that supports operational resilience, stakeholder confidence and future readiness.

Guided by our materiality assessment and aligned with globally recognised frameworks, this Sustainability Statement explains how sustainability priorities are translated into measurable actions across our Energy and Environmental Solutions pillars. These actions are shaped by operational realities while remaining aligned with longer-term transition and sustainability objectives.

Through transparent performance disclosures, supported by internal review processes, limited independent assurance and practical case studies, this Sustainability Statement reflects Malakoff's ongoing journey to strengthen operational excellence especially in relation to safety, reliability and efficiency, while reducing risk and environmental impact over the long-term. We are also progressing towards a more structured approach to climate change, aimed at contributing meaningfully to Malaysia's sustainability agenda.

**Our Sustainability Approach**

Recognising the complexity of operating in carbon-intensive sectors with complex decarbonisation pathways, Malakoff's sustainability approach focuses on embedding environmental stewardship, social value creation and strong governance practices within its Energy and Environmental Solutions businesses. These considerations are integrated into decision-making processes across the Group, supporting resilience and responsible operations while delivering sustainable value over the long-term.

**Guiding Principles**

Our Sustainability Statement has been prepared with reference to internationally recognised guidelines, principles, frameworks, standards and sustainability-related indices, including the UN SDGs, the Ten Principles of the UNGC relating to human rights, labour, environment and anti-corruption as well as GRI Standards 2021. In addition, our Climate-related Disclosures (Sustainability Statement) has been prepared in accordance with the IFRS Sustainability Disclosure Standards, as adopted under the Bursa Malaysia MMLR, namely IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures issued by the ISSB.

Together, these frameworks provide a structured and stakeholder-informed foundation for identifying and addressing the Group's most significant sustainability matters. They support consistent prioritisation, resource allocation and performance monitoring across the Energy and Environmental Solutions business pillars.

In support of the UN SDGs, Malakoff has identified 13 priority goals where the Group's business activities are well positioned to contribute meaningfully (refer to the Related SDGs on page 130). These priorities are reflected in our material matters and programmes, supporting alignment between business operations and global sustainability objectives.

Our commitment is anchored around Environmental, Social and Governance (ESG) themes, which guide how the Group sets priorities, drives sustainability efforts and supports long-term growth. These themes embed sustainability considerations into our business decisions and activities, contributing to strengthening Malakoff's long-term resilience.

Across our two core business pillars of Energy and Environmental Solutions, Malakoff continues to advance its transition towards a lower carbon organisation. This includes progressing RE initiatives, expanding sustainable environmental solutions that support a circular economy, and managing the carbon footprint of power generation assets.

Collectively, these efforts position the Group to navigate a changing energy landscape while building resilience and future readiness.

## OUR APPROACH TO SUSTAINABILITY


### Governance of Sustainability Matters

The Board of Directors at Malakoff holds the ultimate responsibility for overseeing corporate governance and the creation of value for shareholders. This oversight is supported by the Corporate Planning department, formerly known as Sustainability, Research and Investor Relations, which regularly reports to both the Management team and Board on the Group’s sustainability initiatives.

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

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

To deepen the integration of sustainability across the Group, we employed continuous and targeted communication to engage Senior Management, Heads of Departments and key operational personnel. These communications are intended to reinforce the critical role each individual plays in delivering their responsibilities and to ensure that sustainability is understood not as an abstract or aspirational concept, but as a core principle embedded in daily actions, roles and performance expectations across the Group. As stakeholder expectations continue to evolve, transparent communication is essential in reinforcing confidence in Malakoff’s ability to execute its sustainability agenda, making consistent engagement across the organisation all the more important. We will continue to engage with all levels of internal stakeholders to entrench the importance of sustainability within the organisation.

 For further details on the roles of the MSC as well as sustainability responsibilities and governance structure, please refer to the Corporate Governance Overview Statement on pages 250 to 272.

### Sustainability Framework


Malakoff’s Sustainability Framework is a structured system that details out how sustainability is governed, prioritised and implemented across the organisation. It highlights our focus on sustainability and guides our long-term ESG efforts.

 <p><b>ENVIRONMENTAL</b> Transitioning to a Cleaner Energy and Circular Economy Future</p>	<p><b>Climate Change</b> Reducing our GHG emissions and moving towards a low-carbon system by transitioning to RE and Environmental Solutions</p> <p><b>Circular Economy</b> Reducing overconsumption, designing out waste, regenerating the ecosystem and promoting the reuse of new raw materials</p> <p><b>Water Security</b> Improving the efficiency of water usage and ensuring the long-term supply of water in water-stressed areas.</p>
 <p><b>SOCIAL</b> Empowering Our People and Supporting Our Communities</p>	<p><b>Diversity</b> Fostering a culture of diversity and inclusivity</p> <p><b>Health, Safety, Security &amp; Environment (HSSE)</b> Creating a safe working environment and prioritising the well-being of the workforce</p> <p><b>Corporate Social Responsibility (CSR)</b> Ensuring the CSR pillar works hand-in-hand with various stakeholders</p>
 <p><b>GOVERNANCE</b> Embedding Sustainable, Innovative Business Practices and Acting with Integrity</p>	<p><b>Corporate Governance</b> Maintaining an effective governance and decision-making structure</p> <p><b>Risk Management</b> Identifying material risks and ensuring effective mitigation as well as strong internal controls</p> <p><b>Compliance &amp; Integrity</b> Acting with integrity and ensuring regulatory compliance</p>

OUR APPROACH TO SUSTAINABILITY

Sustainability Commitments

Being in a sector with inherent emissions intensity, it is imperative that we clearly articulate our commitment to sustainability, reinforcing our accountability for responsible operations and sustainable long-term value creation. Malakoff's Sustainability Commitments revolve around the three ESG pillars:

 <b>ENVIRONMENTAL</b> We are committed to act on climate change by reducing our carbon emissions and advancing the transition to a cleaner energy and circular economy future	 <b>SOCIAL</b> We will enrich communities and cultivate an inclusive culture within an agile organisation offering equal opportunities for all our people to grow professionally within a safe and healthy work environment	 <b>GOVERNANCE</b> We will enforce and observe the highest corporate compliance standards in all units and activities of the Group
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**Material Matters**

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

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**Malakoff's Sustainability Targets**

Carbon Emissions	Renewable Energy	Waste Management
 <b>30%</b> reduction in GHG emissions intensity by 2031 from a 2019 baseline	 No new coal investments	 Achieve <b>1,400 MW</b> by 2031
	 Grow profit contribution from RE and Environmental Solutions to <b>≥50%</b> by 2031	 Collect, handle and manage waste volume of <b>10,000 TPD</b> by 2031

## OUR APPROACH TO SUSTAINABILITY

### Our Material Sustainability Priorities

Our sustainability priorities are organised under ESG themes to provide a clear overview of the matters most relevant to the Group. Based on the findings of the double materiality assessment conducted for 2024 IAR, these priorities established a structured foundation for sustainability focus areas, planning and key initiatives across the Group.

For ease of reference, these priorities are presented under our ESG Stewardships. However, several matters cut across multiple dimensions and are addressed holistically across the Group. Among these priorities, the Group's emphasis on climate-related risks and opportunities, particularly those associated with physical and transition risks, the energy transition and GHG emissions, are of heightened significance. Matters related to climate-related risks and opportunities are therefore disclosed in greater detail in our Climate-related Disclosures (Sustainability Statement) on pages 228 to 239.

### Materiality Analysis

The Group did not undertake a new double materiality assessment for the 2025 IAR. The Material Matters under the double materiality assessment conducted for the IAR 2024 remain relevant and continue to provide an appropriate basis for this year's sustainability disclosures, as there have been no material changes to the Group's business, operating environment or stakeholder expectations that would necessitate a reassessment.

The Material Matters represent the sustainability topics that are most relevant to Malakoff's business and stakeholders. They are material as they impact people and the environment and give rise to risks and opportunities relevant to the Group's sustainability and long-term viability.



Topics with the greatest potential impact on people and the environment.



Sustainability-related risks and opportunities that may influence our performance and long-term resilience.

For 2025, we continued to disclose the same 20 Material Matters, reflecting their ongoing relevance to our strategy, operations and stakeholder expectations. Based on the assessment, 11 topics are prioritised as "Top Material Matters", while nine are "Supporting Material Matters" that remain important and are actively managed.

#### Top 11 Material Matters

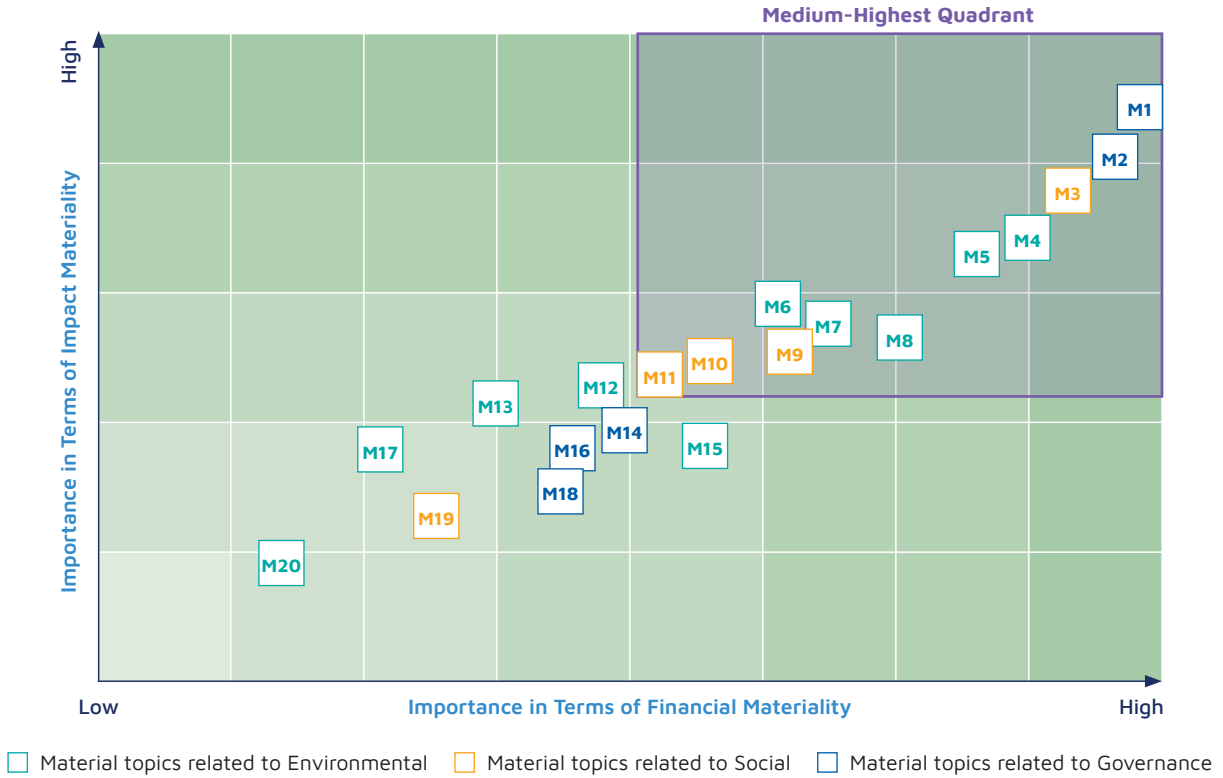
- |   |  |  |                                  |
|---|--|--|----------------------------------|
| <b>M1</b> Good Governance and Corporate Integrity | <b>M2</b> Regulatory Compliance              | <b>M3</b> Occupational Safety and Health | <b>M4</b> Operational Excellence |
| <b>M5</b> Physical and Transition Climate Risks   | <b>M6</b> Renewable Energy Transition        | <b>M7</b> Energy Mix and Efficiency      | <b>M8</b> GHG Emissions          |
| <b>M9</b> Stakeholder Management and Engagement   | <b>M10</b> Talent Management and Development | <b>M11</b> Human and Labour Rights       |                                  |

#### Supporting 9 Material Matters

- |   |                                |                                      |   |
|---|--------------------------------|--------------------------------------|---|
| <b>M12</b> Waste Management and Effluents | <b>M13</b> Coal Ash Management | <b>M14</b> Grid Stability            | <b>M15</b> Asset Life Cycle and Integrity |
| <b>M16</b> Supply Chain Management        | <b>M17</b> Water Management    | <b>M18</b> Technology and Innovation | <b>M19</b> Community Impact               |
| <b>M20</b> Biodiversity                   |                                |                                      |   |

  Material topics related to Environmental
   Material topics related to Social
   Material topics related to Governance

OUR APPROACH TO SUSTAINABILITY



**How Material Matters Connect to Our Disclosures**

The Group’s 20 Material Matters provide a structured view of the sustainability topics most relevant to Malakoff and support how we organise and communicate our sustainability focus areas and disclosures across the Group.

To enhance clarity and minimise duplication, matters related to climate-related risks and opportunities are presented in greater depth in our Climate-related Disclosures (Sustainability Statement) on pages 228 to 239. This section sets out the Group’s climate-related governance, strategy, risk management approach, as well as relevant metrics and targets.

The table that follows provides a structured cross-reference linking each Material Matter to the relevant sections of this IAR, including why the matters are relevant to Malakoff, the associated management approaches, performance highlights and key initiatives. Together with operational case studies across our Energy and Environmental Solutions pillars, these disclosures illustrate how Malakoff translates material sustainability priorities into practical actions and outcomes.



## OUR APPROACH TO SUSTAINABILITY

## Material Matters Reference: Risks, Opportunities and Our Commitment

Material Matter	Risks & Opportunities	Management Approach	Performance & Data	Key Initiatives
M1 Good Governance and Corporate Integrity			Governance Stewardship pages 202 to 205	
M2 Regulatory Compliance			Governance Stewardship pages 206 to 208	
M3 Occupational Safety and Health			Social Stewardship pages 176 to 182	
M4 Operational Excellence			Environmental Stewardship pages 148 to 149	
M5 Physical and Transition Climate Risks			Environmental Stewardship page 149 Climate-related Disclosures (Sustainability Statement) pages 228 to 239	
M6 Renewable Energy Transition			Environmental Stewardship pages 150 to 151	
M7 Energy Mix and Efficiency			Environmental Stewardship pages 152 to 155	
M8 GHG Emissions			Environmental Stewardship pages 155 to 160 Climate-related Disclosures (Sustainability Statement) pages 228 to 239	
M9 Stakeholder Management and Engagement			Social Stewardship pages 183 to 184 Stakeholder Engagement pages 136 to 143	
M10 Talent Management and Development			Social Stewardship pages 185 to 191	
M11 Human and Labour Rights			Social Stewardship pages 192 to 197	
M12 Waste Management and Effluents			Environmental Stewardship pages 161 to 163	
M13 Coal Ash Management			Environmental Stewardship pages 164 to 165 Impact Story: Energy pages 216 to 218	
M14 Grid Stability			Governance Stewardship page 209	
M15 Asset Life Cycle and Integrity			Environmental Stewardship pages 166 to 167	
M16 Supply Chain Management			Governance Stewardship pages 210 to 212	

OUR APPROACH TO SUSTAINABILITY

Material Matter	Risks & Opportunities	Management Approach	Performance & Data	Key Initiatives
M17 Water Management	Environmental Stewardship pages 168 to 170			
M18 Technology and Innovation	Governance Stewardship pages 213 to 215			
M19 Community Impact	Social Stewardship pages 198 to 199			
M20 Biodiversity	Environmental Stewardship pages 171 to 173			

We will continue to review our materiality as stakeholder expectations, regulations and operating conditions evolve, while maintaining consistency and comparability in our disclosures YoY.

Guided by robust governance and stakeholder engagement, our approach to sustainability is embedded across the Group to support resilience, responsible growth and long-term value creation. This approach enables us to identify, prioritise, and manage the ESG matters most relevant to our business and stakeholders. The next section presents our Material Sustainability Priorities under the ESG Stewardships, detailing the 20 Material Matters identified, along with our risks and opportunities, performance, progress and review of how these matters are managed.

**Notes for Readers**

- Top Material Matters are those assessed as having the highest combined financial and/or impact materiality.
- Supporting Material Matters remain relevant to responsible operations and long-term resilience and are actively managed.
- Matters related to climate-related risks and opportunities are addressed in greater detail under Climate-related Disclosures (Sustainability Statement) to avoid duplication.
- Other Material Matters are disclosed under Our Sustainability Journey section.



# STAKEHOLDER ENGAGEMENT

Malakoff recognises that long-term value creation is shaped not only by operational performance, but by the strength of its relationships with those who influence, enable and are impacted by its activities. Stakeholders are regarded as strategic partners, providing insight into expectations, emerging risks and evolving priorities. Engagement is conducted in a structured and deliberate manner to ensure stakeholder perspectives inform decision-making, strengthen accountability and support sustainable outcomes.

## EMPLOYEES

### Why We Engage

- Assessing the workplace environment and sentiment, identifying opportunities for continuous improvement.
- Establishing competitive compensation and benefits structures that attract, retain and nurture top talent.
- Aligning expectations, set clear objectives, define goals and provide constructive feedback.
- Cultivating a culture of recognition and appreciation, celebrating achievements to enhance morale.
- Encouraging collaboration and teamwork, fostering seamless idea exchange and alignment towards shared goals.

### Value Created for Employees

- Offering attractive salaries and comprehensive benefits packages.
- Continuously refining and improving employee reward initiatives.
- Providing periodic feedback through a Balanced Scorecard approach.
- Enabling career progression within a rewarding and meritocratic work environment.
- Fostering teamwork and unity to achieve shared objectives.
- Ensuring that goals, objectives and performance expectations are clearly defined and communicated to employees.
- Boosting morale by acknowledging and appreciating employees' contributions and achievements.

### How We Engage

- Townhalls ..... R
- HR2U Day ..... A
- Intranet ..... O
- Newsletters ..... P
- Performance Appraisals ..... O
- Malakoff Talent Pulse Survey ..... A
- Employee Engagement Survey ..... Q
- Hari Raya Gathering ..... A
- Long-Term Service Awards ..... A
- Family Day ..... A
- Wellness Programmes ..... R

### Value Created for Malakoff

- Enhancing employee engagement, reducing turnover and driving productivity.
- Cultivating a positive workplace for better teamwork and business success.
- Driving meaningful contributions that align with and support business strategy.
- Promoting equity, diversity and inclusion to enrich workplace dynamics and innovation.

### Key Concerns Raised

- Career growth and advancement.
- Work-life balance and flexibility.
- Access to wellness and mental health support.
- Acknowledging contributions to enhance motivation and engagement.
- Transparent and consistent communication between management and employees.

### Risks

- Disengaged employees may seek opportunities elsewhere, leading to higher recruitment and training costs while disrupting workforce stability.
- Reduced motivation and engagement can negatively impact efficiency, innovation and overall organisational performance.
- Negative employee sentiment and dissatisfaction may damage Malakoff's employer brand, potentially affecting stakeholder confidence and the company's attractiveness to top talent.

### Our Responses

- Launched upskilling and reskilling initiatives to empower employees with relevant skills, fostering career growth and job satisfaction.
- Partnered with healthcare providers to offer mental health support, enhancing overall employee well-being and resilience.
- Strengthened internal communication through management emails, newsletters and regular engagement sessions, keeping employees informed, engaged and aligned with organisational goals.
- Introduced several wellness initiatives, including the Malakoff Well-lympics Challenge, Zero MC Challenge, and the "Use the Stairs, Skip the Lift" campaign, aimed at promoting a healthier lifestyle and encouraging positive well-being among employees.

### Opportunities

- A strong employee engagement strategy enhances Malakoff's reputation as an employer of choice, making it easier to recruit and retain high-calibre professionals.
- Motivated and engaged employees contribute fresh ideas and innovative solutions, fostering continuous improvement and organisational advancement.
- Extending engagement initiatives to local communities reinforces Malakoff's commitment to social responsibility, enhancing stakeholder trust and collaboration.

STAKEHOLDER ENGAGEMENT



**COMMUNITIES/GENERAL PUBLIC**

**Why We Engage**

- Build credibility and gain community confidence.
- Increase engagement in community programmes for greater impact.
- Showcase the Group’s businesses and their positive socioeconomic contributions.
- Prioritise the well-being and development of local communities.
- Respond to the growing demand for sustainable and environmentally friendly practices.

**How We Engage**

- Engagement sessions with local communities ..... **Q**
- CSR
- programmes ..... **P**
- Mainstream print and electronic media ..... **O**
- Social media – Facebook, Instagram, YouTube, LinkedIn, TikTok, X and company website ..... **O**
- Awareness/educational programmes related to ESG, energy and environmental solutions ..... **O**

**Value Created for Communities/General Public**

- Greater awareness on environmental issues and initiatives.
- Providing for a sustainable and safe environment.
- Incentives for recycling through reward points and cash.

**Value Created for Malakoff**

- Strengthening reputation as a responsible and sustainable organisation.
- Improving public understanding of Malakoff’s environmental initiatives and long-term strategies.
- Increasing engagement in sustainability and environmental conservation.
- Achieving higher recycling participation and greater tonnage of recyclable materials.

**Key Concerns Raised**

- Environmental impact on our operations.
- Quality of services provided.
- Employment opportunities.

**Risks**

- Potential backlash from the public and media.
- Risk of inaccurate or misleading information reaching the public.
- Risk of over-disclosure during community engagement, potentially leading to unmet expectations.

**Our Responses**

- Engaged the public in sustainability initiatives.
- Organised outreach programmes to build trust and relationships.
- Increased awareness of recycling and waste recovery efforts.
- Implemented continuous improvement initiatives.
- Integrated electric vehicles, eco-friendly equipment and biodegradable materials into our operations to strengthen environmental sustainability.
- Shared ongoing initiatives in green energy, recycling and waste management through e-newsletters, social media and company websites.
- Offered jobs to support local communities.

**Opportunities**

- Enhancing environmental stewardship by investing in innovative green technologies and sustainable practices to further reduce operational impact.
- Leveraging partnerships with Governmental and Non-Governmental Organisations to drive collaborative sustainability efforts and enhance social impact.
- Increasing public engagement and education on sustainability, fostering long-term behavioural change and stronger stakeholder trust.

## STAKEHOLDER ENGAGEMENT



### SHAREHOLDERS/ANALYSTS/INVESTMENT COMMUNITY

#### Why We Engage

- Educate and raise awareness of the Group’s business fundamentals to strengthen shareholder resilience and attract new or potential investors.
- Ensure transparent, timely and equitable communication on Malakoff’s performance, strategy and risk profile.
- Communicate the Group’s latest operational and financial performance, strategic direction, key initiatives and project roadmaps to ensure accurate market valuation and support sustainable growth.
- Address market perceptions and investor concerns proactively, particularly during periods of earnings volatility, operational developments or regulatory change.
- Create long-term value by generating dividends and capital gains, reinforcing investor trust and commitment.

#### Value Created for Shareholders/Analysts/ Investment Communities

- Ensuring investors have access to accurate and up-to-date information, enabling well-informed investment decisions.
- Strengthening investor confidence through clear, consistent and transparent disclosures, fostering sustainable growth and value creation.
- Gaining insights into the Malakoff’s progress and prospects.
- Demonstrating Malakoff’s commitment to sustainability by disclosing sustainability targets and enhancing its ESG score, from 3.3 in 2024 to 3.4 in 2025, based on the FTSE4Good Bursa Malaysia Index methodology.

#### How We Engage

- Quarterly analyst briefings ..... Q
- Conferences or summits hosted by research houses and financial institutions ..... P
- Site visits ..... R
- Group/One-to-one meetings with analysts (sell-side/ buy-side), fund managers and shareholders ..... O
- Annual General Meetings ..... A

#### Value Created for Malakoff

- Strengthening two-way dialogue between Malakoff and the investment community, ensuring alignment on expectations and business direction.
- Providing leadership with insights into investor sentiment, enabling strategic decision-making based on market expectations.
- Demonstrating positive feedback on Malakoff’s energy transition efforts reinforces its commitment to sustainability and long-term relevance.
- Improving Malakoff’s attractiveness to potential investors, positioning the company as a forward-thinking leader in the energy sector since Malakoff demonstrates a strong sustainability commitment.
- From a governance perspective, investor engagement reinforces Malakoff’s commitment to good corporate governance and regulatory compliance.

#### Key Concerns Raised

- Malakoff’s growth prospects and progress of new projects secured.
- Earnings visibility and financial performance where the key areas of concern include margin movements, cost pressures, earnings volatility and the impact of operational or external factors on near-term financial outcomes.
- Operational performance, including plant availability, unplanned outages and asset reliability as these directly affect capacity income and earnings stability.
- Introduction of a carbon pricing framework for the energy industry and its potential impact on Malakoff’s earnings.
- Malakoff’s ability to achieve key short- and long-term milestones on its path to net zero emissions by 2050.
- Clarity on Malakoff’s energy transition pathway, sustainability commitments, climate-related risks and alignment with regulatory frameworks.
- Dividend sustainability, payout policy and alignment with cash flow generation as these key stakeholders regularly assess how capital is allocated between growth investments, debt management and shareholder returns.
- Share price performance relative to peers and the broader market, including valuation levels and liquidity.

#### Our Responses

- Hosted analysts and investors for plant and site visits to educate, raise awareness and provide progress updates.
- Maintained close oversight of coal inventories and fuel cost dynamics and communicated mitigation measures through investor engagements and briefings.
- Provided clarity on performance drivers, variances and outlook considerations, enabling stakeholders to better assess earnings quality and sustainability, in addition to granting them access to senior management, including the GCEO and CFO.
- Maintained a payout ratio of at least 70% of PATMI as per the company’s dividend policy and demonstrated disciplined capital stewardship and clear communication of dividend policies.
- Maintained consistent communication on Malakoff’s advancements in its ESG Roadmap, ensuring transparency and accountability in meeting sustainability targets.

STAKEHOLDER ENGAGEMENT



**SHAREHOLDERS/ANALYSTS/INVESTMENT COMMUNITY (continued)**

**Risks**

- Absence of regular engagements increases the risk of misinterpretation of results, operational events or sustainability initiatives, leading to incorrect market assumptions and distorted perceptions of the Group’s fundamentals.
- Lack of transparent and consistent engagement can undermine investor confidence as they are unable to access timely clarification or Management perspectives, trust in the Group’s governance and disclosure practices may weaken, affecting long-term shareholder relationships.
- Without interaction, research houses may scale back or discontinue coverage, limiting their analysis of the Group. This can lower market visibility, impair liquidity and weaken price discovery.

**Opportunities**

- Increasing the frequency of direct interactions with the investment community to foster stronger relationships. This assists the investment community to gain deeper insights into Malakoff’s performance while enabling Management to receive valuable feedback and perspectives from investors.
- Leveraging digital platforms and investor portals to ensure easy access to company updates, reports and strategic insights.
- Raising awareness on Malakoff’s sustainability agenda and its direct correlation with business growth and financial performance, enabling better-informed investment decisions.
- Providing a broader scope of transparent reporting, ensuring stakeholders have a clear understanding of ESG initiatives and their impact on long-term value creation.



**CUSTOMERS/CLIENTS**

**Why We Engage**

- Foster trust and loyalty among clients and partners.
- Enhance business opportunities and market presence.
- Optimise service delivery to meet client expectations.
- Develop targeted strategies to effectively address client needs and challenges.

**How We Engage**

- Communication with sales personnel ..... **P**
- Site visits ..... **P**
- Sustainability Collaborations ..... **O**
- Memorandum of Understanding signings ..... **P**
- Launches and informal events ..... **O**
- Company website and social media ..... **O**
- Local and international conferences ..... **A**

**Value Created for Customers/Clients**

- Providing sustainable services using green equipment and Internet of Things (IoT).
- Technical experience and expertise.
- High level of customer/client experience.
- Using customer data to drive decisions and improve service quality.

**Value Created for Malakoff**

- Enhancing reputation and driving business growth.
- Fostering long-term partnerships and customer retention.
- Leveraging client feedback to improve services and build credibility.

**Key Concerns Raised**

- Customer/Client experience.
- Sustainability initiatives.
- Health, Safety and Environment (HSE).

**Risks**

- Shifts in legal frameworks and policies may impact marketing efforts and business strategies.
- Rising costs could affect operations, pricing and overall profitability.
- Misalignment in understanding the Group’s mission may lead to stakeholder disengagement.
- Inaccurate or misleading information could erode trust and damage credibility.

**Our Responses**

- Collaborated with various companies to enhance kerbside recycling, managed recyclable waste including plastic, paper, used cooking oil and scrap, and streamlined public recycling efforts to promote waste reduction.
- Explored diverse RE solutions, including solar programmes such as the Corporate Green Power Programme, Self-Consumption and Net Energy Metering, as well as the development of EV charging stations and BESS.
- Ensured compliance with regulatory requirements set by the EC to meet stakeholder expectations.

**Opportunities**

- Contributing to economic growth through reliable energy and integrated waste management solutions.
- Expanding operations in areas that align with the Government’s environmental and sustainability objectives.
- Opportunity for expanding new development projects for Electricity Distribution System (EDS) & District Cooling System (DCS) concessions outside of KL Sentral area.

## STAKEHOLDER ENGAGEMENT



### GOVERNMENT

#### Why We Engage

- Foster collaboration and trust with key authorities.
- Gain insights into new policies, regulatory frameworks and compliance requirements.
- Promote cooperative initiatives that drive mutual benefits and sustainable progress.

#### How We Engage

- On-ground collaborations ..... P
- Face-to-face meetings ..... P
- Participation in Government/public programmes ..... P
- Corporate events ..... P

#### Value Created for the Government

- Driving economic growth by attracting investments and expanding clean and RE industries.
- Supporting expansion of clean gas-fired power plants, ensuring grid stability, energy security and reliability.
- Supporting grid reliability by complementing large-scale RE growth with flexible and cleaner gas assets, in line with Malaysia's "dual transition" strategy for energy security and decarbonisation.
- Providing sustainable solutions to local waste challenges, improving urban cleanliness and reducing health risks.
- Enabling the Government to leverage corporate expertise in achieving key national targets.
- Supporting national sustainability goals through secure electricity supply and effective waste management.
- Assisting the Government in scaling solar, WTE, hydro and other RE technologies via industry partnerships, including participation in the LSS PETRA 5+ programme, rooftop PV programmes and green-technology incentives.

#### Value Created for Malakoff

- Enhancing credibility among key ministries (PETRA, NRES, UKAS, DBKL, PPJ) through active participation in major 2025 national initiatives.
- Showcasing commitment to sustainability by aligning with national and global environmental goals.

#### Key Concerns Raised

- Community sensitivities related to rapid expansion of solar farms and WTE facilities, especially near residential areas.
- Compliance with laws and regulations.
- Management of environmental issues.

#### Our Responses

- Adhered to all national laws and industry standards.
- Actively supported the Government's long-term sustainability targets.
- Promoted environmental responsibility through awareness programmes.

#### Risks

- Being unprepared for sudden changes in government policies.
- Increased expenses associated with government policy measures and regulatory adjustments.
- Exposure to regulatory changes as Malaysia updates RE targets, NEM structure and transition incentives, shifting from subsidies to market-based mechanisms.
- Inflationary pressure on project capital expenditure (CAPEX) and technology costs remains a challenge, especially for large-scale RE and WTE infrastructure.

#### Opportunities

- Contributing to economic growth through reliable energy and integrated waste management solutions.
- Expanding operations in areas that align with the Government's environmental and sustainability objectives.
- Strengthening role in national economic development through job creation, rural infrastructure support and environmental solutions aligned with the NETR.

STAKEHOLDER ENGAGEMENT



**RATING AGENCIES AND FINANCIAL INSTITUTIONS**

**Why We Engage**

- Obtain funding for working capital, CAPEX and business expansion.
- Achieve optimal ratings for new *sukuk* issuances and uphold strong ratings for existing *sukuks*.

**Value Created for Rating Agencies and Financial Institutions**

- Ensuring the ability to meet loan and borrowing obligations, including principal, interest and covenant compliance.
- Complying with green and sustainable financing requirements.

**How We Engage**

- Virtual and physical meetings ..... **P**
- Engagement sessions with rating agencies and financial institutions ..... **O**
- Surveys/Questionnaires on credit rating ..... **P**

**Value Created for Malakoff**

- Successfully raised funds for business expansion and CAPEX needs
- Upholding strong ratings for existing *sukuks* while obtaining favourable ratings for new issuances.
- Strengthening investor confidence and reputation through commitment to ESG principles.

**Key Concerns Raised**

- Unscheduled outage affecting financial performance, insurance claims, Applicable Coal Price losses, repair costs and credit rating stability.
- Meeting financial covenants such as Finance Service Cover Ratio.
- Ensuring liquidity for operations and future investments.
- Strategic plans in response to expiring PPAs.
- Progress towards achieving net zero emissions by 2050.

**Risks**

- Potential inability to meet financial institution covenants and repayment obligations.
- Risk of losing favourable credit ratings.

**Our Responses**

- Ensured adherence to all financial requirements, preserving the company’s credit rating.
- Managed liquidity effectively to sustain financial commitments .
- Diversified business portfolio to offset potential revenue loss from expiring PPAs.
- Continued executing initiatives aligned with Malakoff’s net zero carbon emissions aspirations.

**Opportunities**

- Strengthening sustainability efforts to improve Malakoff’s market perception and facilitate access to new financing and refinancing at better rates.

## STAKEHOLDER ENGAGEMENT



### CONTRACTORS AND VENDORS

#### Why We Engage

- Collaborate with contractors and vendors to maintain seamless operations and cost efficiency.
- Strengthen oversight to minimise supply chain disruptions and manage contractor-related risks effectively.

#### Value Created for Contractors and Vendors

- Maintaining high standards of integrity, transparency and ethical business conduct.
- Providing updates on company policies and insights from regulatory bodies such as the Malaysian Anti-Corruption Commission (MACC).
- Ensuring impartial, confidential and integrity-driven business transactions.

#### How We Engage

- Efficient procurement process
- Vendor engagement sessions
- Face-to-face and online meetings
- Site visits
- Advertisements



#### Value Created for Malakoff

- Secured reliable partners to uphold quality, safety, sustainability and cost efficiency.
- Enhanced management of complex supply chain relationships for seamless operations.

#### Key Concerns Raised

- Supply chain disruptions.
- Integrity and ethics in ensuring impartial and transparent procurement practices.
- Increased cost of operations due to increased procurement costs.

#### Risks

- Bribery by contractors and vendor to gain approval on sub-standard or non-compliance workmanship.
- Bribery to leak or gain confidential procurement/material information.
- Failure to execute the procurement process based on allocated time.

#### Our Responses

- Evaluated and monitored vendor capabilities to ensure quality and reliability.
- Implemented Anti-Bribery Management System and a Vendor Code of Conduct to uphold transparency.
- Facilitated knowledge-sharing sessions and collected vendor feedback.
- Ensured vendors met quality and compliance standards before awarding.

#### Opportunities

- Contributing to economic growth through reliable energy and integrated waste management solutions.
- Expanding operations in areas that align with the Government's environmental and sustainability objectives.



Ongoing stakeholder engagement with contractors and vendors reflects Malakoff's commitment to transparent communication, shared responsibility and long-term value creation.



# OUR MATERIAL SUSTAINABILITY PRIORITIES

<b>Our Material Sustainability Matters</b>	
Performance at a Glance	145
<b>Environmental Stewardship</b>	146
• Transitioning to a Clean Energy and Circular Economy Future	146
• Our Approach	146
• Material Environmental Matters	147
<b>Social Stewardship</b>	174
• Empowering Our People and Supporting Our Communities	174
• Our Approach	174
• Material Social Matters	175
<b>Governance Stewardship</b>	200
• Governance as a Catalyst for Innovation, Resilience and Integrity	200
• Our Approach	200
• Material Governance Matters	201



# OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE AT A GLANCE

Building on the materiality assessment outlined in the Our Approach To Sustainability section, 20 Material Sustainability Matters that are most relevant to long-term value creation and stakeholder expectations were identified.

The following diagramme features an at-a-glance overview of the YoY performance across these Material Matters, indicating areas of improvement, stability or lagged performance compared with the previous year. Designed as a navigational entry point, it allows readers to quickly understand key performance trends before referring to the ESG Stewardship sections, where each Material Matter is explained in greater detail.

## YOY PERFORMANCE



● Improved performance   ● Stable performance   ● Lagged performance



# ENVIRONMENTAL STEWARDSHIP

## TRANSITIONING TO A CLEAN ENERGY AND CIRCULAR ECONOMY FUTURE

We are committed to taking meaningful action on climate change by reducing our carbon emissions and supporting the transition to a clean energy and circular economy future. We recognise that strong environmental performance underpins our long-term resilience, value creation and licence to operate. As our business faces both the physical impacts of climate change and the global shift toward a low-carbon, resource-efficient economy, we are focused on minimising our environmental footprint, enhancing operational resilience and supporting the transition to a cleaner energy and circular economy future.


## OUR APPROACH

Malakoff’s approach to environmental stewardship is anchored in Malaysia’s national sustainability and energy transition agenda. Our transition towards clean energy solutions is guided by the NEP, the NETR and the MyRER, while our circular economy initiatives are aligned with the National Circular Economy Framework Malaysia. These national frameworks provide strategic direction for balancing energy security, affordability and environmental sustainability as the energy landscape evolves.

At the operational level, all Malakoff activities are governed by our Environmental Policy, which serves as the cornerstone of our environmental management approach. The Policy is aligned with the Malaysian Environmental Quality Act (EQA) 1974, other applicable environmental regulations, and is consistent with the requirements of ISO 14001 Environmental Management Systems. It establishes a clear and structured framework for integrating environmental considerations into daily operations, planning processes and decision-making across the Group.

Through this Policy, we embed environmental responsibility across the full life cycle of our activities, including resource use, emissions management, waste management and pollution prevention. It also supports a culture of accountability and continuous improvement, ensuring that environmental risks and impacts are identified, managed and mitigated in a systematic manner.

The Environmental Policy is accessible to all employees via our intranet and is reinforced through internal procedures, awareness programmes and management oversight. Together, these measures enable Malakoff to operate responsibly, maintain regulatory compliance and support our long-term transition towards more sustainable and resilient operations.



### ENVIRONMENTAL STEWARDSHIP HIGHLIGHTS

**\*Profit Contribution** from RE & Environmental Solutions increased by **6.2% to RM95.6 million in FY2025** (2024: RM90.0 million)

**RE Projects in the pipeline** expected to **avoid** approximately **1 million tCO<sub>2</sub>e** annually upon COD  
Equivalent to approximately 18 million mature trees

Diverted **6,826 tonnes of waste** from landfill through **recycling** by Alam Flora

Made significant **55% progress** towards **RE 1,400 MW target** by 2031 (2024 progress: 173 MW)

Introduced Scope 3, **Category 4: Upstream Transportation and Distribution (Coal Transportation)** to our GHG Emissions Inventory

Improved **GHG Emissions and Energy Reporting Transparency** under the **financial control approach**

**Carbon Avoidance** from current **LSS Johor and C&I Rooftop Solar** projects of **47,188 tCO<sub>2</sub>e**

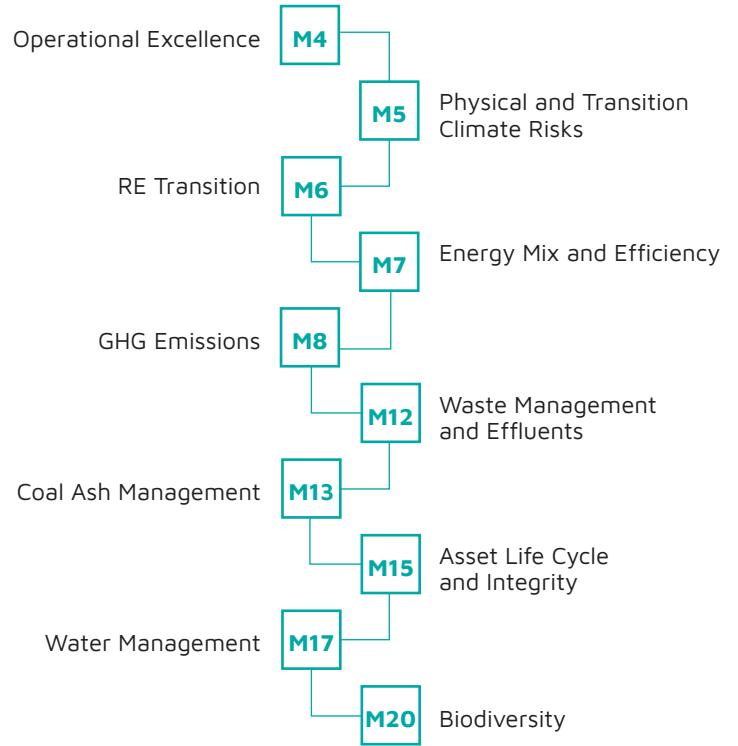
Enabled circular use of **579,367 tonnes of coal ash**, diverting it from landfill for construction materials

\*The Group aims to increase profit contribution from RE and Environmental Solutions to at least 50% by 2031 as part of its sustainability targets. Progress towards the 2031 target will be assessed based on sustained, normalised growth in RE and Environmental Solutions profitability, alongside the normalised profit performance of the thermal portfolio.

ENVIRONMENTAL STEWARDSHIP

**MATERIAL ENVIRONMENTAL MATTERS**

Our environmental priorities focus on areas that are most material to our operations, stakeholders and financial performance. These include GHG emissions, improving energy efficiency, expanding RE and strengthening waste, water and biodiversity management across our assets. We also emphasise asset life cycle and integrity, and operational excellence to minimise environmental risks and ensure compliance with regulatory and stakeholder expectations.



The following section sets out Malakoff’s Material Environmental Matters under Environmental Stewardship, as identified through our materiality assessment.



## ENVIRONMENTAL STEWARDSHIP

### M4 OPERATIONAL EXCELLENCE



#### Why It Matters

Operational excellence underpins Malakoff’s ability to deliver reliable, efficient and cost-effective performance across its Energy and Environmental Solutions businesses. As the Group navigates an evolving energy landscape, strong operational performance supports decarbonisation, portfolio diversification, disciplined capital allocation and regulatory compliance, while safeguarding asset reliability and long-term value.

#### Risks

Failure to achieve targeted operational performance may result in increased unplanned downtime, higher maintenance costs and reduced productivity.

#### Opportunities

Strong operational performance enhances asset availability, reduces operating costs and supports consistent delivery against performance KPIs across the Group.

#### Management Approach



##### Strategy

Operational excellence is driven through continuous improvement, clear performance baselines and the disciplined application of technology and process optimisation. Efficiency is a key focus area, enabling the Group to identify improvement opportunities and deliver targeted outcomes across operations.



##### Risk and Compliance Management

Operational risks are managed through established governance frameworks, regulatory compliance processes and certified management systems, ensuring adherence to safety, environmental and quality standards.



##### Performance Monitoring

Key operational metrics are tracked regularly to improve efficiency, reliability and asset performance. Performance assessments enable timely interventions and support sustained competitiveness.



##### Technology and Process Improvement

Digital tools and automation enable real-time monitoring, data-driven decision-making and proactive risk management. Continuous business process improvement ensures policies and procedures remain aligned with standards and regulatory requirements.




##### Management Systems

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.
- ISO 45001:2018 Occupational Health and Safety Management Systems.

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

 For additional information, please refer to Business Review on pages 94 to 126.

In 2025, various initiatives were carried out at Malakoff’s operations:

 For Energy business, please refer to Business Review on pages 96 to 113.

 For Environmental Solutions business, please refer to Business Review on pages 114 to 126.

ENVIRONMENTAL STEWARDSHIP

Performance and Outcomes



Energy

Malakoff strengthened its alignment with Malaysia’s low-carbon agenda by expanding its RE capacity to **766 MW**, increasing from **173 MW in 2024**, thereby supporting the nation’s transition toward a greener energy mix.



For more information on our operational overview and achievements in Energy, please refer to pages 96 to 113.



Environmental Solutions

Operational excellence initiatives:

- Incentive Compactor Rewards for Effort & Work Excellence (C.R.E.W.) **reduced maintenance costs by 36%** year-on-year with **45 times return on incentive**; and
- The *Hero Gaya Kerja* initiative achieved **over 89% public satisfaction**, with **30%** of the internal workforce recognised as **Alam Flora Heroes**.



For more information on these initiatives under Environmental Solutions, please refer to the Impact Story: Environmental Solutions on pages 219 to 221.

As a result, our Thermal plants (TBPP, SEV and PPP) achieved full compliance with environmental laws and regulations in FY2025, while TBEPP demonstrated high overall compliance exceeding 98% with the Environmental Quality (Clean Air) Regulations 2014 (CAR2014) requirements for FY2025. The Environmental Solutions business achieved operational excellence through its two initiatives, the C.R.E.W. and *Hero Gaya Kerja*, delivering tangible benefits for communities.

Looking Ahead

Looking ahead, Malakoff will intensify its focus on operational efficiency as the cornerstone of operational excellence, ensuring that both business pillars are positioned to support the Group’s interim emissions intensity target and long-term net zero 2050 commitment.

The Energy business will continue to expand its RE portfolio while driving greater efficiency, performance optimisation and asset reliability across its operations.

Concurrently, the Environmental Solutions business will be strengthened through balanced growth across concession and non-concession activities, improving service efficiency and contributing to a cleaner, healthier environment.

M5

PHYSICAL AND TRANSITION CLIMATE RISKS



Climate change presents significant physical and transition risks to Malakoff’s operations, assets and the communities we serve. Physical risks, including extreme weather events, rising temperatures and sea level rise, have the potential to disrupt infrastructure, affect asset reliability and impact supply chains. Transition risks arising from regulatory developments, policy shifts and increasing market preference for low-carbon solutions may also influence our business model, investment decisions and financial performance.

Addressing these interconnected risks is essential to maintaining the resilience and sustainability of the Group.

For the IAR 2025, Malakoff embarked on the embedding of IFRS S2 Climate-related Disclosures, strengthening our approach to identifying, assessing and managing climate-related risks and opportunities in a structured and transparent manner.



Further details on our Governance, Strategy, Risk Management and Metrics and Targets related to climate change are set out in Climate-related Disclosures (Sustainability Statement) on pages 228 to 239.

ENVIRONMENTAL STEWARDSHIP

**M6 RENEWABLE ENERGY TRANSITION**



**Why It Matters**

Malakoff aims to achieve net zero emissions by 2050 and is advancing this ambition through the expansion of RE and improved operational efficiency. By increasing RE integration across our portfolio and optimising electricity consumption at our plants, we seek to reduce our carbon footprint, strengthen energy security and support Malaysia’s transition towards a low-carbon energy system.

**Role of RE Generation in Reducing Emissions Intensity**

The expansion of Malakoff’s RE generation portfolio supports emissions intensity reduction over the interim and long-term, aligned with the phased execution of its ongoing and developing projects.

Over the interim period, as committed RE projects progress from development to operation, the increasing contribution of RE generation will structurally shift the Group’s generation mix towards lower emissions sources, delivering sustained reductions in average emissions intensity and supporting achievement of the interim emissions intensity target. This impact is further reinforced by the complementary effect of ongoing operational efficiency improvements across existing assets. In the long-term, continued scaling of RE generation enables a fundamental reduction in portfolio-wide emissions intensity, supporting a managed transition towards a low-carbon energy portfolio aligned with Malakoff’s net zero 2050 ambition.

**Risks**

High upfront capital requirements and execution challenges associated with acquiring and developing RE assets.

**Opportunities**

Accelerating our RE transition creates opportunities to lower emissions and carbon-related costs, generate Renewable Energy Certificates (RECs) and potential carbon credits, and enhance access to green and sustainability-linked financing.

**Management Approach**

Our RE initiatives are guided by the MyRER and aligned with national targets to achieve 31% RE capacity by 2025 and 40% by 2035. These efforts are reinforced by the Group’s Sustainability Framework, which identifies climate action and resource efficiency as among the priority focus areas shaping our long-term approach.

As part of Malaysia’s NETR, Malakoff plays an active role in supporting energy transition initiatives, including biomass projects. The Group is working towards a target of achieving 1,400 MW of RE capacity by 2031, underscoring our commitment to accelerating the shift towards cleaner energy solutions.

**Performance and Outcomes**

Secured **LSS projects in Perak and Sarawak** with a total capacity of **570 MW**

Continued to progress installation of **C&I rooftop solar** of up to **61 MW**

**5,677.25 RECs** issued and sold, helping clients to **offset Scope 2 emissions** of approximately **4,200 tCO<sub>2</sub>e**

Progress on track for **small hydropower plants in Kelantan** COD in 2027

Successfully carried out testing of **2% biomass co-firing** at TBPP under the NETR in 2024

Continued generating solar power through **community-centric solar initiative** at Masjid Saidina Umar Alkhattab in Bukit Damansara, Kuala Lumpur

Secured our **first WTE** project in Sg. Udang, Melaka

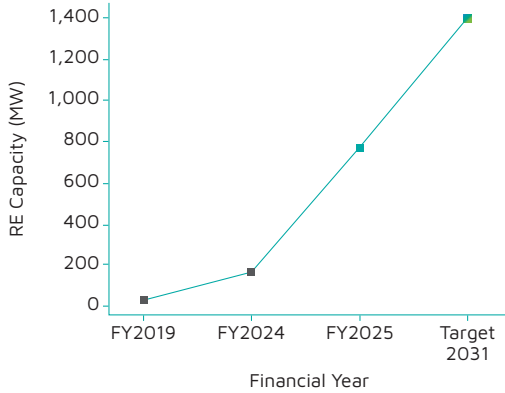
Actively generating solar power at **29 MW LSS Johor** through ZEC Solar, **avoiding 26,819 tCO<sub>2</sub>e emissions** in 2025

For more business initiatives under RE, please refer to Business Review pages 101 to 107.

ENVIRONMENTAL STEWARDSHIP

Progress Against Targets

Malakoff RE Capacity Growth Progress Towards 2031 Target



Malakoff is making steady progress towards its target of 1,400 MW of RE capacity by 2031. Since FY2019, the Group’s RE capacity has expanded significantly from 29 MW to 173 MW in FY2024, with a substantial acceleration in growth to 766 MW in FY2025, reflecting the continued execution of its RE expansion strategy.

Current RE Portfolio

<b>Total Generation Capacity 766 MW</b>	
<b>61 MW</b> <b>C&amp;I Rooftop Solar</b> Across Peninsular Malaysia	<b>29 MW</b> <b>LSS Johor (ZEC Solar)</b> Kota Tinggi, Johor
<b>84 MW</b> <b>Small Hydropower</b> Kuala Geris, Kemubu and Serasa, Kelantan	<b>22 MW</b> <b>WTE</b> Sungai Udang, Melaka
<b>470 MW</b> <b>LSS PETRA 5+ Perak</b> Larut and Matang, Perak	<b>100 MW</b> <b>LSS Sarawak</b> Bintulu, Sarawak



Harnessing RE at Johor Port to support greener port operations.

Looking Ahead

Building on the significant expansion of its RE portfolio in FY2025, including projects at various stages of development, Malakoff has demonstrated its capability to initiate, structure and advance RE projects for execution. As the Group progresses towards its 1,400 MW RE capacity target by 2031, it will continue to prioritise innovation, strategic partnerships and disciplined capital deployment to move the committed projects through to execution. Malakoff will also remain focused on active stakeholder engagement, supporting policy development and adopting emerging technologies, while upholding high standards of transparency, accountability and environmental stewardship in delivering a cleaner and more resilient energy future.

## ENVIRONMENTAL STEWARDSHIP

## M7 ENERGY MIX AND EFFICIENCY

**Why It Matters**

Energy mix and operational efficiency are central to Malakoff's ability to deliver reliable and affordable energy while supporting a just transition towards a low-carbon future. How effectively the Group manages its assets and evolves its generation mix over time directly influences operational resilience, cost efficiency and long-term sustainability.

A diversified energy mix, guided by national transition pathways such as the NETR and supported by the continued development of RE capacity, strengthens portfolio resilience and system reliability. While these initiatives are being progressively implemented, continuous improvements in operational efficiency across existing assets ensure responsible and efficient energy production during the transition period.

Over the long-term, sustained improvements in energy mix and efficiency support a measured and credible transition, enabling Malakoff to manage transition risks practically, remain competitive and contribute meaningfully to national energy and decarbonisation objectives.

**Risks**

Fluctuations in energy prices, particularly for fossil fuels, may impact operational costs and profitability. In addition, concentration or reliance on specific energy sources could expose the Group to vulnerabilities arising from supply chain disruptions, regulatory changes or market volatility, potentially affecting operational stability.

**Opportunities**

Investment in RE presents opportunities to diversify the energy mix, enhance long-term sustainability and reduce exposure to fuel price volatility. Over time, a growing RE portfolio can also support more stable operating costs, strengthen resilience and position the Group to capture value from the evolving low-carbon energy landscape.

**Management Approach**

For FY2025 reporting, Malakoff applies the financial control approach in tracking and monitoring energy consumption. Under this approach, energy consumption is accounted based on the Group's level of financial control and economic interest in each operation and asset ensuring consistency with the boundary applied for the calculation and reporting of the Group's GHG emissions, as set out in the GHG Emissions section of this Sustainability Statement.

This approach provides a more aligned and representative view of Malakoff's operational footprint, supporting coherent monitoring of energy use and emissions across the portfolio. It also enhances consistency, comparability and transparency in reporting, particularly as the Group's asset base continues to evolve across both Energy and Environmental Solutions businesses.



*Contributing to a balanced energy mix, Tanjung Bin Energy Power Plant emphasises operational efficiency and dependable base load generation.*

## ENVIRONMENTAL STEWARDSHIP

**Performance and Outcomes**
**Energy Consumption Data for Energy Business**

Across the Group's operations, we tracked fuel and electricity consumption as follows:

Type of Energy	Unit	2023 <sup>1</sup>	2024 <sup>1</sup>	2025
<b>FUEL (NON-RENEWABLE)<sup>2</sup></b>				
Coal	GJ	187,828,584	207,034,886	<b>188,369,797</b>
Light Fuel Oil (LFO)	GJ	323,602	253,418	<b>209,340</b>
Natural Gas	GJ	8,291,997	26,028,019*	<b>7,618,991</b>
Distillate	GJ	734,421	449,544	<b>1,746,745</b>
Vehicle Fuel Consumption	GJ	2,189	1,831	<b>1,474</b>
Total Fuel (Non-Renewable)	GJ	197,180,793	233,767,697	<b>197,946,347</b>
Total Fuel (Non-Renewable) <sup>3</sup>	MWh	54,816,260	64,987,420	<b>55,029,084</b>
<b>FUEL (RENEWABLE)<sup>2</sup></b>				
Biomass <sup>4</sup>	GJ	N/A	94,223	-
Total Fuel (Renewable) <sup>3</sup>	MWh	N/A	26,194	-
Total Fuel Consumption (Non-Renewable & Renewable)	GJ	197,180,793	233,861,920	<b>197,946,347</b>
	MW	54,816,260	65,013,614	<b>55,029,084</b>
<b>ELECTRICITY CONSUMPTION</b>				
TBPP	MWh	25,795	17,742	<b>17,300</b>
TBEPP	MWh	8,812	5,111	<b>7,413</b>
SEV	MWh	14,023	8,521	<b>12,140</b>
PPP	MWh	23,087	16,977	<b>17,667</b>
MUSB	MWh	34,453	34,836	<b>34,864</b>
KLHQ	MWh	575	495	<b>462</b>
Total Electricity Consumption	MWh	106,744	83,683	<b>89,847</b>
<b>TOTAL ENERGY CONSUMPTION<sup>5</sup></b>	<b>MWh</b>	<b>54,923,005</b>	<b>65,097,297</b>	<b>55,118,932</b>

\* Natural gas consumption in FY2024 was higher primarily due to higher operational demand for gas-fired generation during the year.

## ENVIRONMENTAL STEWARDSHIP

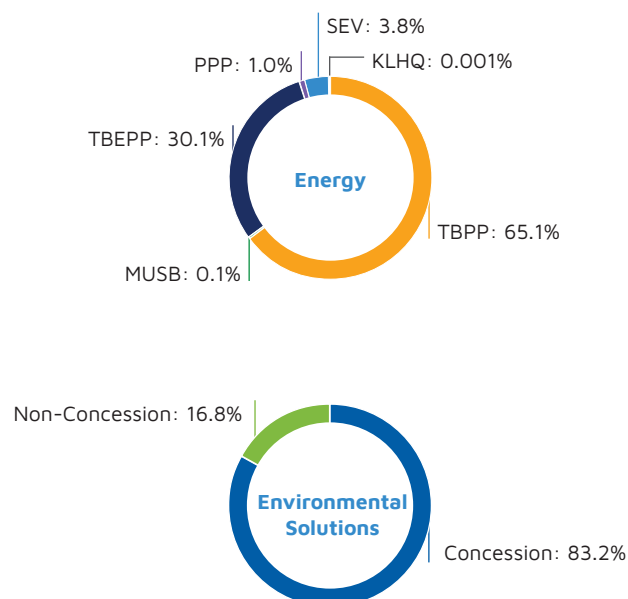
### Energy Consumption Data for Environmental Solutions Business

Type of Energy	Unit	2023 <sup>1</sup>	2024 <sup>1</sup>	2025
<b>FUEL (NON-RENEWABLE)<sup>2</sup></b>				
Fuel Consumption (Diesel)	GJ	177,791	156,640	<b>172,701</b>
Fuel Consumption (Petrol)	GJ	6,424	7,206	<b>6,796</b>
Total Fuel (Non-Renewable)	GJ	184,215	163,845	<b>179,497</b>
Total Fuel (Non-Renewable) <sup>3</sup>	MWh	51,212	45,549	<b>49,900</b>
<b>ELECTRICITY CONSUMPTION</b>				
Concession	MWh	1,001	1,084	<b>1,133</b>
Non-Concession	MWh	1,401	3,594	<b>2,871</b>
Total Electricity Consumption	MWh	2,403	4,678	<b>4,004</b>
<b>TOTAL ENERGY CONSUMPTION</b>	<b>MWh</b>	<b>53,615</b>	<b>50,227</b>	<b>53,904</b>

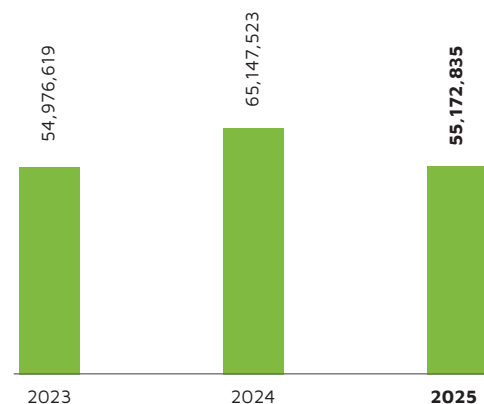
Notes:

- <sup>1</sup> Energy consumption data for FY2023 and FY2024 have been restated to align with the financial approach adopted in FY2025 and to enhance comparability across reporting periods.
- <sup>2</sup> Fuel consumption data are reported in gigajoules (GJ) and have been converted from the original units of tonnes or litres using standard conversion factors.
- <sup>3</sup> Total fuel consumption has been converted from GJ to megawatt-hours (MWh) using standard conversion factors.
- <sup>4</sup> Biomass consumption recorded was for the pilot phase of 2% biomass co-firing at TBPP in FY2024.
- <sup>5</sup> ZEC Solar and TJZ Suria fall within the Group's financial control boundary upon its full acquisition on 31 January 2025. The entities were temporarily excluded from FY2025 energy consumption data due to incomplete data governance and validation processes, and will be progressively included in future reporting cycles.

### Breakdown of Energy Consumption by Site



### Total Energy Consumption (MWh)



Our total energy consumption in FY2025 decreased by 15%, primarily due to lower overall fuel consumption. This reduction was mainly driven by an outage at TBEPP and the normalisation of gas plant output following higher baseload operations in FY2024.

For more details on our gross energy produced and emissions intensity, please refer to Climate-related Disclosures (Sustainability Statement) under Metrics and Targets on pages 237 to 239.

ENVIRONMENTAL STEWARDSHIP

**Looking Ahead**

To support industry progress and the sustainable management of energy consumption, Malakoff prioritises active collaboration with key stakeholders, particularly relevant authorities and regulators overseeing fuel supply within the power sector. These engagements enable the Group to remain aligned with evolving policy, market and system requirements while supporting responsible and efficient energy use.

As part of its transition efforts, Malakoff continues to evaluate biomass co-firing as a potential alternative renewable fuel, which could provide a cleaner and more diversified fuel mix for its plants at the Tanjung Bin Complex, subject to technical, regulatory and commercial viability.

In parallel, the Group continuously assesses new investment opportunities, taking into account targeted dispatch strategies, fuel price dynamics and market conditions to optimise generation revenue. Equally important is ensuring that Malakoff’s assets and operations remain flexible and adaptable to evolving system and dispatch requirements, enabling efficient, reliable and responsive power generation.

**M8 GHG EMISSIONS**  

**Why It Matters**

The energy sector remains the leading contributor to climate change, with CO<sub>2</sub> emissions from fuel combustion being a primary driver. Despite global mitigation efforts, emissions continue to rise at an unsustainable rate.

Malaysia contributes approximately 0.7% of global CO<sub>2</sub> emissions from fuel combustion, with total emissions reaching 252.478 MtCO<sub>2</sub> in 2023<sup>1</sup>. Over the past two decades, emissions from fuel combustion in Malaysia have surged by 119% (2000-2023), reflecting the nation’s growing energy demands and reliance on fossil fuels<sup>2</sup>. This context underscores the urgent need for proactive climate action, particularly within the energy sector.

As a major industry player, Malakoff is well positioned to drive meaningful change. Being Malaysia’s largest IPP, we are committed to reducing our GHG emissions through continuous investments in RE and energy efficiency initiatives, aligned with national and global climate commitments.

These actions help mitigate climate-related risks, including potential carbon pricing exposure and financing constraints, while strengthening our brand reputation and access to green financing. Beyond risk management, our emission reduction efforts generate broader socioeconomic benefits by supporting cleaner energy development and contributing to more resilient communities.

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

**Risks**

Higher carbon emissions increase exposure to transition risks, including potential carbon pricing mechanisms and tighter regulatory requirements. These factors may also affect access to capital, as lenders and investors increasingly integrate climate performance into financing decisions.

**Opportunities**

Proactive emissions reduction strengthens Malakoff’s sustainability credentials, enhances brand value and positions the Group to mitigate potential carbon cost exposure. These efforts also improve access to green and sustainability-linked financing, while supporting positive socioeconomic outcomes through cleaner energy solutions for local communities.

## ENVIRONMENTAL STEWARDSHIP

### Management Approach

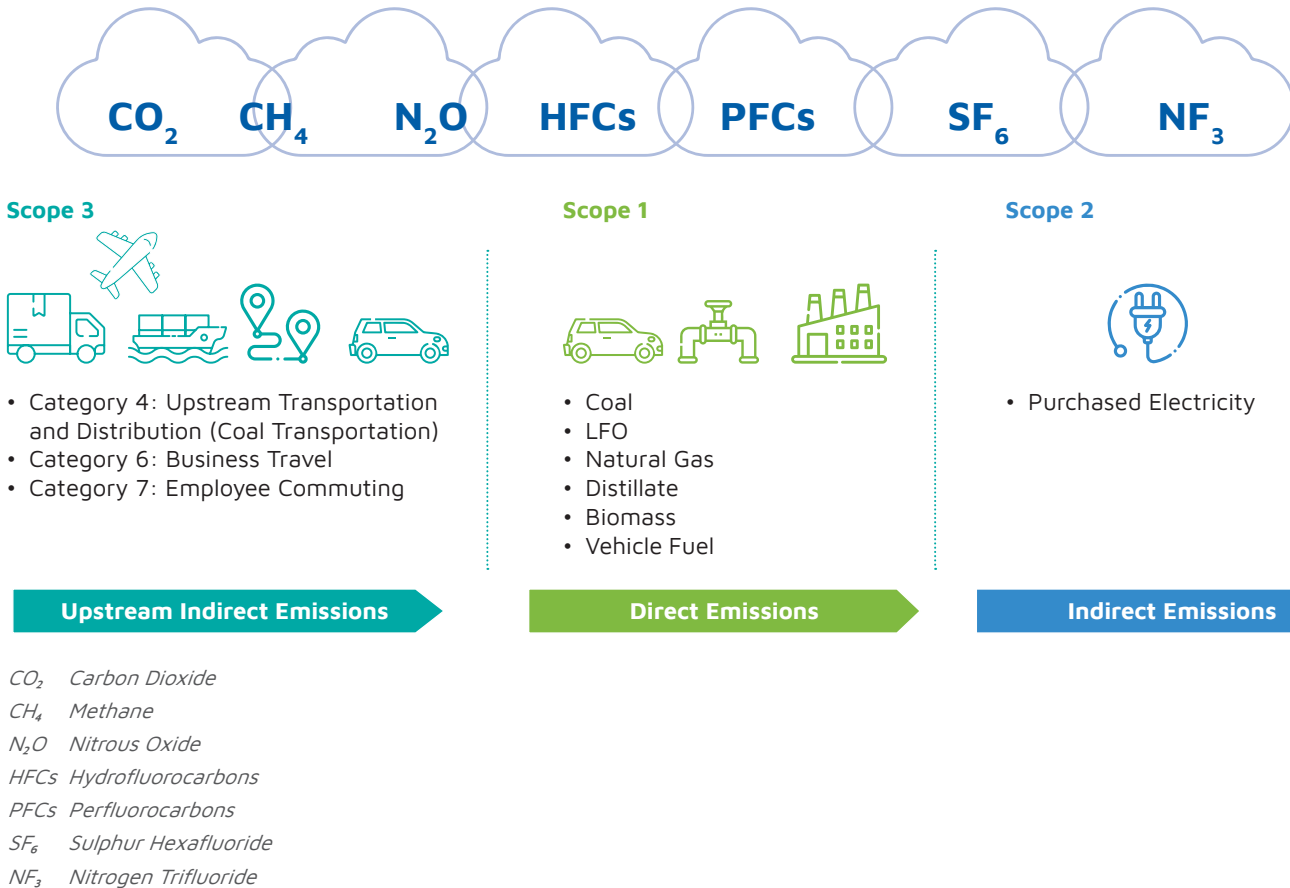
#### Understanding Our GHG Emissions | Organisational Boundaries

Historically, Malakoff applied the equity share approach, where Malakoff reports GHG emissions only from entities where we hold 51% or more equity ownership, with emissions attributed based on proportionate equity interest. This ensures emissions reporting reflects the Group’s true economic exposure and accountability, without overstating emissions from assets outside its economic control. However, from FY2025, the Group has adopted the financial control approach to closely align with its financial reporting boundary and governance structure. Malakoff’s approach to measuring and managing GHG emissions is further elaborated in the Climate-related Disclosures (Sustainability Statement) under the GHG Emissions Reporting Boundary on page 230.

The Group has also restated its base year emissions intensity and aligned its emissions intensity target following the adoption of the financial control approach, which is further clarified in the Climate-related Disclosures (Sustainability Statement) under Metrics and Targets on pages 237 to 239.

#### Understanding Our GHG Emissions | Operational Boundaries

The Group tracks and reports GHG emissions for the following categories:



ENVIRONMENTAL STEWARDSHIP

**Methodology, Inputs and Key Assumptions**

The methodology, inputs and key assumptions applied are as follows:

Scope	Measurement Approach	Inputs	Assumptions	Reasons for Measurement Approach, Inputs and Assumptions	Changes to Measurement Approach, Inputs and Assumptions in the Reporting Period
<b>Scope 1</b>	Refer to the Climate-related Disclosures (Sustainability Statement) under Metrics and Targets pages 237 to 239 for methodology, inputs and assumptions for Scope 1.				
<b>Scope 2</b>	Refer to the Climate-related Disclosures (Sustainability Statement) under Metrics and Targets pages 237 to 239 for methodology, inputs and assumptions for Scope 2.				
<b>Scope 3, Category 4</b>	Distance-based method.	Fuel purchase receipts.	Average emission factors from the United Kingdom Department for Energy Security and net zero (UK DESNZ).	UK DESNZ provides comprehensive list of emission factors for freighting goods.	Latest emission factors applied in 2025.
<b>Scope 3, Category 6</b>	Distance-based method.	Air travel, hotel accommodation and vehicle mileage claims data.	No significant changes in employee profile and organisation structure since 2024.	UK DESNZ provides a comprehensive list of emission factors for fuel combustion, modes of transport for employee commuting and hotel stay.	Latest emission factors applied in the current year.
<b>Scope 3, Category 7</b>	Distance-based method and average-data method.	Employee Commuting Survey 2024 & 2025.	Average emission factors from UK DESNZ.		



## ENVIRONMENTAL STEWARDSHIP


## Performance and Outcomes

## GHG Emissions Data Summary for Energy Business

Carbon Emissions	Unit	2023	2024	2025
<b>SCOPE 1<sup>1</sup></b>				
Coal <sup>2</sup>	tCO <sub>2</sub> e	17,356,263	19,028,476	<b>17,552,583</b>
LFO <sup>2</sup>	tCO <sub>2</sub> e	19,326	19,188	<b>15,851</b>
Natural Gas <sup>3</sup>	tCO <sub>2</sub> e	249,584	1,315,448	<b>385,061</b>
Distillate <sup>3</sup>	tCO <sub>2</sub> e	40,553	34,039	<b>132,260</b>
Vehicle Fuel Consumption	tCO <sub>2</sub> e	151	126	<b>101</b>
Biomass <sup>4</sup>	tCO <sub>2</sub> e	N/A	173	-
<b>Total Scope 1</b>	<b>tCO<sub>2</sub>e</b>	<b>17,665,876</b>	<b>20,397,450</b>	<b>18,085,857</b>
<b>SCOPE 2<sup>1</sup></b>				
Purchased Electricity (Plants)	tCO <sub>2</sub> e	54,361	37,424	<b>40,345</b>
Purchased Electricity (MUSB)	tCO <sub>2</sub> e	26,115	26,963	<b>25,800</b>
Purchased Electricity (KLHQ)	tCO <sub>2</sub> e	436	383	<b>342</b>
<b>Total Scope 2</b>	<b>tCO<sub>2</sub>e</b>	<b>80,912</b>	<b>64,770</b>	<b>66,487</b>
<b>SCOPE 3</b>				
Category 4: Upstream Transportation and Distribution (Coal Transportation) <sup>5</sup>	tCO <sub>2</sub> e	N/A	N/A	<b>170,446</b>
Category 6: Business Travel <sup>6</sup>	tCO <sub>2</sub> e	N/A	769	<b>848</b>
Category 7: Employee Commuting <sup>7</sup>	tCO <sub>2</sub> e	N/A	352	<b>1,865</b>
<b>Total Scope 3</b>	<b>tCO<sub>2</sub>e</b>	<b>N/A</b>	<b>1,121</b>	<b>173,158</b>
<b>Total Absolute Emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>17,746,788</b>	<b>20,463,341</b>	<b>18,325,502</b>
Biogenic CO <sub>2</sub> Emissions <sup>8</sup>		N/A	8,951	-

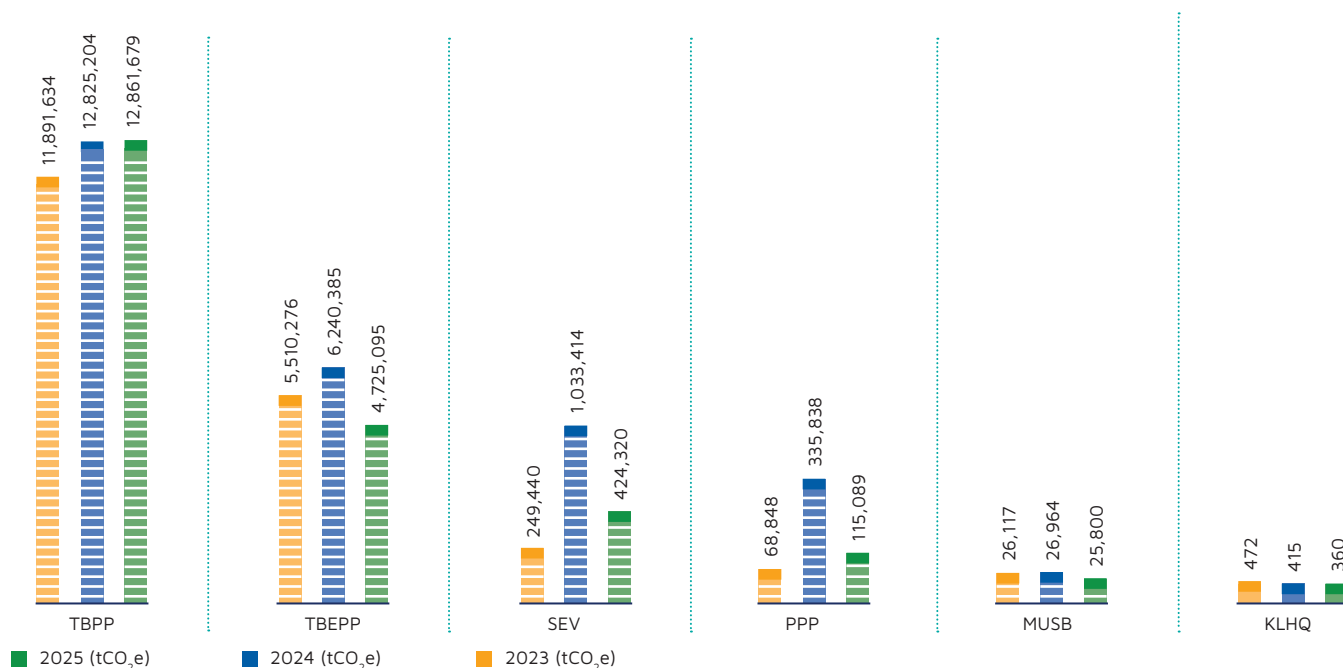
## Notes:

- <sup>1</sup> ZEC Solar and TJJ Suria fall within the Group's financial control boundary but were temporarily excluded from FY2025 Scope 1 and Scope 2 emissions due to incomplete data governance and validation processes; these entities will be progressively included in future reporting cycles. Please refer to page 237 for further explanation.
- <sup>2</sup> Coal and LFO consumption were recorded at TBPP and TBEPP. Please refer to Energy Mix and Efficiency on page 153 for total energy consumption at TBPP and TBEPP.
- <sup>3</sup> Natural gas and distillate consumptions were recorded at SEV and PPP. Please refer to Energy Mix and Efficiency on page 153 for total energy consumption at SEV and PPP.
- <sup>4</sup> Biomass consumption recorded was for the testing period of 2% biomass co-firing at TBPP in FY2024.
- <sup>5</sup> Scope 3, Category 4: Upstream Transportation and Distribution (Coal Transportation) was tracked only for TBPP and TBEPP and commenced in FY2025.
- <sup>6</sup> Tracking of Scope 3, Category 6: Business Travel commenced in FY2024.
- <sup>7</sup> Tracking of Scope 3, Category 7: Employee Commuting commenced in FY2024. From FY2025, the scope was expanded to include employees at Malakoff power plants (TBPP, TBEPP, SEV and PPP).
- <sup>8</sup> The biogenic CO<sub>2</sub> emissions for biomass is zero-rated under the GHG Protocol methodology. Biogenic CO<sub>2</sub> emissions are reported separately as "outside of scope" and not included in the total absolute emissions.

 Summary of Scope 1 and Scope 2 emissions data for the Energy business, which form the basis of the emissions intensity calculation, are presented in the Climate-related Disclosures (Sustainability Statement) under Metrics and Targets on pages 237 to 239.

ENVIRONMENTAL STEWARDSHIP

GHG Emissions Breakdown by Site (Scope 1 and Scope 2)



Continuous Non-GHG Emissions Monitoring

Plant	Unit	2023 (mg/m <sup>3</sup> )		2024 (mg/m <sup>3</sup> )		2025 (mg/m <sup>3</sup> )	
		SO <sub>x</sub>	NO <sub>x</sub>	SO <sub>x</sub>	NO <sub>x</sub>	SO <sub>x</sub>	NO <sub>x</sub>
TBPP	U10	270.71	276.71	297.05	176.01	458.27	204.88
	U20	366.67	412.13	303.66	198.63	262.22	176.92
	U30	155.39	150.00	178.31	257.5	173.13	173.10
TBEPP	-	247.58	169.99	268.12	166.35	283.80	182.60
SEV	Unit 11	0.00	7.59	0.00	11.63	0.00	2.90
	Unit 12	0.00	1.14	0.00	6.57	0.00	2.37
	Unit 13	0.00	7.46	0.00	20.61	0.00	11.79
	Unit 21	0.79	2.08	0.00	6.66	10.90	13.54
	Unit 22	0.00	0.74	2.22	2.38	0.00	15.93
	Unit 23	0.00	1.95	0.00	17.94	0.00	14.38
PPP	-	1.79	14.28	3.50	19.90	2.25	11.22

The non-GHG emissions data recorded above are daily averages for FY2025. Throughout the year, we have diligently monitored our non-GHG emissions. Based on monitoring outcomes, we are pleased to report that TBPP, SEV and PPP recorded non-GHG emissions within prescribed limits, while TBEPP demonstrated high overall compliance exceeding 98% with CAR2014 requirements for FY2025, indicating consistent implementation of emissions control measures.

SO<sub>x</sub> Sulphur Oxides  
NO<sub>x</sub> Nitrogen Oxides

ENVIRONMENTAL STEWARDSHIP

GHG Emissions Data Summary for Environmental Solutions

Carbon Emissions	Unit	2023	2024	2025
<b>SCOPE 1</b>				
Fuel Consumption (Diesel)	tCO <sub>2</sub> e	12,489	11,003	<b>12,131</b>
Fuel Consumption (Petrol)	tCO <sub>2</sub> e	429	481	<b>454</b>
Total Scope 1	tCO <sub>2</sub> e	12,918	11,484	<b>12,585</b>
<b>SCOPE 2</b>				
Purchased Electricity (Concession)	tCO <sub>2</sub> e	759	839	<b>838</b>
Purchased Electricity (Non-Concession)	tCO <sub>2</sub> e	1,062	2,782	<b>2,124</b>
Total Scope 2	tCO <sub>2</sub> e	1,821	3,621	<b>2,963</b>
<b>SCOPE 3</b>				
Category 7: Employee Commuting <sup>1</sup>	tCO <sub>2</sub> e	N/A	N/A	<b>256</b>
Total Scope 3	tCO <sub>2</sub> e	N/A	N/A	<b>256</b>
<b>Total Absolute Emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>14,739</b>	<b>15,105</b>	<b>15,804</b>

Note:

<sup>1</sup> Tracking of Scope 3, Category 7: Employee Commuting started in FY2025, which included Alam Flora Group employees who had been relocated to the Kuala Lumpur office from the Shah Alam office during the year, noting that the relocation was undertaken on a phased basis.

**Our Initiatives**

Malakoff has undertaken a range of measures to support GHG emissions management and transition readiness, recognising that these impacts will materialise progressively over time.



Grew RE portfolio more than 4 times to

**766 MW**

2024: 173 MW



Managing fleet emissions through Diesel Exhaust Fluid (DEF) use in Euro 5 engines



**Avoiding** carbon emissions of **47,188 tCO<sub>2</sub>e** from our **solar** generation in 2025

**Looking Ahead**

Looking ahead, the Group will continue to strengthen the measurement and management of its GHG emissions in line with its Climate Transition Plan, as set out in the Climate-related Disclosures (Sustainability Statement) under Metrics and Targets. The Group will prioritise actions and investments that support the achievement of its emissions intensity target for the Energy business, based on Scope 1 and Scope 2 emissions, while progressively enhancing data quality, coverage and governance across the Group.

As reporting capabilities mature and regulatory expectations evolve, the Group will continue to refine its emissions metrics, assumptions and methodologies to ensure consistency, transparency and decision-useful disclosure.



*Delivering RE solutions through C&I rooftop solar installations, contributing to cleaner energy adoption.*

ENVIRONMENTAL STEWARDSHIP

**M12 WASTE MANAGEMENT AND EFFLUENTS**



**Why It Matters**

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.

**Risks**

Poor management may lead to environmental pollution and social impacts resulting in fines and punitive measures as well as reputational damage.

**Opportunities**

Circular economy initiatives can lead to reduced cost, increased efficiency and new revenue streams. Additionally, good waste management practices can enhance regulatory compliance and strengthen stakeholder confidence.

**Management Approach**

We remain committed to managing waste generated from our operations in compliance with the EQA 1974. Our waste management efforts are focused on scheduled waste (SW) 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 SW, we engage licensed contractors for disposal at prescribed premises, ensuring full compliance with the Department of Environment (DOE) regulations. This includes ensuring that all the SW maintenance sites utilised by TBPP, TBEPP, SEV and PPP meet the Environmental Quality (Scheduled Waste) Regulations 2005. To continuously improve our SW management practices, we conduct regular internal audits and site inspections.

**SW**

We continue to manage our SW, including fly ash, bottom ash, used oil and chemicals from power plants 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 SW 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 (eSWIS), ensuring transparency, accountability and adherence to regulatory requirements.

Licensed domestic contractors collect internally generated SW, 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 scrap yards and are responsibly disposed of by licensed contractors. In our offices, we encourage recycling among employees through strategic placements of recycling bins.

ENVIRONMENTAL STEWARDSHIP

Performance and Outcomes

Waste Generated at Our Operations

In FY2025, we recorded the following levels of SW across our plants and depots:

Plants	SW Treatment (tonnes)		
	Total waste generated	Waste diverted from disposal	Waste directed to disposal
TBPP <sup>1</sup>	150.59	57.11	93.48
TBEPP <sup>2</sup>	85.17	0.00	85.17
SEV <sup>3</sup>	5.36	2.10	1.93
PPP <sup>4</sup>	2.65	0.00	2.65
Alam Flora <sup>5</sup>	30.62	23.33	7.28
<b>Total</b>	<b>274.39</b>	<b>82.54</b>	<b>190.51</b>

SW Codes



**SW1**

Metal & Metal-Bearing Wastes

**SW102 | SW103 | SW104  
SW109 | SW110**



**SW2**

Wastes Containing Principally Inorganic Constituents

**SW204**



**SW3**

Wastes Containing Principally Organic Constituents

**SW305 | SW306  
SW307 | SW311 | SW312  
SW325**



**SW4**

Wastes Containing Either Organic or Inorganic Constituents

**SW409 | SW410  
SW417 | SW421  
SW429**

Notes:

<sup>1</sup> SW at TBPP include SW103, SW109, SW110, SW204, SW305, SW307, SW325, SW409, SW410, SW417, SW421, SW429.

<sup>2</sup> SW at TBEPP include SW103, SW110, SW204, SW305, SW307, SW311, SW409, SW410, SW429.

<sup>3</sup> SW at SEV include SW110, SW305, SW307, SW312, SW409, SW410, SW417, SW429. As at 31 December 2025, a balance of 1.4 tonnes remained on hand. Accordingly, the treatment data for this balance will be carried forward and reported in the subsequent year.

<sup>4</sup> SW at PPP include SW110, SW305, SW409, SW410, SW429.

<sup>5</sup> SW at Alam Flora include SW102, SW305, SW409, SW410.

ENVIRONMENTAL STEWARDSHIP

At TBPP and TBEPP, we have third-party offtake agreements 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 (tonnes)**

**490,178**

FY2024: 485,898  
FY2023: 413,247

**TBEPP (tonnes)**

**89,189**

FY2024: 95,409  
\*FY2023: 93,254

**TOTAL (tonnes)**


**579,367**

FY2024: 581,307  
\*FY2023: 506,501

Note:

The ash recycled figure at TBEPP has been restated following the inclusion of offtake data from an additional offtaker that was not captured in FY2023 data.

Through the implementation of a cradle-to-cradle life cycle process, the Tanjung Bin Complex continues to strengthen responsible waste management practices. In 2025, TBPP and TBEPP collectively diverted 579,367 tonnes of fly ash and bottom ash from landfill through beneficial reuse, reflecting our continued commitment to effective coal ash management.

 For further information about this initiative, please refer to our Impact Story: Energy on pages 216 to 218.

**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 to 1,000°C to approximately 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.

**Achievements**

Alam Flora received the **Environmental Sustainability Excellence Award** from the Waste Management Association of Malaysia (WMAM), reflecting our continued commitment to sustainable waste management.

**82.54 tonnes**

SW from our operations diverted from landfill

**579,367 tonnes**

fly ash and bottom ash diverted from landfill

**Zero** leachate discharge achieved through on-site treatment and reuse in the incineration process

**Looking Ahead**

As we move forward, Malakoff remains resolute in its commitment to effective waste management and effluent control. The data on SW 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 not only meet but exceed regulatory requirements, protect our natural resources and contribute to the well-being of our communities.

## ENVIRONMENTAL STEWARDSHIP

## M13 COAL ASH MANAGEMENT



### Why It Matters

Responsible coal ash management is integral to Malakoff's environmental stewardship. Coal ash, if not properly managed, has the potential to adversely affect soil and water quality, with implications for ecosystems, communities and regulatory compliance. Accordingly, we apply disciplined controls across the handling, storage and disposal of coal ash to safeguard the environment and public health.

Beyond risk mitigation, coal ash also presents opportunities for value creation. Through beneficial reuse, particularly in the production of construction materials such as cement and concrete, we are able to divert waste from disposal pathways, reduce reliance on virgin raw materials and generate incremental economic value. This approach supports our commitment to resource efficiency and the principles of a circular economy.

### Risks

Ineffective management of coal ash could result in environmental contamination, regulatory non-compliance and reputational harm. Such incidents may lead to remediation costs, operational disruptions and heightened regulatory and stakeholder scrutiny.

### Opportunities

Coal ash can be repurposed for approved downstream applications, including use as supplementary material in construction. Expanding beneficial reuse reduces the volume of waste requiring disposal, lowers environmental impact and creates opportunities for additional revenue streams. Over time, this also strengthens collaboration with downstream partners and contributes to broader circular economy outcomes.

### Management Approach

Coal ash generated from our power plants is managed in accordance with the DOE's Environmental Quality (Scheduled Wastes) Regulations 2005, supported by our internal Sell-off Fly Ash Guideline. These frameworks establish requirements for the handling, storage, transportation and disposal of coal ash, as well as controls governing third-party utilisation. Through these measures, we aim to ensure regulatory compliance, minimise environmental risks and maximise opportunities for responsible reuse.



Overview of coal handling operations at Tanjung Bin Power Plant, illustrating key material transfer and storage processes.

ENVIRONMENTAL STEWARDSHIP



The SEV power plant in Lumut, Perak is the second largest IPP-owned CCGT plant in Malaysia.



The GB3 power plant in Lumut, Perak utilises CCGT technology to generate higher electricity output with greater efficiency while using the same fuel.

**Performance and Outcomes**

At TBPP and TBEPP, we have established third-party offtake arrangements to recycle coal ash generated at the Tanjung Bin Complex into construction materials, including use as sand replacement.

From 2023 to 2025, we have recycled bottom ash and fly ash generated from TBPP and TBEPP as follows:

**TBPP**

**Total Tonnage**  
**490,178**  
 FY2024: 485,898  
 FY2023: 413,247

**TBEPP**

**Total Tonnage**  
**89,189**  
 FY2024: 95,409  
 FY2023: 93,254

**TOTAL 3-YEAR TONNAGE**  
**1,667,175**

In 2025, TBPP and TBEPP collectively diverted 579,367 tonnes of fly ash and bottom ash from landfill through beneficial reuse, supporting a cradle-to-cradle life cycle approach.

*Our approach to managing coal combustion ash is illustrated through the **From Coal to Circular: The Tanjung Bin Complex Story** impact case study (pages 216 to 218), which demonstrates how our waste management systems and circular economy practices are implemented at scale, including the reuse of coal ash in construction materials.*

**Looking Ahead**

Malakoff remains committed to strengthening its coal ash management practices in line with regulatory requirements and evolving best practices. We will continue to prioritise safe handling and responsible utilisation while exploring viable opportunities to expand beneficial reuse, supporting environmental protection, operational efficiency and long-term value creation.

## ENVIRONMENTAL STEWARDSHIP

## M15 ASSET LIFE CYCLE AND INTEGRITY



### Why It Matters

Power plant assets are critical to ensuring uninterrupted electricity generation, making their proper management essential. Regular monitoring, maintenance and appropriate financial investment are necessary to sustain their efficiency and longevity. A well-structured life cycle management approach plays a pivotal role in asset management by establishing a systematic process that ensures assets operate effectively while preserving their integrity from installation to decommissioning. Effective life cycle management enhances the reliability of power plant assets, minimising the risk of failures and maximising operational efficiency to support consistent energy production.

### Risks

Poor asset management can lead to stranded assets over the medium and long-term.

### Opportunities

Proactive life cycle planning and well-designed transition strategies enable the extension of asset life where appropriate, while supporting a more strategic and orderly transition. This approach improves cost management, reduces operational disruption and enhances long-term business resilience.

### Management Approach

Strengthening the operational reliability of our plants remained a priority, and we achieved this by implementing rigorous due diligence measures and planned maintenance outages to strengthen the operational reliability of our plants.

Each power plant has a dedicated maintenance team responsible for managing and overseeing the performance of critical assets. These teams employ a robust maintenance strategy that integrates predictive and preventive measures to identify and address potential issues before they escalate. Additionally, they implement timely and effective corrective maintenance to resolve any unforeseen equipment failures. This proactive and systematic approach ensures that our assets consistently operate efficiently, extending their lifespan beyond the anticipated operational period while minimising downtime and enhancing overall reliability.

### Performance and Outcomes

To illustrate our dedication to preserve our assets at its best condition, we participated in the EC's Category 1 competitive bidding exercise, and successfully received confirmation that all three of our gas plants had been selected for an operational extension for a combined capacity of 2,082 MW.

These gas plants are SEV, GB3 and PPP. SEV is currently operating under its first PPA extension from 2017 to 2027, and the Category 1 bidding granted another extension from 1 July 2027 to 31 December 2029. PPP completed its first PPA extension in August 2025 and is expected to resume operations from 1 April 2026 to 31 March 2030, hereby making the Category 1 extension the second PPA extension for both SEV and PPP. For GB3, it received an extension approval for the period of 1 January 2027 to 31 December 2029 and will be the first extension following the expiry of its original PPA in December 2022.

All of these extensions go beyond their original 21-year PPA term. This achievement underscores our capability to 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.

ENVIRONMENTAL STEWARDSHIP

Malakoff's Thermal Assets



Tanjung Bin Power Plant, Johor



Tanjung Bin Energy Power Plant, Johor



Prai Power Plant, Penang



Segari Power Plant, Perak

 For more details please refer to the Energy Business Review on pages 96 to 113.

Looking Ahead

Looking ahead, Malakoff will continue to strengthen its asset life cycle and integrity management to support safe, reliable and efficient operations across its portfolio. We will maintain a disciplined approach to maintenance planning, condition monitoring and capital investment to preserve asset value while mitigating operational and environmental risks.

As the energy landscape continues to transform, we will also assess the long-term role of our assets within a transitioning energy system. This includes evaluating options to optimise asset performance, extend operational life where appropriate or plan orderly transitions in line with regulatory developments, market conditions and sustainability considerations. Through this balanced approach, we aim to ensure resilience, operational continuity and responsible stewardship of our assets over the medium to long-term.

## ENVIRONMENTAL STEWARDSHIP

### M17 WATER MANAGEMENT 6 7 11 12 13 14 15

#### Why It Matters

Water availability and quality are critical to the reliability and productivity of Malakoff’s Energy and Environmental Solutions operations. Our power plants rely on both freshwater and seawater, including seawater for cooling to support safe and efficient operations. Disruptions to water access or changes in water conditions could adversely affect plant efficiency, availability, and operating costs. Effective water management through optimised seawater cooling, water reuse and reduced reliance on utility-sourced freshwater, helps strengthen operational resilience, manage cost exposure and safeguard long-term asset performance.

#### Risks

Reduced availability or changes in freshwater or seawater quality and temperature may disrupt operations, reduce plant efficiency and availability and increase water treatment or sourcing costs.

#### Opportunities

Improved water efficiency, reuse, alternative sourcing and optimisation of cooling and process water systems may reduce costs, strengthen operational resilience and support long-term asset performance.

#### Management 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 EQA 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 (PBAPP), Syarikat Air Johor (SAJ) and Lembaga Air Perak (LAP), ensuring the 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

#### Performance and Outcomes

##### Water Monitoring and Efficiency Initiatives

##### Power Generation Operations

At TBPP, we implemented continuous monitoring of raw water consumption through the installation of flow meters at the submerged chain conveyor and blowdown tank. This enabled daily consumption to be tracked against normal operating thresholds and supported early detection of system faults or inefficiencies. Condensate water make-up was also monitored to maintain water balance across operations. Swift corrective actions were taken when deviations occurred, which helped to minimise water wastage and maintain operational stability.

ENVIRONMENTAL STEWARDSHIP

At TBEPP, water efficiency efforts focused on reducing the frequency of Flue Gas Desulfurisation Gas-Gas Heater washing. This operational optimisation resulted in a significant reduction in water consumption while maintaining system performance.

Similarly, PPP prioritised the optimisation of the Auxiliary Boiler operations to conserve water and improve overall system efficiency.

At SEV, improvements to the Heat Recovery Steam Generator water blowdown operations reduced water usage while maintaining operational reliability.

**Seawater Monitoring and Environmental Protection**

In addition to freshwater management, we conduct regular seawater monitoring at intake and discharge points across our power plants. Seawater temperature is closely monitored to ensure it remains below 40°C, helping to prevent adverse impacts on marine life and maintain ecological balance in surrounding waters.

**Environmental Solutions Operations**

Through our Environmental Solutions business, we incorporate rainwater harvesting systems for housekeeping and landscaping purposes. We also implement leachate treatment systems to reduce the use of raw water in incinerators for temperature control. These initiatives contribute to lower freshwater demand while supporting safe and efficient plant operations.

**Raw Water Consumptions Data**

Throughout FY2025, we recorded a total of 2,749,395 m<sup>3</sup> or 2,749 megalitres of water consumed.

**Water Consumption m<sup>3</sup>**



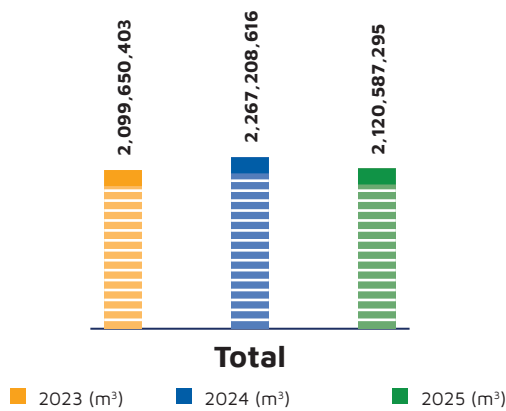
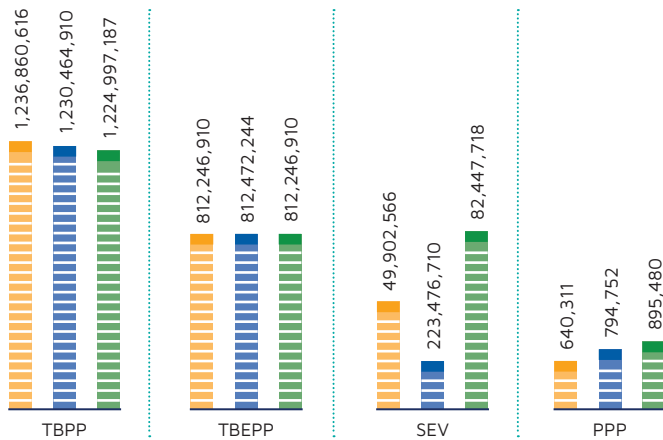
\* Figures have been restated to reflect consumptions based on the financial control approach.

## ENVIRONMENTAL STEWARDSHIP

In FY2025, a 1.35% reduction in total water consumption was recorded compared to FY2024. This marginal decrease reflects our ongoing efforts to manage water use efficiently across operations.

### Seawater Withdrawal Data

The table below presents total seawater withdrawn for cooling across Malakoff’s four coastal power plants. As seawater is non-freshwater and is returned to the marine environment following use, this metric is disclosed to provide transparency on operational scale, rather than as an indicator of freshwater stress or consumption:



In 2025, we recorded a total of 2,120,587,295 m³ or 2,120,587 megalitres of seawater withdrawn. All seawater withdrawn were used exclusively for cooling purposes. This reflects the design of our coastal power plants, where seawater is circulated for thermal regulation and returned to the marine environment after use in accordance with regulatory requirements, reducing reliance on freshwater resources and mitigating exposure to freshwater availability risks.

### Looking Ahead

As we continue to ramp up our operations, we are taking 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.



*Effective management is therefore essential to maintain marine and coastal environments while ensuring Malakoff’s operations remain environmentally responsible, compliant and sustainable over the long-term.*

ENVIRONMENTAL STEWARDSHIP

**M20 BIODIVERSITY** 

**Why It Matters**

Malakoff’s operations are located across diverse coastal and terrestrial environments, some of which are internationally and nationally recognised for their ecological significance. Several power plants are situated within or in close proximity to environmentally sensitive areas (ESA) and key biodiversity areas (KBA).

Operating in or near such environments heightens the importance of responsible biodiversity management, as operational activities, particularly those involving seawater withdrawal and discharge for cooling purposes, may interact with surrounding marine and coastal ecosystems. Effective biodiversity management is therefore critical to ensuring that Malakoff’s operations remain environmentally responsible, legally compliant, and resilient over the long-term.

**Power Plant Operations in ESAs and KBAs**

The table below summarises the proximity of Malakoff’s key operational sites to designated ESAs and KBAs, based on publicly available information and national planning references.

Plants	Proximity to ESAs or KBAs
TBPP	Located within Ramsar Sites, which form part of the Southwest Johor Coast KBA, recognised for mature mangrove ecosystems and globally significant biodiversity.
TBEPP	
SEV	Located near Pantai Pasir Panjang Segari, identified under the National Physical Plan 3 as an ESA due to its function as a turtle landing site. No KBA has been identified.
PPP	Not located within or immediately adjacent to any designated ESA or KBA.

**Regulatory Compliance and Operational Readiness**

Biodiversity management is integral to ensuring Malakoff’s operations remain in compliance with applicable environmental requirements, including Environmental Impact Assessment (EIA) approval conditions and environmental permitting obligations, particularly for facilities utilising seawater for cooling. Effective management of marine and surrounding ecosystem impacts supports continued adherence to regulatory limits, monitoring requirements and licence conditions, and underpins ongoing operational readiness and continuity.

**Risks**

Adverse impacts on marine or terrestrial biodiversity may result in non-compliance with environmental regulations, permit conditions, or EIA commitments, potentially leading to operational restrictions, enforcement actions, or remediation requirements.

**Opportunities**

Effective biodiversity management and proactive conservation initiatives may support regulatory compliance, strengthen stakeholder confidence and enhance Malakoff’s standing as a responsible operator.

**Management Approach**

Malakoff prioritises environmental protection and biodiversity preservation through the implementation of its Environmental Policy, which is aligned with the EQA 1974 and relevant regulatory requirements.

## ENVIRONMENTAL STEWARDSHIP

### Our Initiatives

#### Environmental Monitoring at Our Operations

Environmental monitoring is conducted across Malakoff’s operations and is typically carried out by qualified third-party consultants. Monitoring programmes are designed to meet regulatory requirements and EIA conditions, and to detect potential impacts on marine, coastal, and surrounding ecosystems. Findings from monitoring activities are used to support compliance assurance, inform operational controls and enable timely corrective actions where required.

#### TBPP & TBEPP - Marine Ecology Monitoring Report

##### Marine Ecology

- Comprises both physical (sediment quality) and biological (phytoplankton, zooplankton, macrobenthos, fisheries and mangrove) components

##### Mangroves

- Monitors the natural environment - mangroves (crabs, mammals, gastropods) and marine fishes

#### SEV - Environmental Monitoring Report

- 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

#### PPP - Marine Ecology Monitoring Report

##### Marine Ecology

- Consists of phytoplankton, zooplankton, macrobenthos and fishes

Marine ecology monitoring is undertaken on a quarterly or biannual basis to assess the condition of the marine environment and identify potential changes over time.

Seawater monitoring is also conducted at intake and discharge points at our power plants, with temperature monitored to ensure it remains below 40°C. This helps manage thermal impacts on marine life and maintain ecological balance in surrounding waters.

#### Educational Programmes

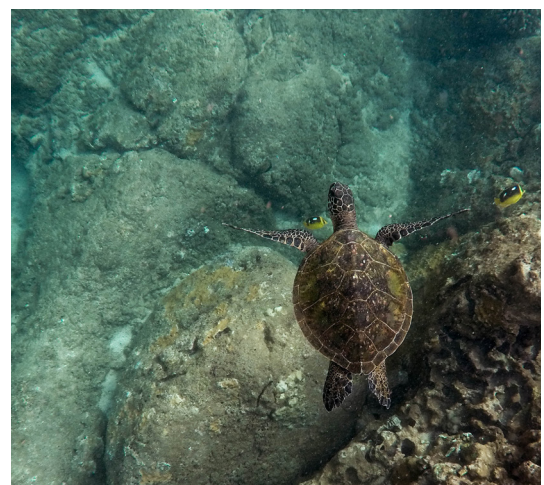
- *Jom Plogging "Saya Sayang Bumi"* Event at Pantai Cherok in Paloh Kuantan, Pahang
- *Jom Plogging "Saya Sayang Bumi"* Carnival Campaign in Conjunction with the Kuantan Car Free Day Programme, Eco Dash 2025: Together for A Cleaner Future
- CSR Beach Cleanup & Environmental Education, Perhentian Island



#### "Saya Sayang Bumi" ("I Love the Earth") Plogging Event,

Alam Flora organised the *Jom Plogging* – “*Saya Sayang Bumi*” programme at Pantai Cherok, Paloh, Kuantan, which involved 200 participants, collected 1,312 kg of waste, mainly plastic and glass, reflecting strong community commitment to environmental protection.

The programme brought together youth volunteers, local authorities, university volunteers and village representatives, demonstrating collaborative community action. As part of coastal restoration efforts, 150 trees were planted, supported by the Pahang State Forestry Department, underscoring Alam Flora’s ongoing commitment to environmental conservation and sustainability for future generations.



*Environmental monitoring activities are conducted to safeguard marine, coastal and surrounding ecosystems.*

ENVIRONMENTAL STEWARDSHIP



**Malakoff Marks Merdeka with Marine Conservation in Pulau Aur**

In conjunction with Malaysia’s Merdeka celebrations and World Beach Day, Malakoff organised a Marine Conservation Programme at Pulau Aur, Johor in collaboration with the Johor State Fisheries Office and local stakeholders. Held on 28 and 29 August 2025, the initiative included beach and underwater clean-up activities, removal of ghost nets and invasive Crown-of-Thorns starfish, and community engagement efforts aimed at protecting coral reef ecosystems and supporting marine biodiversity in the surrounding waters.

**Achievements**

As a result of our monitoring and initiatives, the power plants achieved the following during the reporting period:

<b>TBPP</b>	
<b>SEV</b>	ZERO non-compliance with environmental laws & regulations in FY2025
<b>PPP</b>	
<b>TBEPP</b>	ZERO non-compliances with environmental laws & regulations in FY2025, with *the exception of the CAR2014, under which TBEPP achieved a high compliance rate of 98.7%.

 \*Please refer to GHG Emissions on pages 155 to 160 for further details on TBEPP’s performance for CAR 2014.

**Looking Ahead**


Malakoff will continue to abide by its Environmental Policy and strengthen environmental monitoring across its operations, with a focus on early detection, timely response and continuous improvement. The Group will also enhance engagement with local communities through targeted outreach and awareness programmes, recognising the value of collaboration in supporting environmental stewardship. Through these efforts, Malakoff seeks to promote biodiversity awareness, reinforce responsible operational practices and encourage collective action towards a sustainable and resilient operating environment.

# SOCIAL STEWARDSHIP

## EMPOWERING OUR PEOPLE AND SUPPORTING OUR COMMUNITIES

Social stewardship is integral to Malakoff’s approach, shaping how we build a resilient, capable workforce and contribute meaningfully to the communities we serve. We are committed to fostering an inclusive and agile organisational culture that provides equal opportunities for employees to grow, supported by a safe, healthy and respectful work environment.

Through strong people practices, a firm focus on health and safety, and purposeful community engagement, we seek to enhance workforce well-being, strengthen organisational capability and create shared value for our stakeholders.

SOCIAL STEWARDSHIP HIGHLIGHTS		
 <p><b>56,653,366 man-hours</b> worked, reflecting the <b>vital role</b> of our workforce in delivering <b>essential services</b></p>	<p><b>5,308</b> employees trained on <b>health and safety standards</b></p>	 <p><b>100%</b> employees and contractors covered by <b>OSH Management System</b></p>
<p>Invested <b>RM2.20 million</b> in employee training programmes, resulting in <b>40,924 training hours</b></p>	<p><b>Conducted 162</b> Certification Programmes with <b>803</b> Participants <b>Certified</b></p>	<p><b>ZERO</b> substantiated complaints concerning <b>human rights violation</b> and <b>discrimination cases</b> reported</p>
<p><b>RM1.58 billion</b> distributed to our <b>stakeholders</b> including suppliers, employees, Government, capital providers, shareholders and community</p>	<p><b>RM369,290</b> invested in <b>community programmes</b></p>	<p><b>5,000</b> beneficiaries reached through <b>community initiatives</b></p>

## OUR APPROACH

Social stewardship is central to Malakoff’s purpose of enhancing life and enriching communities. As a key participant in Malaysia’s energy sector, an industry that supports approximately 25% of the national workforce, we recognise our responsibility to protect people, uphold fair labour practices and contribute positively to society, while supporting the nation’s energy transition.

Our approach is guided by the National Energy Policy 2022–2040, the Occupational Safety and Health (Amendment) Act 2022 (Act A1648) and international principles, including the United Nations Global Compact (UNGC), of which we have been a member since 2023.

### Workforce Health, Safety and Well-being

The safety and well-being of our employees and contractors are our highest priority. We implement structured Occupational Safety and Health (OSH) practices aligned with Act A1648, focusing on hazard identification, risk assessment, incident prevention and continuous improvement. These standards apply across our operations and extend to contractors and business partners, reflecting our commitment to a strong and consistent safety culture.

### Human Capital Development

In support of national energy priorities, we invest in developing a skilled, adaptable and future-ready workforce. Our talent management initiatives focus on upskilling and reskilling to meet evolving operational, technological and sustainability-related needs, strengthening workforce resilience and long-term capability.

### Human Rights and Responsible Labour Practices

Aligned with the UNGC Ten Principles, we are committed to respecting internationally recognised human rights and promoting fair and ethical labour practices across our operations and value chain. We do not tolerate forced labour, child labour, discrimination or harassment, and embed these expectations within our policies and codes of conduct.

### Communities and Governance

We engage proactively with communities where we operate to manage social impacts and create shared value through responsible and inclusive initiatives.

SOCIAL STEWARDSHIP

**MATERIAL SOCIAL MATTERS**

Our Social Material Matters represent the key people- and community-related issues that are most significant to our business and stakeholders. These include OSH to protect employees and contractors; Stakeholder Management and Engagement to maintain trusted relationships; and Talent Management and Development to build a capable and future-ready workforce. We also focus on Human and Labour Rights to uphold fair and ethical practices, and Community Impact to create positive and lasting outcomes in the communities where we operate.



The following section sets out Malakoff’s Material Social Matters under Social Stewardship, as identified through our materiality assessment.



SOCIAL STEWARDSHIP

M3 OCCUPATIONAL SAFETY AND HEALTH



**Why It Matters**

OSH is critical to Malakoff as it safeguards the well-being of our employees and contractors while supporting safe and reliable operations. Effective OSH practices help minimise accidents and injuries, reducing unplanned disruptions and downtime. More importantly, our focus on OSH fosters a safe, sustainable and conducive work environment, ensuring that everyone can return home safely at the end of each workday.

**Risks**

Workplace accidents have the potential to disrupt operations, reduce productivity and result in legal and regulatory consequences, as well as incurring higher insurance costs.

**Opportunities**

Strong OSH programmes help minimise occupational accidents and fatalities, thereby reducing operational disruptions and associated costs. A proactive safety culture also strengthens employee confidence and morale, while contributing to more competitive insurance premiums and long-term cost efficiencies.

**Management 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 System, 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.

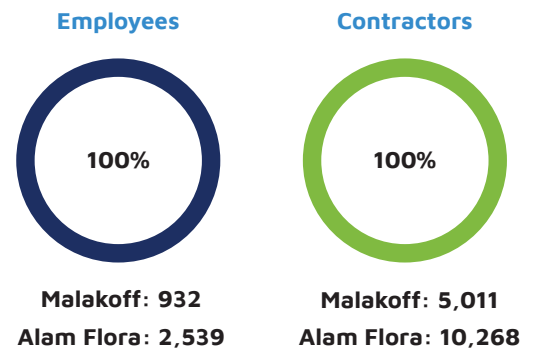
**OSH Management System**

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 below:

**Employees and Contractors Covered by OSH Management System**



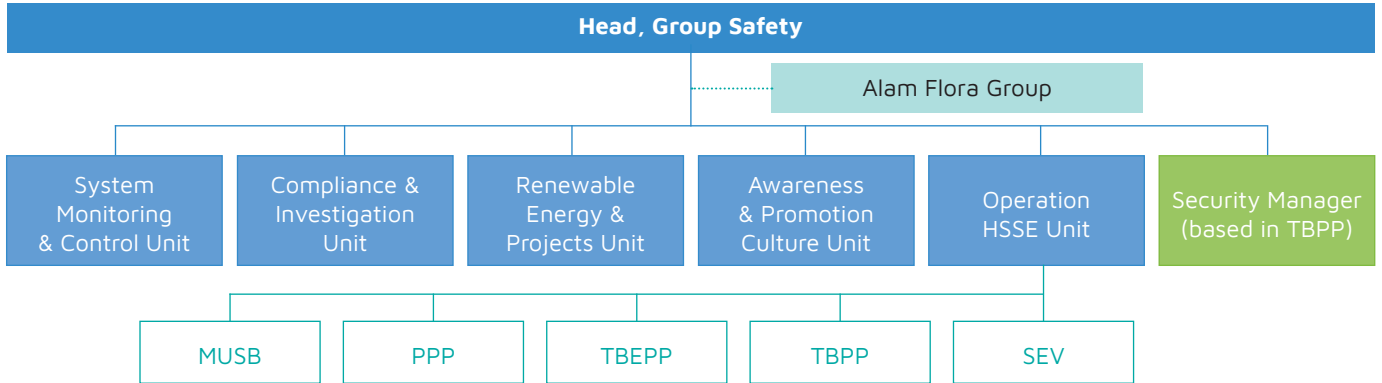
Note: "Employees" refers to the definition provided in the Occupational Safety and Health Act A1648 Amendment 2022, Section 3(a)(xii), while "Contractor" refers to the definition in Section 3(a)(iv), which includes in-house contractors and other contractors.

**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 OSHA 2022.

SOCIAL STEWARDSHIP



**Hazard Identification, Risk Assessment and Risk Control (HIRARC)**

We identify and assess work-related hazards through a systematic approach involving the operation team and Health, Safety, Security and Environment (HSSE) teams, as illustrated in the following diagramme:












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..

## SOCIAL STEWARDSHIP

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, an investigation committee is formed 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.

SOCIAL STEWARDSHIP

**HSSE Programmes**

In 2025, we remain committed to organising the following initiatives, prioritising awareness, training and well-being for employees and contractors alike:

- HSE Week Day
- Contractor Outage Safety Forum
- Virtual Fun Run
- Group Safety Awareness Quiz
- Mass Toolbox Talk for Employees and In-House Contractors
- Fire Watcher Training
- HSE Committee Training
- Hearing Conservation Training
- AGT New and Refresher Training
- Advanced First Aid Training
- Ergonomic Refresher Training
- Management Walkdown
- Plant Safety Inspection
- Bomb Threat Drill with Polis Diraja Malaysia (PDRM)



*Safe operations are achieved through disciplined execution, hazard identification, and continuous monitoring of operational risks.*

**Performance and Outcomes**

**OSH Training for Employees**

In 2025, a total of 5,308 employees were trained across various programmes, both in Energy and Environmental Solutions operations:



**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 (PPE) and safety equipment, with rigorous monitoring to ensure compliance.

**Primary Work-related Injuries**



Reportable Lost Time Injury



Medical Treatment Injury



Non-Reportable Lost Time Injury



First Aid Injury

## SOCIAL STEWARDSHIP

**Health and Safety Performance: Energy**

During the reporting period, the Lost Time Incident Rate (LTIR) for Energy business increased to 1.02 from 0.42 in 2024.

Year	2023		2024		2025	
Category	Employees	Contractors	Employees	Contractors	Employees	Contractors
<b>Fatalities as a result of work-related injury</b>						
Number	0	1	0	0	0	3
Rate	0	0.15	0	0	0	0.84
<b>High-consequence work-related injuries</b>						
Number	0	0	0	0	0	0
Rate	0	0	0	0	0	0
<b>Recordable work-related injuries</b>						
Number	8	6	2	7	2	16
Rate	3.20	1.34	5.03	33.42	0.61	4.48
<b>Number of hours worked</b>	2,503,284	4,479,928	2,515,187	4,773,572	3,291,476	3,572,212
<b>LTIR</b>	<b>0.73</b>		<b>0.42</b>		<b>1.02</b>	
<b>Number of incidents recorded</b>	<b>35</b>		<b>21</b>		<b>38</b>	

## 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 in-house contractors and other contractors under Section 3(a)(iv). Contractors are considered as non-employees.
- Serious bodily injuries are defined under Section 54 (4<sup>th</sup> Schedule, Subsection 3(1)).
- The injury rates are calculated based on 1,000,000 hours worked.

The increase in LTIR was primarily driven by a small number of high-severity incidents during the year, including an incident involving one of the coal unloaders at the Tanjung Bin Complex jetty during scheduled maintenance work by a contractor, as well as a fatality at one of our power plants. These incidents were thoroughly investigated, and corrective and preventive measures have since been strengthened across our Energy operations.



*Health and safety are paramount in Malakoff's operations, guiding daily activities, workforce practices and asset management to ensure a safe and reliable working environment for all.*

## SOCIAL STEWARDSHIP

**Health and Safety Performance: Environmental Solutions**
**Concession (Alam Flora)**

In the reporting year, the LTIR for Environmental Solutions' Concession business decreased to 1.04 from 1.16 in 2024.

Year	2023		2024		2025	
Category	Employees	Contractors	Employees	Contractors	Employees	Contractors
<b>Fatalities as a result of work-related injury</b>						
Number	0	0	0	2	0	0
Rate	0	0	0	0.07	0	0
<b>High-consequence work-related injuries</b>						
Number	0	0	0	0	0	0
Rate	0	0	0	0	0	0
<b>Recordable work-related injuries</b>						
Number	39	1	41	3	37	0
Rate	1.98	0.037	4.27	0.11	5.14	0.00
<b>Number of hours worked</b>	19,677,654	26,788,475	9,606,110	28,276,018	7,198,299	28,348,660
<b>LTIR</b>	<b>0.86</b>		<b>1.16</b>		<b>1.04</b>	

**Non-Concession (AFES)**

In the year under review, the LTIR for Environmental Solutions' Non-concession business increased to 0.28 from 0.26 in 2024.

Year	2023		2024		2025	
Category	Employees	Contractors	Employees	Contractors	Employees	Contractors
<b>Fatalities as a result of work-related injury</b>						
Number	1	N/A	0	N/A	0	N/A
Rate	0	N/A	0	N/A	0	N/A
<b>High-consequence work-related injuries</b>						
Number	0	N/A	0	N/A	0	N/A
Rate	0	N/A	0	N/A	0	N/A
<b>Recordable work-related injuries</b>						
Number	4	N/A	2	N/A	4	N/A
Rate	0.50	N/A	0.26	N/A	0.28	N/A
<b>Number of hours worked</b>	12,048,476	N/A	15,580,414	N/A	14,242,719	N/A
<b>LTIR</b>	<b>0.50</b>		<b>0.26</b>		<b>0.28</b>	

## SOCIAL STEWARDSHIP

### 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 work-related ill-health were identified through reported incidents, HIRARC evaluations, audit and inspection findings and the issuance of the 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 2025, the Group achieved zero fatalities in relation to work-related ill health among employees and non-employees.

Year	2023		2024		2025	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Number of fatalities as a result of work-related ill health	0	1	0	0	0	0
Number of cases of recordable work-related ill health	0	0	0	0	0	0
Main types of work-related ill health	0	0	0	0	0	0

### Achievements



Achieved  
**2,500,000**  
 Safe Man-hours at PPP

### Looking Ahead

The Group will continue to prioritise OSH as a fundamental aspect of how we operate. Our focus remains on continuous improvement through regular evaluation, learning and adaptation, supported by a strong safety culture across all levels of the organisation. We will further enhance stakeholder involvement to embed diverse perspectives into decision-making, reinforcing safe work practices while driving effective outcomes, innovation and sustainable growth.



*Waste collection and handling activities are conducted under controlled procedures to mitigate occupational and environmental risks.*

**M9** STAKEHOLDER MANAGEMENT AND ENGAGEMENT 





**Why It Matters**

Effective stakeholder management ensures alignment with the Group'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 build 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.

**Risks**

Lack of or inadequate strategic stakeholder engagement could lead to misunderstanding of stakeholders' concerns or mismatched expectations and priorities. Lack of stakeholder buy-in could result in incorrect or negative perceptions of the company.

**Opportunities**

Strong engagement enables mutual trust and understanding, fosters collaboration and long-term partnerships.

**Management 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**

Employees are essential to our operations. We provide competitive salaries and wages to support financial stability, encourage productivity and enhance job satisfaction.



**Capital Providers**

Capital providers support our financial stability. We ensure timely payments of finance costs, maintaining investor confidence and sustaining long-term growth.



**Shareholders**

We create value for shareholders through dividend distributions. To this end, Malakoff's dividend policy commits to distributing at least 70% of PATMI to our shareholders.



**Government**

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**

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.



**Community**

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.


SOCIAL STEWARDSHIP

Our Initiatives

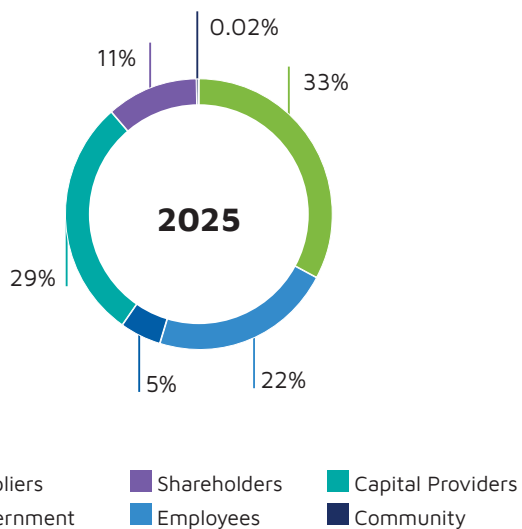
Direct Economic Value Generated and Distributed	2023	2024	2025
<b>A) Direct economic value generated (RM'000)</b>			
Sales revenue	9,066,954	8,969,567	<b>7,209,335</b>
<b>B) Economic value distributed<sup>1</sup></b>			
<b>Suppliers</b>			
Payments of Goods & Services	362,413	384,343	<b>519,435</b>
<b>Employees</b>			
Salaries and other staff costs	336,943	328,860	<b>344,141</b>
<b>Government</b>			
Corporate taxation	282,757	126,032	<b>72,700</b>
<b>Capital Providers</b>			
Finance costs	566,874	504,032	<b>460,814</b>
<b>Shareholders</b>			
Dividends	193,035	182,283	<b>179,351</b>
<b>Community</b>			
Investments in Social Development	241	380	<b>250</b>
<b>Total B (RM'000)</b>	<b>1,742,263</b>	<b>1,525,930</b>	<b>1,576,691</b>
<b>Economic value retained [A – B] (RM'000)<sup>2</sup></b>	<b>7,324,691</b>	<b>7,443,637</b>	<b>5,632,644</b>

<sup>1</sup> The economic value distributed to stakeholders only for our Energy segment.

<sup>2</sup> 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 on pages 68 to 69.

In FY2025, we generated a revenue of RM7.21 billion, of which RM1.58 billion was distributed to our stakeholders:



During the year, the majority of economic value generated was distributed to stakeholders, demonstrating the Group’s contribution to the wider economy. Economic value retained reflects the portion of value not distributed and supports the Group’s operational continuity, reinvestment requirements and long-term growth objectives.

**Achievements**

During the year, approximately 21.9% of revenue was distributed to stakeholders. This distribution reflects the Group’s commitment to responsible and inclusive value creation, while maintaining the financial capacity required to support ongoing operations and long-term sustainability.

**Looking Ahead**

Malakoff will continue to strengthen stakeholder engagement as a core enabler of long-term value creation. Through structured and transparent engagement, we aim to better align stakeholder expectations with our strategic objectives, reinforcing business stability, supporting sustainable growth and enhancing operational resilience.

Internally, we will focus on strengthening human capital by promoting employee well-being, fostering a participatory and inclusive workplace culture, and investing in capability development to support future-ready skills. Externally, we will strengthen strategic partnerships with government bodies, investors, suppliers and the broader community to reinforce relationships across our value chain and deliver shared, long-term outcomes.

SOCIAL STEWARDSHIP

**M10 TALENT MANAGEMENT AND DEVELOPMENT** 

**Why It Matters**

Effective talent management is critical to Malakoff’s ability to sustain operational excellence, execute its strategy, considering that capability is one of the Strategic Focus Areas that Malakoff is strengthening to support long-term value creation and adapt to the evolving energy landscape. A skilled and future-ready workforce supports innovation in green solutions, environmental initiatives and energy-related advancements, while strengthening leadership capability and stakeholder confidence.

By aligning workforce capabilities with strategic priorities, Malakoff enhances productivity, retention and succession readiness, positioning the organisation to manage the complexities of sustainable operations, optimise resource use and address emerging industry challenges over the long-term.

**Risks**

Challenges in attracting, developing and retaining skilled professionals may result in capability gaps in critical roles, potentially affecting operational performance, innovation and leadership continuity.

**Opportunities**

Targeted investment in talent development, learning and leadership programmes can strengthen workforce capability, enhance employee engagement and morale, and improve overall performance, supporting long-term business resilience and growth.

**Management Approach**

We are guided by the People Strategic Focus 2025–2027, a comprehensive framework aimed at strengthening people function effectiveness, enhancing organisational effectiveness, building organisational capabilities and reinforcing competitive rewards and performance practices.

**People Strategic Focus 2025-2027**



## SOCIAL STEWARDSHIP

### Our Initiatives

#### Leadership and Succession Development

Our leadership and succession initiatives are guided by a structured Succession Planning and Talent Management Framework, designed to ensure leadership continuity and mitigate risks associated with talent shortages. The framework provides a consistent approach to identifying high-potential employees, assessing their readiness for critical roles and supporting their progression through targeted development plans. This approach strengthens our leadership pipeline through planned programmes, coaching and digital learning tools, supporting long-term organisational resilience.

#### Leadership Development Programmes

Malakoff's Leadership Development Programmes are designed to strengthen core and leadership competencies, building capable leaders who can drive business performance and navigate organisational challenges. The programmes cater to managers, executives and identified successors.

Programme	Description	Key Focus Area	Participants in 2025
<b>Leadership Development Programme for Managers</b>	A six-month programme aimed at strengthening managerial capabilities in line with Malakoff's leadership framework.	<ul style="list-style-type: none"> <li>Strategic and visionary thinking</li> <li>Self and people development</li> <li>Stakeholder management</li> <li>Leading change and innovation</li> </ul>	16% of 105 Managers
<b>Leadership Development Programme for Executives</b>	A six-month programme designed to enhance executive capabilities and support performance and career development.	<ul style="list-style-type: none"> <li>Strategic and visionary thinking</li> <li>People leadership</li> <li>Stakeholder management</li> <li>Leading change and innovation</li> </ul>	18% of 83 Executives
<b>Leadership Development Programme for Successors</b>	A targeted programme for high-potential employees to prepare them for future critical leadership roles.	<ul style="list-style-type: none"> <li>Addressing capability gaps</li> <li>Strengthening leadership readiness</li> </ul>	32% of 47 Successors

#### Malakoff Coaching Programme: Coaching with Impact

In 2025, group coaching sessions were delivered to 32 participants of the Leadership Development Programme by external coaches as part of the overall development programme.

#### EDGILE Online Learning Platform

Malakoff's proprietary online learning platform provides employees with flexible access to a wide range of courses, training modules and development tools, covering leadership, soft skills and technical competencies. The platform supports continuous learning, upskilling and reskilling, while enabling career development and progression.

#### Malakoff Competency Dictionary

The Malakoff Competency Dictionary supports leadership and succession development by defining the skills, behaviours and knowledge required for each role across the organisation. It helps identify capability gaps and guides targeted learning and development plans to align employee competencies with role requirements.

SOCIAL STEWARDSHIP

**Performance and Outcomes**

Malakoff recognises the importance of ensuring employees clearly understand their roles, performance expectations and career pathways. These aspects are addressed through annual performance and career development reviews, where employees and their supervisors discuss performance outcomes and career aspirations.

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

	Male	Female
Total Number of Employees	762	170
Percentage of Employees by Gender Who Received Performance Reviews	100%	100%
Percentage of Employees by Gender Who Received Career Development Reviews	11%	8%

In 2025, performance reviews were conducted for 100% of employees, while career development reviews were conducted for 11% of male employees and 8% of female employees.

**Percentage of Malakoff Employees Receiving Career Development Reviews by Employee Category**

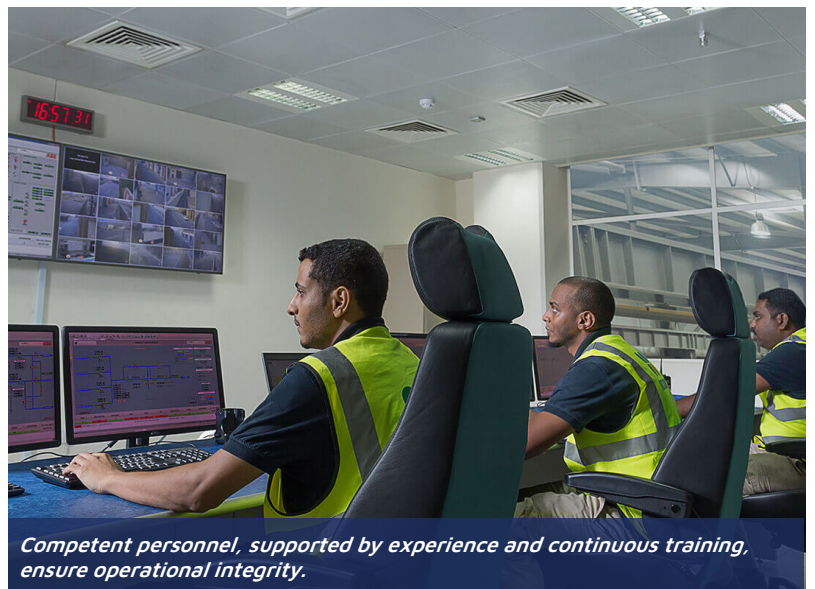
Employee Category	Total Number of Employees	Percentage of Employees Who Received Career Development Reviews
Top Management	4	0%
Senior Management	29	7%
Middle Management	240	18%
Executive	311	9%
Non-Executive	348	7%

During the year, performance and career development reviews covered 7% of Senior Management, 18% of Middle Management, 9% of Executives, and 7% of Non-Executive employees.

**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.

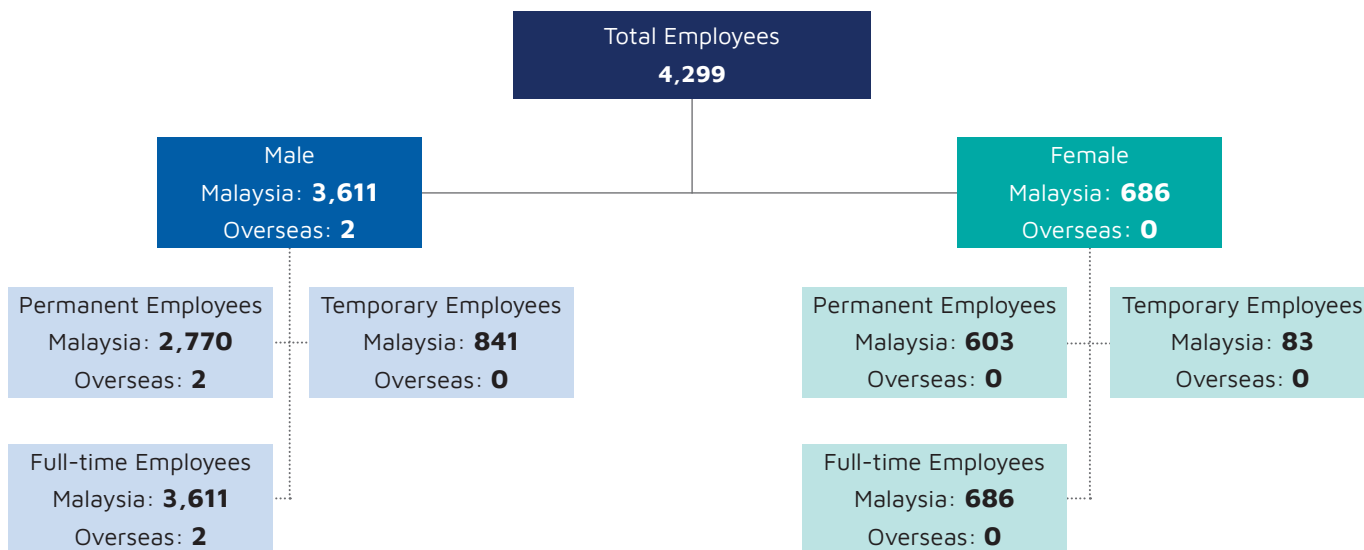
Our strategic focus on talent acquisition is reflected in the diverse breakdown of our workforce, encompassing gender and employment status. In 2025, our workforce in Malaysia and Oman totalled 4,299 employees. Permanent employees made up 79% of this number, and contractors or temporary staff accounted for the remaining 21%.



*Competent personnel, supported by experience and continuous training, ensure operational integrity.*

SOCIAL STEWARDSHIP

**Employees by Gender and Employment Status: Malaysia & Overseas**



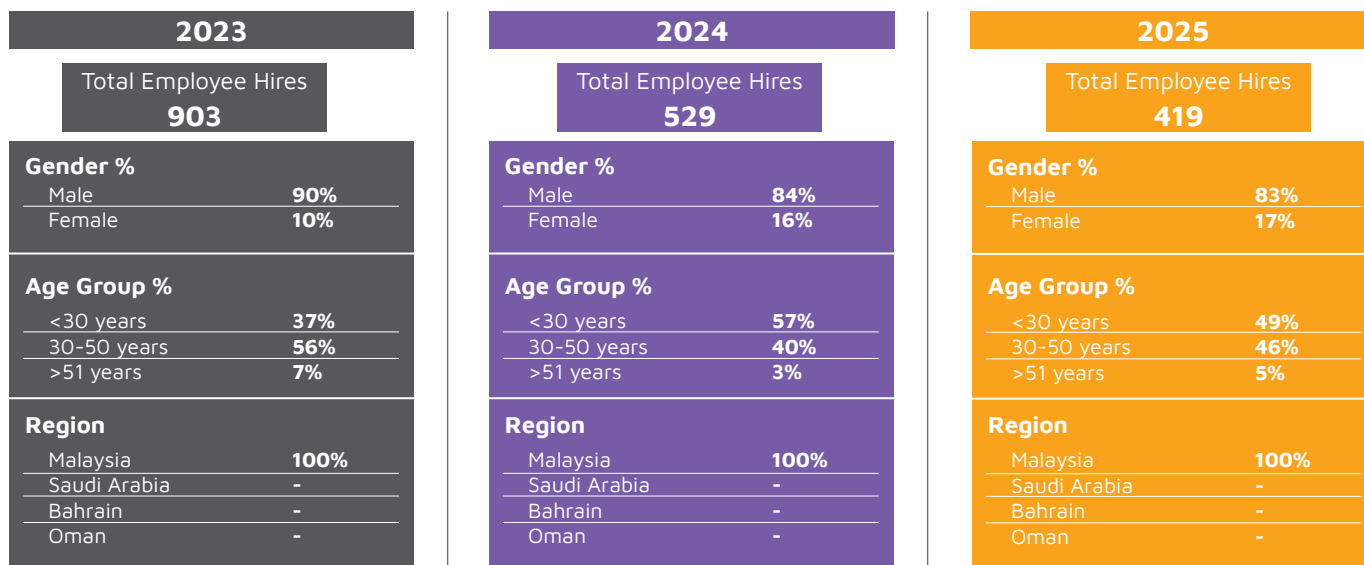
Note: Overseas office refers solely to Oman, as the Group does not have employees in other overseas locations.

For the year under review, Malakoff recorded no non-guaranteed hours employees and no part-time employees.

**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**



Note: To enhance comparability, this section presents the breakdown of new employee hires by gender and age group in percentage terms. The corresponding figures in absolute numbers are provided in the Sustainability Performance Data on pages 222 to 227.

SOCIAL STEWARDSHIP

**Employee Turnover**

2023		2024		2025	
Total Employee Turnover		Total Employee Turnover		Total Employee Turnover	
<b>236</b>		<b>516</b>		<b>233</b>	
<b>Gender %</b>		<b>Gender %</b>		<b>Gender %</b>	
Male	77%	Male	78%	Male	81%
Female	23%	Female	22%	Female	19%
<b>Age Group %</b>		<b>Age Group %</b>		<b>Age Group %</b>	
<30 years	35%	<30 years	28%	<30 years	28%
30-50 years	54%	30-50 years	48%	30-50 years	57%
>51 years	11%	>51 years	24%	>51 years	15%
<b>Employee Category %</b>		<b>Employee Category %</b>		<b>Employee Category %</b>	
Top Management	-	Top Management	1%	Top Management	1%
Senior Management	1%	Senior Management	3%	Senior Management	2%
Middle Management	15%	Middle Management	6%	Middle Management	10%
Executive	22%	Executive	13%	Executive	23%
Non-executive	62%	Non-executive	77%	Non-executive	64%
<b>Region</b>		<b>Region</b>		<b>Region</b>	
Malaysia	100%	Malaysia	100%	Malaysia	100%
Saudi Arabia	-	Saudi Arabia	-	Saudi Arabia	-
Bahrain	-	Bahrain	-	Bahrain	-
Oman	-	Oman	-	Oman	-

Note: To enhance comparability, this section presents the breakdown of employee turnover by gender, age group and employee category in percentage terms. The corresponding figures in absolute numbers are provided in the Sustainability Performance Data on pages 222 to 227.

**Talent Retention and Recruitment Enhancement Initiatives**

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 strengthen trainer capabilities through industry knowledge-sharing.
- Supported talent development by providing access to Malakoff’s facilities, equipment and funding for training programmes.

**Career Fairs and Engagement with Young Graduates**

- Engaged young graduates through career fairs and outreach programmes.
- Enhanced employer branding by showcasing Malakoff’s operations and career opportunities.

**Project Management Professional (PMP) Certification Programme**

- Supported employees in attaining the PMP certification.
- Equipped project managers with advanced skills to effectively manage complex projects and support Malakoff’s growth.

## SOCIAL STEWARDSHIP

### Employee Benefits

We provide fair and comprehensive employee benefits that support well-being, financial security and work-life balance. Our benefits framework aligns with statutory requirements and reflects the Group’s commitment to attracting, retaining and sustaining a resilient workforce.



#### Core Benefits

- Competitive remuneration
- Statutory contributions
- Medical and hospitalisation coverage



#### Work-life Support

- Annual, medical, compassionate, parental leaves



#### Well-being and Engagement

- Welfare benefits
- Engagement and recognition initiatives



#### Learning and Development

- Training and development courses
- Education assistance programme
- Exam leave

### 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 Energy Business

In 2025, our investment of RM1.63 million in employee training programmes for our Energy business and supporting departments resulted in 29,504 training hours. This equates to an average of 13.85 training hours per employee.

### Employee Training

#### By Gender



<b>Total number of training hours</b>	<b>25,509</b>	<b>3,995</b>
	FY2024: 23,628 FY2023: 28,774	FY2024: 3,186 FY2023: 3,844

<b>Average training hours per employee</b>	<b>13.90</b>	<b>13.50</b>
	FY2024: 15.20 FY2023: 14.77	FY2024: 13.50 FY2023: 14.56

#### By Employee Category

##### Top Management

<b>4</b>	<b>4.00</b>
FY2024: 48 FY2023: 64	FY2024: 16.00 FY2023: 0.07

##### Senior Management

<b>443</b>	<b>18.00</b>
FY2024: 415 FY2023: 477	FY2024: 13.83 FY2023: 0.53

##### Middle Management

<b>6,559</b>	<b>13.00</b>
FY2024: 5,885 FY2023: 8,437	FY2024: 14.68 FY2023: 9.32

##### Executive

<b>10,470</b>	<b>15.00</b>
FY2024: 10,551 FY2023: 13,815	FY2024: 14.26 FY2023: 15.27

##### Non-Executive

<b>12,028</b>	<b>13.00</b>
FY2024: 9,915 FY2023: 9,825	FY2024: 16.10 FY2023: 10.86

■ **Total No. of Training Hours**      ■ **Average Training Hours Per Employee**

SOCIAL STEWARDSHIP

**Employee Training Programmes at Environmental Solutions**

In 2025, we invested RM571,034 in employee training programmes at our Environmental Solutions business, delivering a total of 11,420 training hours. This resulted in an average of 19.72 training hours per employee.

**Employee Training**

**By Gender**



**Total number of training hours**  
 FY2024: 32,826  
 FY2023: 29,048

**Average training hours per employee**  
 FY2024: 11.33  
 FY2023: 10.17

**By Employee Category**

**Top Management**

**96**  
 FY2024: 162  
 FY2023: 221

**48.00**  
 FY2024: 32.30  
 FY2023: 6.90

**Senior Management**

**240**  
 FY2024: 2,074  
 FY2023: 278

**34.29**  
 FY2024: 41.48  
 FY2023: 9.50

**Middle Management**

**2,988**  
 FY2024: 1,180  
 FY2023: 3,663

**37.82**  
 FY2024: 32.76  
 FY2023: 10.10

**Executive**

**3,862**  
 FY2024: 7,404  
 FY2023: 10,826

**24.13**  
 FY2024: 31.24  
 FY2023: 11.80

Non-Executive		General Worker	
<b>3,649</b>	<b>15.87</b>	<b>586</b>	<b>5.80</b>
FY2024: 18,127 FY2023: 13,257	FY2024: 29.57 FY2023: 9.40	FY2024: 12,926 FY2023: 6,955	FY2024: 5.22 FY2023: 3.83

■ **Total No. of Training Hours**

■ **Average Training Hours Per Employee**

**Achievements**



Number of Soft Skills and Functional Training Conducted  
**82**



Number of Technical Training Conducted  
**309**



**162** Certification Programmes and  
**803** Participants Certified

**Looking Ahead**

Malakoff will continue to strengthen its talent management and development practices to remain aligned with industry standards. The Group will prioritise employee growth through ongoing investment in training and development, while fostering a diverse and inclusive workplace that supports innovation and collaboration. By regularly reviewing employee engagement and satisfaction, Malakoff aims to maintain a supportive work environment that enables long-term organisational success.



*Through in-depth technical discussions, system-level knowledge sharing and collaborative problem-solving sessions, participants can identify opportunities to enhance operational efficiency and support innovation.*

## SOCIAL STEWARDSHIP

## M11 HUMAN AND LABOUR RIGHTS



### Why It Matters

As an Energy and Environmental Solutions provider in Malaysia, our business plays a critical role in supporting the implementation of the NEP 2022–2040, which aims to transform Malaysia into a progressive low-carbon country. The policy underscores the importance of balancing decarbonisation with social inclusivity, public well-being and sustainable economic growth, which are integral to how we operate and grow our core businesses.

Our people are the driving force behind reliable energy delivery, innovative environmental solutions and sustained national value creation. With the energy sector accounting for approximately 25% of Malaysia's workforce<sup>1</sup>, upholding human and labour rights is not only a moral and ethical responsibility, but also a strategic imperative to support a just and resilient energy transition. By safeguarding fair employment practices, we ensure that our operations contribute positively to national development while strengthening the foundations of a stable and equitable society.

Our commitment to human rights ensures a workplace free from forced labour, child labour, discrimination, harassment and unfair practices across our operations and value chain. We promote diversity, equal opportunity and respectful labour relations to protect employee well-being, attract and retain talent, and enhance productivity. By treating all employees and contractors with dignity and adhering to applicable labour laws, we foster a collaborative, inclusive and high-performing workforce, enabling the sustainable growth of our Energy and Environmental Solutions businesses and reinforcing our long-term competitiveness.

### Risks

Failure to uphold human and labour rights may result in legal action, regulatory penalties, reputational damage and challenges in attracting and retaining talent. Poor labour practices may also adversely affect employee morale and productivity.

### Opportunities

Strong human rights practices enhance our reputation as a fair and trusted employer, supporting talent retention, workforce morale and operational performance, while contributing to long-term business resilience.

<sup>1</sup>Source: National Energy Policy 2022-2040

### Management 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:



Malakoff Code of Conduct



Malakoff Employee Handbook



Disciplinary Management Manual



Sexual Harassment Manual



Performance Improvement Programme Manual



Gift and Business Courtesy Policy



Grievances Management Manual

Since 2023, we have officially joined the 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.

## SOCIAL STEWARDSHIP

**Our Initiatives**

In 2025, 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.

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 continued into 2025, ensuring that operational changes were 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 actively hold Joint Consultative Meetings on a 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 2025, 35% of our general worker employee group remained covered by Collective Agreements (2024: 33%), while we continued to establish fair employment terms for those not under such agreements.

**Diversity and Equal Opportunity**

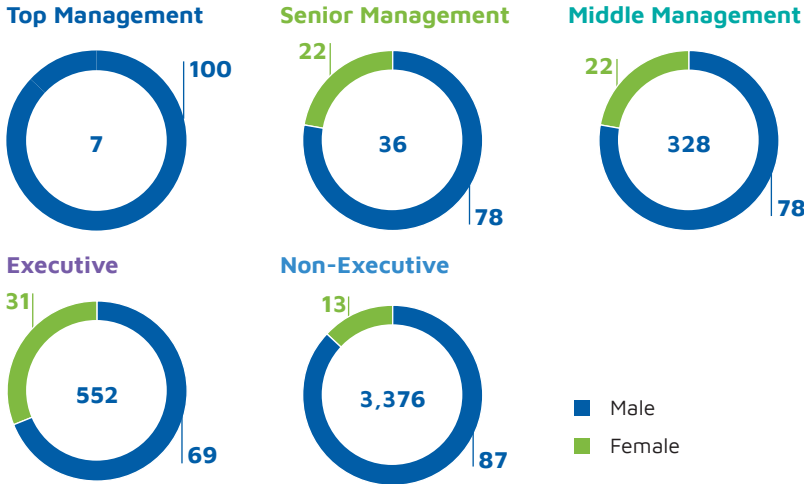
We believe that an inclusive and diverse workplace is fundamental to our success. Our commitment to equal opportunity ensures that all individuals are recognised for their skills, abilities and potential, with merit as the guiding principle. This approach not only enhances employee satisfaction but also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

SOCIAL STEWARDSHIP

Performance and Outcomes

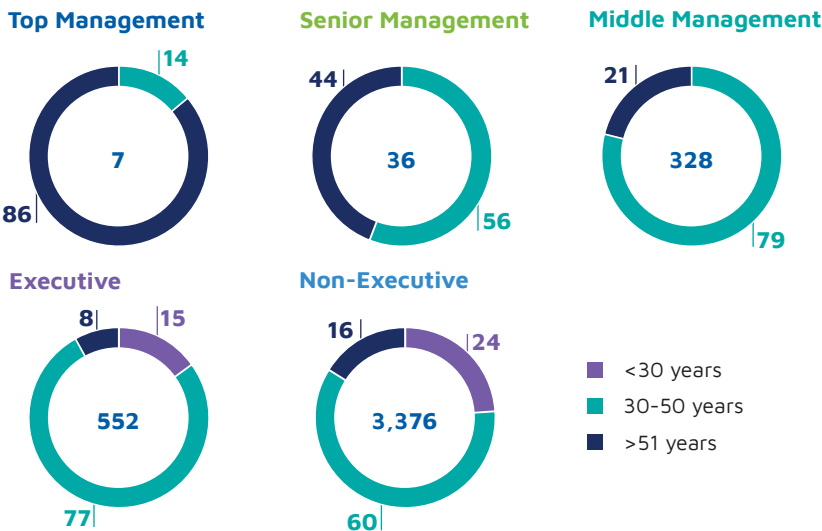
Employee Demographics  
Total Employees: 4,299

Gender %



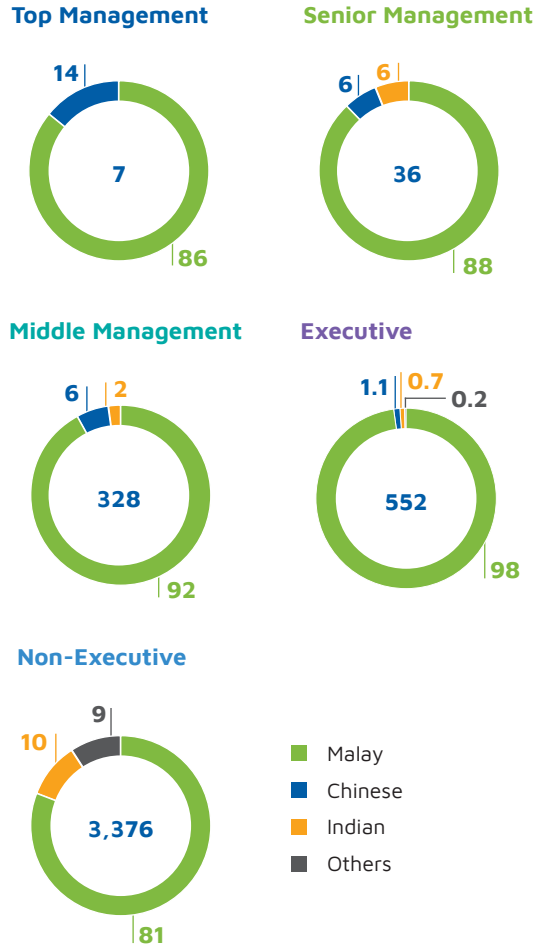
In 2025, gender representation was evident across most employee categories. Female representation was highest at the executive level (31%) and consistent across middle and senior management (22% each), with participation at non-executive level (13%), reflecting a leadership pipeline for gender diversity.

Age Group %



The workforce in 2025 showed a balanced age profile, with the majority of employees across non-executive to senior management levels aged 30 to 50 years, complemented by experienced employees above 50. Top management was predominantly above 50, reflecting depth of experience and leadership continuity.

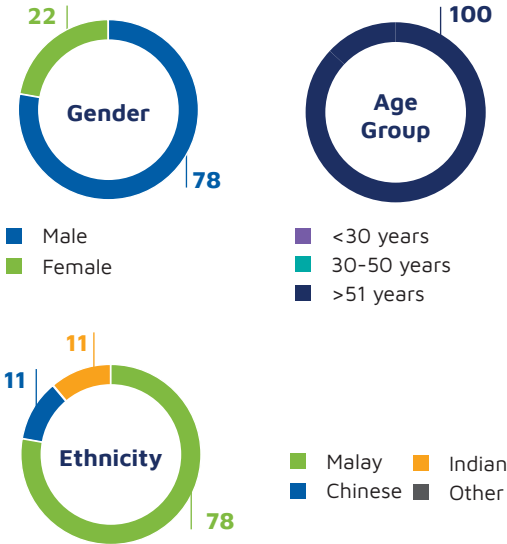
Ethnicity %



The workforce reflected ethnic diversity across all employee categories, with Malay employees forming the majority, alongside Chinese, Indian and other ethnic groups. Representation across levels indicates that employment and progression opportunities are accessible across ethnic backgrounds.

SOCIAL STEWARDSHIP

**Board Members Diversity by Gender, Age Group and Ethnicity (%)**



The Board comprised 78% male and 22% female directors, providing gender representation at Board level. All Board members are above 51 years of age, reflecting depth of experience. The Board included directors from Malay, Chinese and Indian ethnic backgrounds, supporting inclusive governance.

**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.

The data and analysis presented above are limited to the current reporting period. Data for prior reporting periods (2023 and 2024) are available in the Sustainability Performance Data on pages 222 to 227.

**Ratio of Basic Salary and Remuneration of Women to Men for Energy Business and KLHQ**

Employee Category	Ratio	
	Basic Salary	Remuneration
Top Management	0.00	0.00
Senior Management	0.81	0.91
Middle Management	0.84	0.38
Executive	0.77	0.04
Non-Executive	0.93	0.10

**Ratio of Basic Salary and Remuneration of Women to Men for Environmental Solutions (Alam Flora)**

Employee Category	Ratio	
	Basic Salary	Remuneration
Top Management	0.00	0.00
Senior Management	0.99	0.04
Middle Management	0.92	0.72
Executive	0.97	0.52
Non-Executive	1.12	0.48

The data and analysis presented above are limited to the current reporting period. Data for prior reporting periods (2023 and 2024) are available in the Sustainability Performance Data on pages 222 to 227.

We recognised that some of the ratios by employee category are lower. The Group 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.

Given the nature of our Environmental Solutions’ concession operations, which involve a significant number of general workers, we adopted the Minimum Wages Order 2024 in 2025, increasing the entry-level wage to RM1,700 or RM8.72 per hour from RM1,500 or RM7.89 per hour previously. This revision benefitted more than 2,000 employees at Alam Flora and underscores our commitment to fair and responsible remuneration. In addition, under the Collective Agreement, eligible employees receive annual wage increments regardless of company performance, subject to satisfactory conduct throughout the year.

## SOCIAL STEWARDSHIP

### Employee Engagement Survey

In 2025, the Group conducted its Employee Engagement Survey, with the results as follows:

Energy Business and KLHQ	
Response Rate: 98%	Engagement Index: 72.9%
Environmental Solutions	
Response Rate: 97%	Engagement Index: 79.4%

The results provided valuable insights into workforce sentiment, highlighting areas of strength and opportunities for continued development, and will serve as a key reference in guiding future people strategies and initiatives.

### Engagement Programmes and Sessions with Employees

#### *Iftar* Delicacies Distribution

In celebration of the holy month of Ramadan 2025, Malakoff organised the distribution of *Iftar* delicacies to KLHQ employees as a gesture of appreciation.

#### HR2U Day 2025

Malakoff continued to strengthen employee engagement through the annual HR2U Day programme, conducted across all operational locations. The initiative brought together employees from various levels and functions for meaningful engagement sessions with representatives from the People Division. Held over two days at each of the Group's business locations, HR2U Day provided an important platform to inculcate open communication, address employee concerns and reinforce trust and collaboration in the workplace.

#### Annual Wellness Programme

During the HR2U Day 2025, two wellness initiatives to promote healthy lifestyles among employees were launched: the Zero MC Challenge and the Malakoff Well-Lympics Challenge 2025.

The Zero MC Challenge rewarded employees who recorded zero medical leave from July to December 2025 with RM150 each, motivating staff to maintain good health and reduce absenteeism. A total of 91 employees achieved this milestone.

The Malakoff Well-Lympics Challenge 2025 was a six-month programme aimed at fostering sustainable health practices and positive lifestyle changes. The initiative attracted 197 participants, who engaged in monthly wellness webinars, physical fitness sessions, weekly "Monday Reset" emails and monthly weight measurements to track progress throughout the programme.

Malakoff also introduced the "Use The Stairs, Skip The Lift" campaign for KLHQ employees, a simple yet effective initiative to encourage daily movement and promote employee well-being at work. The campaign successfully raised awareness of healthy habits in the workplace and inspired employees to incorporate small, consistent physical activities into their daily routines.

#### Long-Term Service Award

Malakoff honoured 87 employees with the Long-Term Service Award in recognition of their dedication, loyalty, and enduring commitment. The recipients included 22 employees celebrating 10 years of service, 18 employees with 15 years, 19 employees with 20 years and 14 employees marking 25 years of service.

Notably, 2025 marked a historic milestone as Malakoff celebrated, for the first time, 14 employees who have dedicated 30 years of service. This remarkable achievement underscores Malakoff's deep appreciation for their unwavering loyalty, invaluable contributions, and the shared journey of growth that has shaped the organisation over the past three decades. The awards were presented during the *Meriahnya Syawal* events held across all business locations.

SOCIAL STEWARDSHIP

**Malakoff 50<sup>th</sup> Anniversary Family Fiesta**

Malakoff celebrated its 50<sup>th</sup> anniversary with the Family Fiesta, uniting employees and their families in a vibrant celebration of community, appreciation, and shared spirit at Putrajaya Wetlands Park. The event commenced with the collection of “green tickets” through the #KitaRecycle initiative, highlighting the Group’s ongoing commitment to sustainability.

The celebration featured an address by the GCEO, a giant commemorative balloon release, a 5-km Fun Run/Walk and an emblem signing ceremony with the leadership team, symbolising five decades of growth and collective dedication. Employees and their family enjoyed traditional *kampung-style* games, a diverse food fiesta and a closing performance by guest artist Faizal Tahir, culminating in a grand lucky draw. The fiesta not only commemorated Malakoff’s 50-year legacy but also reinforced the strong sense of community that continues to define the organisation.



**Year-End Townhall Session with the GCEO and Malakoff School Care 2026**

Malakoff organised a Year-End Townhall session with the GCEO in December 2025. The session provided a valuable platform for employees to engage directly with the GCEO, encouraging open dialogue and offering an opportunity to raise questions and gain deeper insight into the Group’s direction. In conjunction with the Townhall, Malakoff launched the Malakoff School Care 2026 programme for 254 eligible employees, benefiting a total of 496 employees’ children who were entering primary or secondary school. This initiative underscored the Group’s continued commitment to supporting employees and their families by providing school bags and vouchers for school attire, helping staff prepare for the new school year with ease.

**Achievements**



**ZERO**

substantiated complaints concerning human rights violations



**ZERO**

discrimination cases reported in 2025

**Looking Ahead**

Malakoff will continue to strengthen human and labour rights by promoting transparent communication, meaningful employee engagement and ongoing investment in training, well-being and workplace safety. Regular assessments and employee feedback will guide the continuous improvement of our labour practices, supporting a fair, inclusive and collaborative work environment.

## SOCIAL STEWARDSHIP

## M19 COMMUNITY IMPACT



### Why It Matters

Community development is a core element of Malakoff's sustainability approach and reflects our commitment to creating positive social impact across our areas of operation. Through structured and meaningful community engagement, we strengthen relationships with stakeholders, support social acceptance and contribute to long-term business sustainability. Our community initiatives are designed to support local economic development and enhance the well-being of communities connected to our operations, enabling shared value creation for both the business and society.

### Risks

Community dissatisfaction or unresolved grievances may lead to regulatory scrutiny, operational disruptions, reputational damage and, in some cases, security incidents that could affect business continuity and productivity.

### Opportunities

Proactive community engagement builds trust, strengthens relationships with local stakeholders and enhances social acceptance, supporting long-term operational viability while reducing the risk of conflict and reputational impact.

### Management Approach

Malakoff's community engagement is guided by its sustainability framework and CSR pillars, which provide a structured approach to delivering meaningful and inclusive community development initiatives. These efforts are supported by internal policies and Standard Operating Procedures certified under the ISO 37001 Anti-Bribery Management System, ensuring transparency, integrity and accountability in community investments.

Our environmental conservation and social development initiatives are aligned with the UN SDGs, with a focus on promoting environmental responsibility, recycling and sustainable waste management across Malaysia. Through the Environmental Solutions' Communication, Education and Public Awareness (CEPA) strategy, we encourage positive behavioural change and community participation in environmental stewardship.

In parallel, our community programmes address socioeconomic needs through education support, skills development, disaster relief and community enrichment initiatives, particularly in underserved communities. Together, these efforts ensure the consistent delivery of impactful community support across our operational footprint.

### Our Initiatives



#### Educational Programmes

"Jom Ke Sekolah" - Back To School Programme in Mukim Serkat, Johor

School Fee Assistance Handover Ceremony - Students in Kawasan 1 Mukim Serkat, Johor

Educational Trip with Adopted Schools

Bring Your Own Bag Awareness Campaign, Temerloh, Pahang



#### Community Enrichment Programmes

Share Our Love programme - residents of Asrama Darul Falah PERKIM, Kuala Lumpur

Qurban Meat Distribution, Segari

Qurban Meat Distribution, Mukim Serkat

Qurban Meat Distribution, Prai

Religious Talk, Segari

Iftar with Al Amin Mosque Congregation, Mukim Serkat

Iftar with Khairul Jariah Mosque Congregation, Segari

Iftar with Jamek Mosque Congregation, Prai

Zakat and Care Package for *Asnaf* (Tithes Recipients), Mukim Serkat

Zakat and Care Package for *Asnaf* (Tithes Recipients), Segari

Zakat and Care Package for *Asnaf* (Tithes Recipients), Prai

Donation to Higher Education Institute (*IPT*) Students in Mukim Serkat and Segari

Donations to Mosques for *Dakwah* and Religious Activities in Mukim Serkat, Segari and Prai

Alam Flora "Kongsi Rezeki" Programme - Distribution of *Bubur Lambuk*

Donation to Fire Victims

Cleaning Workers' Day 2025 in Taman Gelora, Kuantan

SOCIAL STEWARDSHIP



Environmental Services, FIKS

Additionally, through AFES, we organised 72 educational visits at our Integrated Recycling Facility (IRF), Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE), and *Fasilitas Inovasi Kitar Semula* (FIKS). FIKS is the country’s first integrated recycling and awareness facility, which received 1,897 visitors in 2025. 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.

**Achievements**

In 2025, a total of RM369,290 was invested in community programmes, which benefitted 5,000 individuals, with a breakdown below:

**Breakdown of Community Investment**



Energy business invested **RM250,000** focusing on education and community enrichment programmes which benefitted **3,000** individuals



Environmental Solutions business invested **RM119,290** focusing on community enrichment programmes, which benefitted **2,000** individuals


**Looking Ahead**

Malakoff will continue to strengthen community engagement through targeted development programmes across our operational areas. Our focus will be on delivering initiatives that support sustainable socioeconomic progress, including awareness-building and educational programmes that create positive and lasting outcomes for the communities in areas where we operate.

# GOVERNANCE STEWARDSHIP

## GOVERNANCE AS A CATALYST FOR INNOVATION, RESILIENCE AND INTEGRITY

Strong governance guides how we create long-term value and lead responsibly. Sustainable and innovative practices are built into daily decision-making through clear oversight, focused risk discipline and consistent application of ESG priorities. Continuous improvement shapes the way the business operates. Technology, data and structured controls are leveraged to enhance performance, strengthen resilience and increase transparency as it advances the energy transition. Integrity remains a defining expectation. Ethical standards are applied without compromise, supported by full compliance with laws and regulations and a zero-tolerance approach to corruption and misconduct. This commitment reinforces trust with stakeholders and protects the organisation’s reputation.



### GOVERNANCE STEWARDSHIP HIGHLIGHTS

**Improved FTSE ESG Score from 3.3 to 3.4**  
(Score date: 22 December 2025)

Recognised as an **ESG-performing PLC** through its **inclusion in the FTSE4Good Bursa Malaysia Index**  
(Inclusion date: June 2025)

**Key ISO Certifications** maintained and renewed across Malakoff’s operations

**100%** of Malakoff operations **assessed for corruption-related risks**

**77%** of Malakoff employees completed **Anti-Corruption training** (covering employees from the Energy business and KLHQ)

Recorded **ZERO** confirmed incidents of corruption

Almost **100% procurement budget** channeled to **local suppliers**  
(Energy: 98.9%, Environmental Solutions: 99.9%)

Recorded **ZERO** substantiated complaints concerning breaches of customer privacy or losses of customer data

**ZERO** material data leaks, thefts or losses recorded

## OUR APPROACH

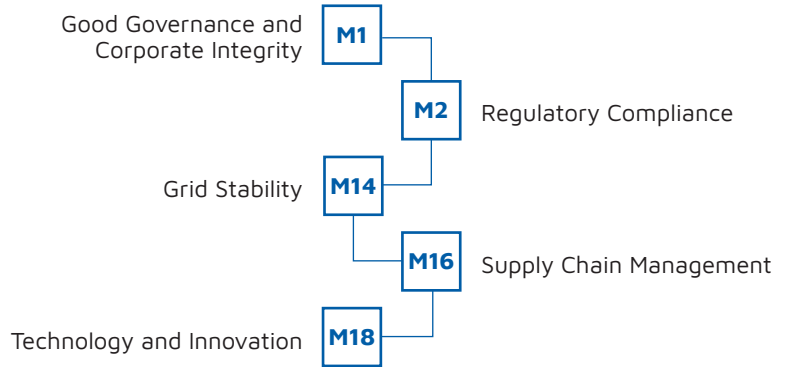
Good governance starts with a clear stance on integrity. Our approach in managing Governance Stewardship aligns with national priorities to strengthen governance and integrity, including the National Anti-Corruption Strategy (NACS) 2024–2028, which sets out the country’s direction to curb corruption and reinforce transparency and accountability. These expectations are reinforced through firm Board oversight, well-defined policies and disciplined, risk-based controls applied throughout the Group and value chain. As a UNGC participant since 2023, we reinforce our governance commitments by aligning our ethics and compliance programme with the UNGC Ten Principles, particularly Principle 10 on anti-corruption.



GOVERNANCE STEWARDSHIP

**MATERIAL GOVERNANCE MATTERS**

Our Material Governance Matters guide how we operate responsibly and build stakeholder trust. They cover Good Governance and Corporate Integrity, Regulatory Compliance and Supply Chain Management, which enable ethical conduct, accountability and responsible sourcing. While we do not manage overall Grid Stability, we support system reliability by complying with the Grid Code and responding to real-time energy demand requirements. Technology and Innovation further strengthen safety, efficiency and service reliability across our operations. Collectively, these priorities shape our policies, targets and performance monitoring to manage impacts, improve resilience and deliver long-term value for employees, customers, communities and shareholders.



The following section sets out Malakoff’s Material Governance Matters under Governance Stewardship, as identified through our materiality assessment.



## GOVERNANCE STEWARDSHIP

## M1 GOOD GOVERNANCE AND CORPORATE INTEGRITY

**Why It Matters**

Good governance and corporate integrity are critical to Malakoff. A strong governance framework and ethical practices build stakeholder trust, mitigate operational risks, ensure regulatory compliance and protect our reputation. By upholding robust governance principles and ethical standards, we demonstrate accountability, foster a positive workplace culture and engage stakeholders who value integrity. As we pursue sustainable growth in a dynamic business landscape, we remain committed to strengthening our governance, ethics and integrity practices.

**Risks**

Weak governance can lead to corruption, unethical conduct, insufficient checks and balances and ineffective internal controls, which may undermine investor confidence and damage the Company's reputation.

**Opportunities**

Strong governance strengthens stakeholder confidence, supports continuous improvement and enables effective execution of our strategies.

**Management Approach**

Our approach to good governance and corporate integrity is embedded in Malakoff's organisational DNA. It is guided by established policies, structured frameworks and strategic guidelines that set clear expectations 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 to support integrity measures across our operations and have been audited and certified by SIRIM. We have 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. Together, these policies provide mechanisms for 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 the TRUST principles. The framework encompasses Top Management Commitment, Risk Assessment protocols, Undertaking of Control Measures, Systematic Review mechanisms and Training programmes. These principles strengthen corruption risk mitigation and reinforce a culture of integrity and accountability across our operations.

We communicate our anti-corruption policies and procedures to relevant stakeholders through various engagement channels. Internally, the Board of Directors, Top Management, Senior Management, Middle Management, Executive and Non-Executive employees are informed via policy statements, email communications and the company intranet. Employees are also required to attend annual anti-corruption training.

Externally, business partners, including suppliers and vendors, receive information through awareness sessions, posters, banners and dedicated Vendor Day awareness sessions. These channels support understanding of, and adherence to, our anti-corruption standards across our operations and business relationships.

**Our Initiatives**

The following initiatives were implemented in 2025:

**ABAC Awareness Programme**

We conducted ongoing ABAC awareness training programmes for employees and business associates throughout the year, focusing on anti-bribery and anti-corruption to promote ethical conduct and strengthen vigilance against corrupt practices across the organisation. We also organised the Board of Directors & Senior Management Forum 2025 with the theme "Leading with Integrity: The Board's and Senior Management's Role in Sustainable Governance." Subsequent to the forum, a Corruption-Free Pledge session was held to reinforce the commitment to ethical conduct and accountable leadership.

GOVERNANCE STEWARDSHIP

In addition, to further equip employees with the necessary knowledge of their legal responsibilities regarding corruption offences under Section 17A of the MACC Act 2009, and to strengthen the role of integrity coordinators in supporting Malakoff's anti-corruption framework, a training session on Section 17A and Adequate Procedures based on the TRUST Principles was conducted. The session was attended by plant managers, heads of department, integrity coordinators, ABMS compliance auditors, and other Malakoff employees. For vendors, we conducted the Vendor Anti-Bribery and Anti-Corruption Awareness Session 2025 to brief vendors on anti-bribery regulations and compliance requirements.

For employees, we conducted continuous integrity awareness and anti-bribery training programmes to institutionalise ethical behaviour across all levels of the organisation. These initiatives strengthened employees' understanding of compliance obligations, conflict of interest management and reporting responsibilities.



**Corruption Risk Register Online Database**

We assessed corruption risks related to our activities and recorded them in our online database through the TricorRadar system to support effective monitoring and management of integrity and corruption-related risks.



**Audit Programmes**

In 2025, 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



On 7 October 2025, Malakoff KLHQ organised the Vendor ABAC Awareness Day 2025 with the MACC. The session brought together plant leadership, integrity representatives and vendors nationwide to reinforce shared accountability for ethical conduct. Key discussions covered evolving ABAC enforcement, vendor responsibilities and Malakoff's Vendor Code of Conduct. The programme strengthened awareness of compliance expectations and supports Malakoff's commitment to Section 17A of the MACC Act and ISO 37001 Anti-Bribery Management System.



On 23 December 2025, Malakoff's Environmental Solutions arm, Alam Flora hosted Vendor Day: Ethical Partnerships for a Sustainable Future to reinforce integrity, accountability and sustainability across its supply chain. The programme brought together leadership and vendors to align expectations on ethical conduct, procurement discipline and good governance. An integrity and governance briefing enhanced transparency, while 29 integrity coordinators were recognised for advancing ethical practices. The initiative underscores Alam Flora's commitment to responsible partnerships and strong corporate governance across its value chain.

## GOVERNANCE STEWARDSHIP

## Performance and Outcomes

## Communication and Training on Anti-Corruption Policies and Procedures

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

Energy Business and KLHQ	Number	Percentage (%)
<b>Stakeholders</b>		
Board of Directors	6	75
Business Partners	989	40
Employees	713	77
<b>Breakdown of Employees by Category</b>		
Top Management	4	1
Senior Management	24	3
Middle Management	206	22
Executive	267	28
Non-Executive	212	23

In 2025, 19 ABAC awareness sessions and roadshows were held to engage employees across all organisational levels, with a total of 713 participants, representing 77% of the Energy business and KLHQ workforce.

Environmental Solutions Business	Number	Percentage (%)
<b>Stakeholders</b>		
Board of Directors	8	89
Business Partners	1,367	100
Employees	1,304	39
<b>Breakdown of Employees by Category</b>		
Top Management	4	0.12
Senior Management	3	0.09
Secondment Officers	1	0.03
Middle Management	174	5
Executive	133	4
Non-Executive	989	30

In the year under review, 61 ABAC awareness sessions and roadshows were held to engage employees across all organisational levels, with a total of 1,304 participants, representing 39% of the Environmental Solutions business' workforce.

GOVERNANCE STEWARDSHIP

**Operations Assessed for Risks Related to Corruption**

In 2025, we assessed Malakoff’s potential corruption risks across our operations through systematic evaluation of business activities and internal controls to strengthen anti-corruption measures:

**100%**  
of operations assessed for risks related to corruption

**ZERO**  
Significant risks related to corruption identified through the risk assessment

Note: The data above covers only Malakoff’s Energy operations and the corporate headquarters (KLHQ). The Environmental Solutions business began assessing its operations in 2025, and the assessment is ongoing.

**Confirmed Incidents of Corruption and Action Taken**

In 2025, the Group reported  
**ZERO**  
confirmed incidents of corruption

**Looking Ahead**

As part of our continuous effort to improve our existing ABMS, we are aligning our current ABMS Framework to the National Anti-Corruption Strategy 2024–2028, which emphasises enhanced anti-bribery measures to support strong governance and integrity.



## GOVERNANCE STEWARDSHIP

M2

## REGULATORY COMPLIANCE



### Why It Matters

Malakoff operates in highly regulated sectors encompassing power generation and environmental solutions, where compliance with energy, environmental, safety and governance requirements is critical to business continuity, asset reliability and stakeholder confidence. Regulatory compliance safeguards the Group's licence to operate, supports long-term asset performance and underpins responsible business conduct across the value chain. As regulatory expectations continue to evolve, maintaining strong compliance standards is essential to protecting enterprise value and supporting sustainable growth.

### Risks

Non-compliance with applicable laws, licence conditions or regulatory standards may result in fines, sanctions, operational disruptions, temporary or permanent closure of operating sites, increased rectification costs and reputational damage. Regulatory breaches may also pose health and safety risks to employees, contractors and local communities, and expose the Group to heightened scrutiny from regulators and other stakeholders.

### Opportunities

Strong regulatory compliance enhances Malakoff's reputation as a responsible operator, supports stable and efficient operations, and strengthens trust with regulators, communities and business partners. A proactive compliance culture also improves workforce morale and productivity, enables timely response to regulatory changes and reinforces the Group's long-term resilience in a tightly regulated operating environment.

### Management Approach

Malakoff adopts a proactive and structured approach to regulatory compliance, aligned with the expectations of Bursa Malaysia and our sustainability reporting approach. Oversight sits with the Board of Directors and Senior Management, supported by clear roles and accountabilities at corporate and operating asset levels. We maintain a compliance framework that translates applicable legal and regulatory obligations into policies, procedures and operational controls across our Energy and Environmental Solutions businesses. Regulatory requirements and emerging developments are monitored on an ongoing basis, with updates communicated to relevant functions.

### Our Initiatives

At Malakoff, regulatory compliance is integral to maintaining business continuity, protecting our licence to operate and sustaining stakeholder confidence across our Energy and Environmental Solutions businesses. We comply with applicable international standards and Malaysian laws and regulations, and we continuously strengthen our compliance practices to remain effective as regulatory requirements evolve.



*For more information on Malakoff's compliance practices, refer to the Corporate Governance Overview Statement on pages 250 to 272.*

GOVERNANCE STEWARDSHIP

To translate regulatory requirements into day-to-day operational discipline, we implemented the following initiatives across the Group:

<p><b>Governance and Accountability</b> Board and Senior Management oversight of compliance obligations, with defined roles, clear accountability and escalation channels.</p>	01	<p><b>Regulatory Monitoring</b> Monitoring of applicable legal requirements and licence/permit conditions, supported by a compliance obligations register and periodic updates.</p>
<p><b>Compliance Assurance</b> Risk assessments, internal audits and compliance reviews, with findings tracked to closure through corrective and preventive actions.</p>	02	<p><b>Operational Controls</b> Routine monitoring in key areas (environment, safety, plant operations, waste management) supported by checklists/inspections, reporting and follow-up.</p>
<p><b>Quarterly Action Plans &amp; Reviews</b> Quarterly risk-mitigation action plans and safety performance reviews to strengthen preventive controls and oversight.</p>	03	<p><b>People Capability and Culture</b> Targeted training and briefings to reinforce compliance responsibilities (employees and contractors where relevant).</p>
<p><b>Third-Party Governance</b> Contractor/vendor requirements aligned to relevant regulatory requirement and site access and safety rules, supported by onboarding briefings and periodic engagement.</p>	04	<p><b>Independent Oversight</b> Internal audit observations escalated to the BAC, with management responses and close-out monitoring.</p>
<p><b>Quarterly Action Plans &amp; Reviews</b> Quarterly risk-mitigation action plans and safety performance reviews to strengthen preventive controls and oversight.</p>	05	<p><b>Independent Oversight</b> Internal audit observations escalated to the BAC, with management responses and close-out monitoring.</p>
<p><b>Third-Party Governance</b> Contractor/vendor requirements aligned to relevant regulatory requirement and site access and safety rules, supported by onboarding briefings and periodic engagement.</p>	06	<p><b>Independent Oversight</b> Internal audit observations escalated to the BAC, with management responses and close-out monitoring.</p>
<p><b>Third-Party Governance</b> Contractor/vendor requirements aligned to relevant regulatory requirement and site access and safety rules, supported by onboarding briefings and periodic engagement.</p>	07	<p><b>Independent Oversight</b> Internal audit observations escalated to the BAC, with management responses and close-out monitoring.</p>
<p><b>Third-Party Governance</b> Contractor/vendor requirements aligned to relevant regulatory requirement and site access and safety rules, supported by onboarding briefings and periodic engagement.</p>	08	<p><b>Independent Oversight</b> Internal audit observations escalated to the BAC, with management responses and close-out monitoring.</p>

Note: The initiatives above are supported by relevant management systems and certifications (where applicable), and are continuously improved based on audit outcomes, regulatory inspections, corrective actions and operational learnings.

**Key Regulatory Frameworks and Standards**

The following summarises key international and local requirements relevant to Malakoff and directs readers to the sections where implementation and performance are described in detail:

**International Regulations and Standards**

**ISO standards**  
Refer to **Operational Excellence** (pages 148 to 149)

**Human Rights standards outlined by the ILO**  
Refer to **Human and Labour Rights** (pages 192 to 197)

**GHG Protocol Corporate Standard**  
Refer to **GHG Emissions** (pages 155 to 160) and **Climate-related Disclosures (Sustainability Statement)** (pages 228 to 239)

**Ten Principles of the UNGC**  
Refer to **Environmental Stewardship** (pages 146 to 173), **Human and Labour Rights** (page 192), and **Good Governance and Corporate Integrity** (page 200)

**Malaysia’s Regulations and Standards**

**Companies Act 2016**  
Refer to **Corporate Governance Overview Statement** (pages 250 to 272)

**Malaysian Code on Corporate Governance 2021**  
Refer to **Corporate Governance Overview Statement** (pages 250 to 272)

**Malaysian Anti-Corruption Commission Act 2009**  
Refer to **Good Governance and Corporate Integrity** (pages 202 to 205)

**Environmental Quality Act 1974**  
Refer to **Environmental Stewardship** (pages 146 to 173)

**Occupational Safety and Health (Amendment) Act 2022 (Act A1648)**  
Refer to **Occupational Safety and Health** (pages 176 to 182)

## GOVERNANCE STEWARDSHIP

**Bursa Malaysia Main Market Listing Requirements**

Refer to **Corporate Governance Overview Statement** (pages 250 to 272) and **Investor Relations** (pages 90 to 93)

**Renewable Energy Act 2011**

Refer to **Renewable Energy Transition** (pages 150 to 151)

**National Policy on Climate Change**

Refer to **GHG Emissions** (pages 155 to 160) and **Energy Mix and Efficiency** (pages 152 to 155)

**Solid Waste Management and Public Cleansing Act 2007 (Act 672)**

Refer to **Business Review: Environmental Services** (pages 114 to 122)

Note: The list of International and Malaysia's Regulations and Standards presented above is non-exhaustive and is intended to highlight key requirements applicable to the Group.

**Achievements**

In 2025, Malakoff's consistent focus on enhancing ESG governance and performance is reflected in its improved FTSE ESG Score and its inclusion in the FTSE4Good Bursa Malaysia Index. These milestones demonstrate the Group's progress in embedding sustainability considerations into its operations and decision-making processes.



FTSE4Good

**Improved FTSE ESG Score from 3.3 to 3.4**

(Score date: 22 December 2025)

Recognised as an **ESG-performing PLC** through its **inclusion in the FTSE4Good Bursa Malaysia Index**

(Inclusion date: June 2025)

Malakoff's management systems continue to be benchmarked against internationally recognised standards. The maintenance and renewal of key ISO certifications during the year demonstrate the Group's structured approach to managing environmental, safety, quality, integrity and information security risks across its operations.

**ISO Certifications maintained/renewed across relevant operations:**

- 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

**Looking Ahead**

Malakoff will focus on reinforcing regulatory compliance as a core enabler of operational resilience and licence to operate. This includes continuous enhancement of governance, people capability and assurance mechanisms, as well as ongoing reviews of compliance practices to remain aligned with regulatory developments and market expectations.

**M14 GRID STABILITY**



**Why It Matters**

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 TNB 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 NETR aims to increase 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 in improving 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.

**Risks**

Grid constraints or instability may limit dispatch and reduce power sales, impacting revenue.


**Opportunities**

Higher system demand and improved grid reliability may increase dispatch, enabling higher power sales.

**Management 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. Malakoff has a 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.

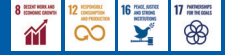
Effective coordination with the GSO is essential, as our power plant operators must respond to real-time energy demands, ramping our generation up or down as needed to maintain the grid frequency and generation levels accordingly. Additionally, adherence to strict operational standards, regular maintenance 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 22% of Peninsular Malaysia’s generated electricity, please refer to Business Review: Thermal on pages 96 to 100.



## GOVERNANCE STEWARDSHIP

## M16 SUPPLY CHAIN MANAGEMENT



### Why It Matters

Supply chain and procurement are critical enablers of Malakoff's two business pillars, which are Energy and Environmental Solutions, supporting operational continuity, cost discipline and long-term value creation.

In Energy, reliable fuel availability is fundamental to the safe and efficient operation of our power plants and our ability to meet contractual generation obligations, while balancing the energy trilemma of security, affordability and sustainability. Fuel supply for power generation are largely determined under the sector's regulatory and contractual framework involving the electricity offtaker and fuel suppliers. Accordingly, our role focuses on operational readiness, coordination and compliance to ensure coal and natural gas supplied are utilised efficiently to meet generation requirements.

In Environmental Solutions, procurement is central to securing the equipment, services and materials required to deliver contractual outcomes and maintain service standards. Across both pillars, transparent and ethical procurement practices, together with prioritising local vendors where feasible will strengthen supply chain resilience, support domestic economic participation and foster long-term supplier relationships.

### Risks

Disruptions in fuel availability for power generation, supplier performance issues, cost volatility or gaps in responsible practices among suppliers and contractors may affect operational reliability, cost efficiency, contractual performance and the Group's reputation.

### Opportunities

Strengthening supplier engagement, procurement governance and the progressive integration of ESG requirements can enhance supply chain resilience, improve operational performance and support sustainable value creation across both Energy and Environmental Solutions.

### Management Approach

In the Energy business, fuel supply for power generation are largely determined under the sector's regulatory and contractual framework involving the electricity offtaker and fuel suppliers. In addition to this overarching framework, we are responsible for executing and managing our own fuel supply agreements to support and secure the required fuel for our operations, including contracts such as the Coal Supply and Transportation Agreement (CSTA) and the Gas Supply Agreement (GSA), which help ensure the reliability and continuity of fuel supply for our generating assets.

Beyond this, our focus also extends to the broader procurement governance and the operational coordination and compliance with contractual arrangements to support reliable plant operations and the efficient utilisation of the fuel supplied. Procurement activities related to plant operations, maintenance and services are managed to ensure operational readiness, cost efficiency and continuity of generation.

In the Environmental Solutions business, procurement plays a central role in service delivery and contract performance. We manage the procurement of equipment, services and materials through structured planning and vendor management to ensure timely availability, quality outcomes and compliance with contractual and regulatory requirements.

Across both pillars, we prioritise local vendors where feasible and progressively integrate sustainability considerations into procurement processes to strengthen responsible practices, accountability and long-term value creation across the supply chain.

GOVERNANCE STEWARDSHIP



**Environmental Assessment**

We encourage vendors to progressively integrate sustainable practices within their operations and supply chains. This includes initiatives such as reducing emissions, improving resource efficiency, enhancing recycling practices, adopting renewable resources where feasible and optimising transportation and logistics. Environmental considerations are increasingly embedded into supplier assessment and engagement to support the sustainability of our operations.



**Social Assessment**

We recognise the importance of social responsibility and integrity in maintaining a sustainable and resilient supply chain. Vendors are required to comply with Malakoff’s Vendor Code of Conduct, which sets expectations on ethical business conduct, transparency and integrity. These requirements support responsible business relationships and alignment with our broader commitment to social sustainability.

**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**

Refer to Good Governance and Corporate Integrity on pages 202 to 203 for programmes with vendors.

**Performance and Outcomes**

Throughout 2025, the Group has spent RM832,778,093 for the vendors. The breakdown of the budget spent for the vendors are as follows:

Total Budget Spent for Local and Overseas Vendors		
	Energy	Environmental Solutions
Total budget spent (RM)	519,435,470	313,342,623
Budget channelled to local vendors	98.9%	99.9%
Budget channelled to overseas vendors	1.1%	0.1%

Vendors Composition		
	Energy	Environmental Solutions
Total vendors in the approved vendors list	2,930	1,367
Registered local vendors	93.5%	99.9%
Registered overseas vendors	6.5%	0.1%

Our procurement practices demonstrate a strong commitment to supporting local vendors and strengthening the domestic supply chain. During the year, almost all procurement spending was channelled to local vendors, with 98.9% of the RM519.4 million procurement budget in Energy and 99.9% of the RM313.3 million in Environmental Solutions allocated locally.

This focus is reinforced by our vendor composition, where 93.5% of approved Energy vendors and 99.9% of Environmental Solutions vendors are locally registered. This approach supports local businesses and resilient supply chains, while allowing for the selective use of overseas vendors for specialised needs.

GOVERNANCE STEWARDSHIP

**Strengthening Equipment Supply Resilience for Power Generation**

In October 2025, Malakoff entered into a Reservation Agreement with Mitsubishi Power, Ltd, a leading global original equipment manufacturer for the procurement of advanced gas turbine technology for planned combined-cycle power plant developments. The agreement secures access to high-efficiency gas turbines and reserves manufacturing and delivery slots ahead of final project execution, mitigating supply chain and scheduling risks amid tightening global equipment availability. This proactive approach strengthens supply certainty for critical generation assets, supports timely project development and reinforces Malakoff’s commitment to reliable, efficient and lower emission power generation in line with national energy transition objectives.



*Malakoff integrates resilient supply chain management and responsible sourcing into its operations to support long-term value creation across the Energy and Environmental Solutions portfolio.*

**Looking Ahead**

Malakoff will continue to strengthen its supply chain and procurement practices through more structured governance, disciplined planning and enhanced sustainability integration. Our focus will be on progressively embedding responsible practices across the supply chain, strengthening supplier engagement and managing procurement-related risks, while maintaining operational efficiency and cost discipline. Through this approach, we aim to enhance supply chain resilience, support responsible sourcing and reinforce long-term value creation across both our Energy and Environmental Solutions businesses.

## GOVERNANCE STEWARDSHIP

**M18** TECHNOLOGY AND INNOVATION**Why It Matters**

At Malakoff, we focus on implementing fit-for-purpose technology to protect business assets, safeguard information and support regulatory compliance. Strengthened digital controls and targeted technology investments enhance information security, operational resilience and the protection of critical infrastructure and essential services.

While rapid technological change presents implementation and investment risks, effective adoption also creates opportunities to improve efficiency, optimise costs and reduce reliance on manual processes. Continuous refinement of data privacy and cybersecurity measures supports business sustainability in an increasingly digital operating environment, alongside digital tools that improve field execution and accountability.

**Risks**

Rapid technological change in the energy sector may lead to inappropriate or obsolete technology adoption, resulting in operational inefficiencies, cybersecurity exposure and lower-than-expected returns on investment. Inadequate governance, weak integration with legacy systems or insufficient workforce readiness may further constrain value realisation and increase operational risk.

**Opportunities**

Effective use of digitalisation, automation and data analytics can enhance operational efficiency, asset reliability, and cost optimisation. These capabilities support improved decision making, reduce reliance on manual processes and strengthen the Group's competitiveness as the energy sector continues to evolve.

**Management Approach**

The Group's management approach to digitalisation and technological development is guided by the adoption of fit-for-purpose technology that supports operational resilience, information security and regulatory compliance. Digital initiatives are assessed through a structured governance framework to ensure alignment with business priorities, risk appetite and cost discipline, particularly in an environment of rapid technological change and evolving cyber threats.

Technology investments are evaluated based on their ability to enhance operational efficiency, asset reliability and data integrity, while avoiding premature or obsolete adoption. Key risks related to cybersecurity, system integration, data privacy and vendor dependency are identified through regular risk assessments and addressed through targeted controls and oversight.

The Group continues to strengthen its data governance and security practices in line with internal Information Management policies, procedures and manuals. Compliance with applicable regulatory requirements, including the Cybersecurity Act and data protection laws, remains a priority to safeguard critical information assets and maintain stakeholder confidence. This disciplined approach enables Malakoff to capture the benefits of digitalisation while managing technology-related risks and supporting long-term business sustainability.

**Our Initiatives****Responsible Digitalisation and Cyber Resilience**

The Group continues to strengthen its digital and cybersecurity capabilities as part of its commitment to safeguarding critical assets, protecting stakeholder information and supporting sustainable business operations. Cybersecurity and access controls were enhanced to improve the early detection and management of digital threats, reducing exposure to cyber risks while supporting the resilience of core systems. These measures contribute to a secure digital environment that enables the responsible use of technology across the organisation.

**Ensuring Digital Resilience and Service Continuity**

To support business continuity and system availability, the Group implemented solutions to protect digital platforms from disruption and unauthorised access. These initiatives help ensure the stability, reliability and availability of digital services that underpin operational and corporate functions. By strengthening system resilience, the Group supports uninterrupted service delivery and reduces the risk of technology-related disruptions to stakeholders.

## GOVERNANCE STEWARDSHIP

**Enhancing Asset Performance and Operational Efficiency**

Digital tools were deployed to improve plant monitoring, performance analytics and asset management, providing greater visibility over operational conditions and asset health. Predictive maintenance capabilities enable earlier identification of potential equipment issues, supporting reduced unplanned outages, improved reliability and more efficient use of resources. These initiatives contribute to operational efficiency while supporting the responsible management of physical assets.

**Supporting Governance, Compliance and Process Efficiency**

The Group upgraded and automated selected systems to enhance operational reporting, regulatory compliance and performance tracking. Process automation and self service initiatives reduced manual intervention, improved efficiency and strengthened internal controls. Collectively, these efforts support strong governance, compliance with applicable regulatory requirements and the disciplined adoption of digital solutions in support of long-term sustainability.

**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 MFlora Telematics System, we introduced automated monitoring solutions that optimise waste collection routes and schedules, reducing fuel consumption and emissions while improving service delivery.

**Innovation Driving Cleaner and Smarter Urban Services**

Alam Flora is advancing its vision for a cleaner and more sustainable future by embedding innovation into public cleansing and waste management operations. In alignment with the KPKT Circular Economy Blueprint for Solid Waste (2025–2035) and the 13MP, Alam Flora is adopting mechanisation and smart technologies to improve efficiency and reduce environmental impact. Initiatives include electric vehicles, automated cleaning equipment and solar-powered mobility solutions, with trials demonstrating productivity gains and lower carbon emissions. These efforts, undertaken in collaboration with SWCorp, support smarter, more resilient and community-centric urban services.

**Malakoff Innovation Challenge**

Following the strong success of the Malakoff Innovation Challenge 2024, Malakoff introduced the Innovation Challenge 2.0 in 2025 as a strategic continuation of its commitment to operational excellence, sustainability, and innovation. Building on the achievements and insights gained from the previous challenge, the 2025 edition introduced a refined approach through the establishment of two dedicated cohorts:

**Engineering-Based****Non-Engineering-Based**

This structure aims to broaden participation beyond technical functions, ensure fair and relevant evaluation criteria for different types of initiatives, and encourage diverse innovation from both operational and corporate. Through this inclusive approach, the programme promotes cross-functional collaboration while empowering employees across the organisation to contribute meaningful ideas toward cost optimisation and operational improvement.

GOVERNANCE STEWARDSHIP



**Global Recognition for Homegrown Innovation**

Malakoff’s innovation capability earned international recognition when its operations teams clinched top honours at the International Convention on Quality Control Circles (ICQCC) 2025 in Taipei, Taiwan. Teams from TBEPP and TBPP were recognised for practical, engineering-led solutions that addressed real operational challenges, including a forced-air cooling system that significantly reduced turbine downtime and improved plant reliability. The achievement underscores Malakoff’s strong culture of continuous improvement, data-driven problem-solving and employee-led innovation, demonstrating how in-house capabilities translate into tangible operational and efficiency gains on a global stage.



**Leveraging Technology to Enhance Waste Management**

Alam Flora was named Company of the Year (Waste Management) at the Sustainability and CSR Malaysia Awards 2025.



**Championing ESG Excellence in Energy Generation**

Malakoff was named Company of the Year (Energy Generation) under the ESG Champion Award category and the Long-Standing Excellence Award at the Sustainability and CSR Malaysia Awards 2025.

**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 four winners of the **Malakoff Innovation Challenge 2024** that demonstrated significant cost optimisation results qualified for the ICQCC 2025 in Taipei, hosted by the Association of Pioneer Quality Control Research. All four teams were awarded **Gold Awards** for their presentations

**Looking Ahead**

The Group will continue to strengthen its technology and innovation efforts as key enablers of operational resilience, efficiency and sustainable value creation. Focus will remain on optimising existing digital capabilities, enhancing protection measures and embedding data driven decision making across operations, while managing risks associated with rapid technological change. Digital initiatives are expected to support improved resource efficiency, reduced reliance on manual processes and more effective monitoring of operational performance.

The Group will maintain a disciplined approach to data protection and cybersecurity, with continued emphasis on monitoring risks and refining systems to ensure compliance with the Personal Data Protection Act and evolving privacy regulations. Regular risk assessments, vulnerability assessments and penetration testing will remain integral to identifying security gaps and strengthening defences. The Group will also continue to enhance its security frameworks, including improvements to its Information Security Management System to align with the latest standards and best practices. Employee awareness initiatives will remain a priority to support secure behaviours and safeguard stakeholder data. Collectively, these efforts support responsible digitalisation and long-term business sustainability in an increasingly digital operating environment.

# IMPACT STORY:







## ENERGY

### FROM COAL TO CIRCULAR: THE TANJUNG BIN COMPLEX STORY



#### Turning Industrial By-products into Circular Value While Powering Malaysia

At one of Malaysia’s largest coal-fired power complexes, scale is non-negotiable. With an installed capacity of 3,100 MW, the Tanjung Bin Complex plays a critical baseload role in keeping electricity reliable and affordable for households and businesses across the country. The challenge is not only to generate power at this scale, but to do so responsibly, managing the environmental footprint that comes with it.

<p><b>Asset &amp; Scale</b></p> 	<ul style="list-style-type: none"> <li>• Facility: Tanjung Bin Complex</li> <li>• Location: Johor, Malaysia</li> <li>• Total Generating Capacity: 3,100 MW</li> <li>• Generating capacity can potentially supply electricity to approximately 2.2 million households with a monthly average electricity consumption of 1,000 kWh</li> </ul>
<p><b>Circular Economy in Action</b></p> 	<ul style="list-style-type: none"> <li>• Since 2006</li> <li>• Material Managed: Coal Ash (SW104)</li> <li>• Pathway: Coal ash to Cement and construction products</li> </ul>
<p><b>Environmental Outcomes</b></p> 	<ul style="list-style-type: none"> <li>• 579,367 tonnes of coal ash recycled in 2025</li> <li>• Avoiding approximately 72,420 truck trips to landfill per year, based on the use of Alam Flora’s 8-tonne waste compactors</li> <li>• 579,367 tonnes of virgin raw materials substituted</li> </ul>
<p><b>Operational Enablers</b></p> 	<ul style="list-style-type: none"> <li>• Mature waste management system</li> <li>• DOE-approved ash reused</li> </ul>
<p><b>Strategic Alignment</b></p> 	

 *Related Material Matter: This impact story relates to Coal Ash Management (M13). Further details on risks, opportunities, management approach and performance are set out on pages 164 to 165.*

#### Impact Statement

At the Tanjung Bin Complex, Malakoff demonstrates how responsible waste management and circular economy practices can be embedded within large-scale power generation. By treating industrial by-products not as disposal liabilities but as managed material flows, the Complex supports infrastructure development, resource efficiency, and national energy security without compromising operational reliability.



*Advancing circular economy principles by reusing coal ash as a resource for sustainable construction materials.*

#### Why This Matters

The Tanjung Bin Complex is one of Malaysia’s largest power generation facilities, with an installed capacity of 3,100 MW, capable of supplying electricity to approximately 2.2 million households with a monthly average electricity consumption of 1,000 kWh, anchoring system stability as a critical baseload asset. That scale, however, brings parallel responsibilities. Managing environmental impacts, particularly industrial waste streams has become increasingly material to operational resilience, regulatory compliance, and long-term sustainability.

IMPACT STORY: ENERGY

This impact story focuses on how Malakoff applies circular economy principles to manage coal combustion by-products responsibly, reducing reliance on landfill while creating downstream value for the construction sector. The initiative directly supports national priorities under the Circular Economy Blueprint 2025–2035, Dasar Kebersihan Negara (DKN) 2020–2030, and the ambition of zero waste to landfill.

**What We Did**

Since the commercial operation dates of TBPP (2006) and TBEPP (2016), which together form the Tanjung Bin Complex, Malakoff has maintained a structured and compliant coal ash management system focused on reuse and recycling. Coal ash (SW104) is managed under defined controls from segregation and handling through to engagement with approved off-takers, and is reused, subject to DOE approval, as input material for cement, building materials and concrete products.

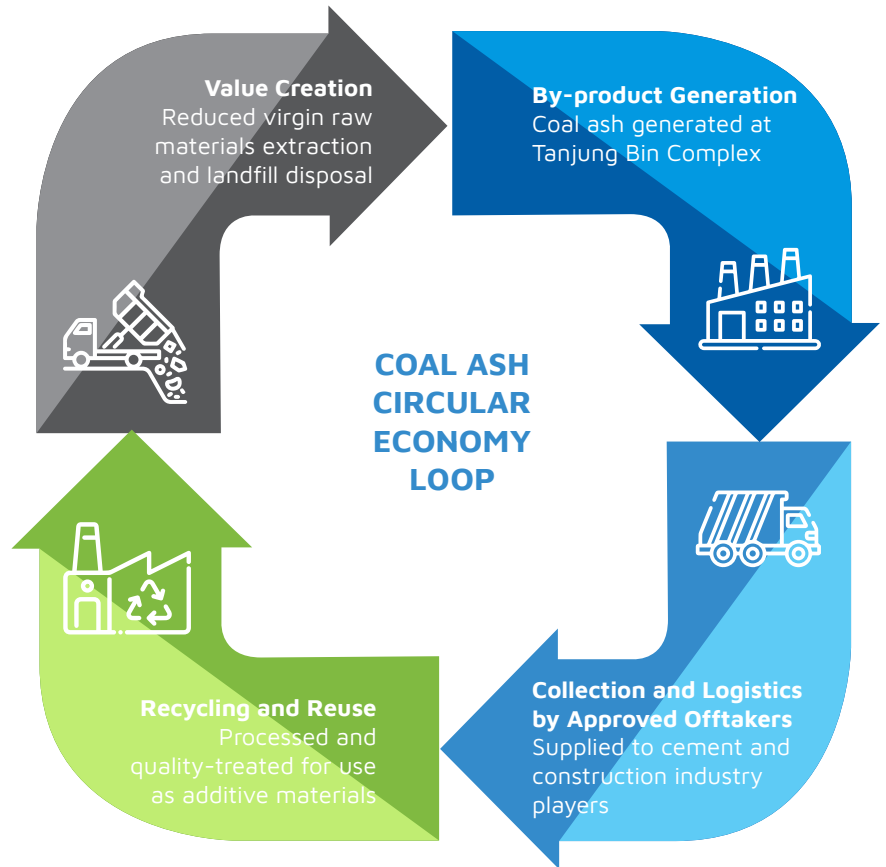
What leaves the plant as a combustion by-product is channelled back into the construction supply chain. Fly ash generated at the Tanjung Bin Complex is collected by approved off-takers, supplied to cement and construction industry players, and processed for use as additive materials, reducing the need for virgin raw materials. While ash composition typically comprises 85% fly ash and 15% bottom ash, some off takers also utilise bottom ash as an alternative raw material for concrete production.

Beyond coal ash management, the Tanjung Bin Complex has also been a champion site under the NETR for Biomass Co-firing, successfully completing a 2% Biomass Co-firing pilot in 2024. The pilot provided practical insights on fuel diversification and system compatibility, complementing existing resource efficiency initiatives at the Complex. Together, these efforts reflect Tanjung Bin Complex’s role in supporting Malaysia’s energy transition by optimising by-product utilisation while progressively introducing lower-carbon fuel alternatives in a controlled and systematically managed manner.

**Impact & Outcomes**

From 2016 onwards, the Tanjung Bin Complex has managed coal ash through structured reuse and recycling arrangements, achieving a cumulative diversion of **4,330,684** tonnes from landfill via approved off-takers. Annual recycling volumes have increased progressively, surpassing 500,000 tonnes per annum from 2023 onwards, with 2025 performance highlighted separately.

The circular process is well-established:



IMPACT STORY: ENERGY

Key outcomes include:



Reduced reliance on landfill disposal



Substitution of virgin construction raw materials



Reduced embodied carbon in downstream construction products

In 2025, the Tanjung Bin Complex recycled and reused **579,367 tonnes** of coal ash, equivalent to:



Avoiding approximately **72,420 truck trips to landfill per year**, based on the use of Alam Flora's 8-tonne waste compactors



**579,367 tonnes** of virgin raw materials substituted annually

These outcomes reflect a mature waste management system and well-embedded circular economy practices within day-to-day operations.

**Just Energy Transition & SDG Alignment**

This initiative reflects Malakoff's approach to a Just Energy Transition, delivering improvements within existing assets while safeguarding national energy security. By improving resource efficiency, bridging thermal generation with circular practices, and testing lower carbon solutions at pilot scale, Tanjung Bin contributes to:



**SDG 9: Industry, Innovation and Infrastructure**

- **9.4** Upgrading industries to be more resource-efficient
- **9.5** Encouraging research & innovation in alternative materials



**SDG 12: Responsible Consumption and Production**

- **12.2** Sustainable management and efficient use of natural resources
- **12.4** Environmentally sound waste management
- **12.5** Reduce waste generation through prevention, reduction, recycling and reuse

**Moving Forward**

Coal-fired power plants are not inherently liabilities. When managed responsibly, they continue to play a critical role in ensuring energy security, affordability and system stability. At the Tanjung Bin Complex, Malakoff is building on this responsibility by advancing circular economy practices within existing operations.

Moving forward, the Group will continue to strengthen coal ash management by exploring opportunities to increase recyclable ash volumes and to develop initiatives that convert bottom ash into higher-value materials. These focus areas reflect a practical approach to maximising resource efficiency while supporting the ongoing transition of thermal assets.

Collectively, these efforts reinforce Malakoff's commitment to continuous improvement, demonstrating that meaningful sustainability outcomes can be delivered through disciplined, evidence-based action within existing infrastructure.

# IMPACT STORY: ENVIRONMENTAL SOLUTIONS

**FRONTLINE EXCELLENCE: SAFEGUARDING SERVICE QUALITY, COMPLIANCE AND TRUST**



### Building Performance Through People

At the heart of Malakoff’s Environmental Solutions operations are its frontline teams; drivers, collectors and sweepers, whose daily dedication shapes service quality, regulatory outcomes and public confidence. Through every collection route, inspection and customer interaction, their discipline and professionalism translate directly into cleaner cities and reliable urban services.

Rather than being viewed solely through the lens of compliance, frontline performance is recognised as a critical enabler of operational excellence. This makes our frontline workers the guardians of our performance, ensuring services are delivered consistently and reliably. Strong adherence to standard operating procedures, proper vehicle care and professional conduct help minimise service disruptions, reduce operational risks and maintain the resources needed to serve communities effectively.

To nurture this mindset, Alam Flora introduced targeted programmes designed to foster a high-performance culture across Environmental Solutions operations. These programmes encourage personal ownership, pride in workmanship and shared responsibility for service outcomes, strengthening day-to-day discipline while reinforcing trust with regulators, local authorities and the public.

### Impact statement

Through two targeted programmes, namely Compactor Rewards for Effort and Work Excellence (Incentive C.R.E.W.) and *Hero Gaya Kerja (#heroBergaya)*, Alam Flora reinforced positive behaviour on the ground, improved fleet care and elevated frontline professionalism. These initiatives strengthen compliance performance, reduce service disruptions and embed a culture where frontline excellence supports cleaner cities, stronger operational outcomes and long-term sustainability.

### Why This Matters

Service quality at Alam Flora is shaped every day by the people on the ground. From timely collections to cleanliness standards and adherence to standard operating procedures, frontline teams play a direct role in meeting the expectations of regulators and communities that rely on consistent municipal waste services. This environment calls for strong discipline, attention to detail and a shared commitment to doing the job well.

Frontline performance is more than an operational requirement; it is central to safeguarding service continuity and sustaining the resources needed to operate effectively. The way vehicles are maintained, routes are executed and interactions are managed influences operational efficiency, cost control and long-term service viability. In this context, frontline workers become key contributors to operational performance and service sustainability.

Strong practices on the ground also deliver tangible benefits for communities. Well-maintained fleets and disciplined, safety-focused crews help reduce service disruptions, minimise hygiene risks and ensure dependable waste collection. Over time, these everyday actions build cleaner urban environments and reinforce public confidence in essential services, underscoring the importance of investing in people as the foundation of high-quality Environmental Solutions operations.



*Alam Flora enhances service quality through continuous operational improvement.*

IMPACT STORY: ENVIRONMENTAL SOLUTIONS

What We Did

**Incentive C.R.E.W. Programme**

**Programme Overview** A targeted recognition programme designed to reward compactor drivers and crews who consistently maintain their vehicles in **low-maintenance condition**, supporting reliable and efficient service delivery.

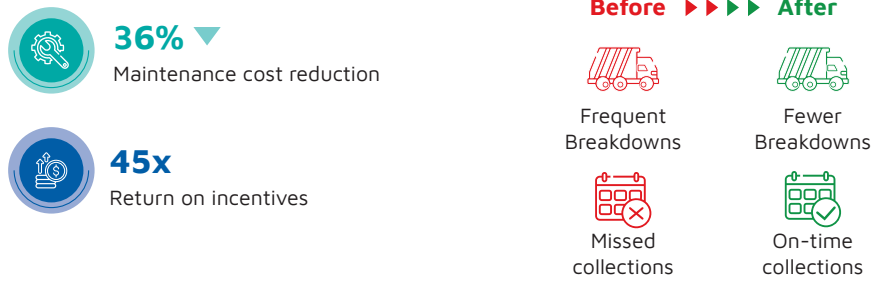
**Key Behaviours Encouraged** The programme promotes:

- Proactive daily vehicle inspections
- Careful and responsible vehicle handling
- Early identification and reporting of potential mechanical issues

These practices reinforce a preventive maintenance mindset across frontline operations.

**Operational Impact** By encouraging preventive behaviours, Incentive C.R.E.W. helps to reduce unplanned downtime and repair costs, improve fleet availability, and ensure consistent waste collection services. A well maintained fleet also strengthens the company’s professional image and public confidence in service quality.

Impact and Outcomes





Incentive C.R.E.W. delivered measurable improvements in fleet performance, achieving a 36% reduction in maintenance costs and a 45-times return on incentives. The programme also resulted in fewer vehicle breakdowns, improved fleet availability and more on-time waste collections, directly enhancing service quality and strengthening public confidence in waste collection services.



Through structured programmes, Alam Flora service staff are equipped and motivated to uphold positive work practices, improve fleet care, and demonstrate higher standards of frontline professionalism.

IMPACT STORY:  ENVIRONMENTAL SOLUTIONS

**Hero Gaya Kerja**

<b>Programme Overview</b>	<i>Hero Gaya Kerja</i> is a frontline culture initiative introduced to strengthen <b>morale, discipline, and professionalism</b> among operational teams.	
<b>Key Behaviours Encouraged</b>	<p>The programme applies clear and transparent evaluation criteria, including:</p> <ul style="list-style-type: none"> <li>• Complete and neat uniforms</li> <li>• Proper use of PPE</li> <li>• Attendance and punctuality</li> <li>• Positive work attitude</li> <li>• Zero penalty findings</li> </ul> <p>These standards reinforce consistent and professional conduct across daily operations.</p>	
<b>Operational Impact</b>	By promoting high standards of appearance, hygiene, and safe work practices, the programme fosters pride, unity, and accountability among frontline workers. These behaviours contribute to safer operations, improved public hygiene outcomes, and enhanced trust in the essential services delivered by Alam Flora.	
<b>Impact and Outcomes</b>	 <p><b>&gt;89%</b> Highly satisfied public</p>	 <p><b>30%</b> of total internal workforce recognised as <i>#heroBergaya</i></p>

*Hero Gaya Kerja* reinforced consistent professionalism across frontline operations, with 89% public satisfaction achieved and 393 employees, representing 30% of the workforce, recognised for exemplary conduct. This translated into stronger service quality and enhanced public confidence in waste collection services.


**SDG Alignment**

 **SDG 8: Decent Work and Economic Growth**

- **8.5:** Achieve full and productive employment and decent work
- **8.8:** Protect labour rights and promote safe and secure working environments

 **SDG 11: Sustainable Cities and Communities**

- **11.6:** Reduce the environmental impact of cities, including municipal waste management

 **SDG 12: Responsible Consumption and Production**

- **12.2:** Achieve sustainable management and efficient use of natural resources
- **12.5:** Substantially reduce waste generation through prevention and efficiency

**Moving Forward**

Empowering our people remains the most critical driver of our operational performance. As the frontline custodians of service quality, their skills, discipline, and pride in their work directly determine our ability to meet compliance standards. By equipping them with the right training, clear SOPs, real-time support, and by recognising and incentivising excellence, we create a motivated workforce that delivers cleaner, safer and more consistent services. This people-first approach ensures that performance is protected, non-compliance risks are reduced, and concession value is sustained.

# SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024	2025
<b>Environmental</b>				
<b>Renewable Energy Transition</b>				
Total RE Generation	MWh	67,561	67,027	<b>63,767</b>
Carbon Avoidance from RE Generation	tCO <sub>2</sub> e	51,211	51,879	<b>47,188</b>
<b>Energy Mix &amp; Efficiency</b>				
Total Energy Consumption <sup>1</sup>	MWh	54,976,619	65,147,523	<b>55,172,835</b>
<b>GHG Emissions<sup>1</sup></b>				
Scope 1: Direct Emissions	tCO <sub>2</sub> e	17,678,793*	20,408,934*	<b>18,098,442</b>
Scope 2: Indirect Emissions	tCO <sub>2</sub> e	82,733*	68,391*	<b>69,450</b>
Scope 3: Indirect Emissions <sup>2</sup>	tCO <sub>2</sub> e	-	1,121	<b>173,414</b>
Total Scope 1, 2 and 3	tCO <sub>2</sub> e	17,761,527*	20,478,446*	<b>18,341,306</b>
<b>Waste Management and Effluents</b>				
Total Waste Generated	Tonnes	-	285.60	<b>274.39</b>
Total Waste Diverted from Disposal	Tonnes	-	54.40	<b>82.54</b>
Total Waste Directed to Disposal	Tonnes	-	231.20	<b>190.51</b>
<b>Coal Ash Management</b>				
Bottom Ash and Fly Ash Recycled	Tonnes	*506,501	581,307	<b>579,367</b>
<b>Water Management</b>				
Raw Water Consumption <sup>1</sup>	Megalitres	2,532*	2,787*	<b>2,749</b>
Seawater Withdrawal	Megalitres	2,099,650	2,267,209	<b>2,120,587</b>

**Notes:**

<sup>1</sup> The figures marked with asterisks (\*) have been restated to reflect financial control approach.

<sup>2</sup> Tracking of Scope 3 Category 6 (Business Travel) and Category 7 (Employee Commuting) commenced in FY2024. From FY2025, the scope was expanded to include Scope 3 Category 4 (Upstream Transportation and Distribution - Coal Transportation).

\* Restated

## SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024	2025
<b>Social</b>				
<b>Occupational Safety &amp; Health</b>				
Total Man-hours Worked	Hour	6,983,212 46,466,129 12,048,476	7,288,759 37,882,129 15,580,414	6,863,688 35,546,959 14,242,719
Number of Work-Related Fatalities	Number	1	2	3
Lost-Time Incident Rate (LTIR)	Rate	0.73 0.86 0.50	0.42 1.16 0.26	1.02 1.04 0.28
Number of Employees Trained on Health and Safety Standards	Number	1,626	1,809	5,308
<b>Talent Management and Development</b>				
<b>Total Number of Employees by Gender</b>				
Total Number of Employees	Number	4,319	4,304	4,299
Total Number of Employees (Malaysia)	Number	4,317	4,302	4,297
Total Number of Employees (Overseas)	Number	2	2	2
Employee - Male	Number	3,611	3,629	3,613
Employee - Female	Number	708	675	686
Permanent Employee - Male	Number	2,715	2,848	2,772
Permanent Employee- Female	Number	579	595	603
Temporary Employee - Male	Number	896	781	841
Temporary Employee - Female	Number	129	80	83
Non-guaranteed Hours Employee - Male	Number	0	0	0
Non-guaranteed Hours Employee - Female	Number	0	0	0
Full-time Employee - Male	Number	3,611	3,629	3,613
Full-time Employee - Female	Number	708	675	686
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	24	20	21
<b>Total Number of New Employee Hires by Gender, Age Group and Region</b>				
Male	Number	811	443	347
Female	Number	92	86	72
Below 30	Number	334	303	207
Between 30-50	Number	505	210	191
Above 50	Number	64	16	21
Malaysia	Percentage	100	100	100
<b>Total Number of Employee Turnover by Gender, Age Group and Employee Category</b>				
Male	Number	182	401	188
Female	Number	54	115	45
Below 30	Number	83	142	66
Between 30-50	Number	127	248	132

\* Restated

## SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024	2025
<b>Social</b>				
Above 50	Number	26	126	<b>35</b>
Top Management	Number	0	7	<b>3</b>
Senior Management	Number	3	16	<b>5</b>
Middle Management	Number	36	31	<b>23</b>
Executive	Number	51	66	<b>53</b>
Non-Executive	Number	146	396	<b>149</b>
<b>Total Training Hours by Gender and Employee Category</b>				
Male	Hours	28,774 29,048	23,628 32,826	<b>25,509</b> <b>7,170</b>
Female	Hours	3,844 11,475	3,186 9,046	<b>3,995</b> <b>4,250</b>
Top Management	Hours	64 221	48 162	<b>4</b> <b>96</b>
Senior Management	Hours	477 278	415 2,074	<b>443</b> <b>240</b>
Middle Management	Hours	8,437 3,663	5,885 1,180	<b>6,559</b> <b>2,988</b>
Executive	Hours	13,815 10,826	10,551 7,404	<b>10,470</b> <b>3,862</b>
Non-Executive	Hours	9,825 13,257	9,915 18,127	<b>12,028</b> <b>3,649</b>
General Workers	Hours	6,955	12,926	<b>586</b>
<b>Average Training Hours per Employee by Gender and Employee Category</b>				
Overall Average Training Hours	Hours	14.75 11.87	14.98 12.25	<b>13.85</b> <b>19.72</b>
Male	Hours	14.77 10.17	15.20 11.33	<b>13.90</b> <b>18.62</b>
Female	Hours	14.56 20.56	13.50 17.36	<b>13.50</b> <b>21.91</b>
Top Management	Hours	0.07 6.90	16.00 32.30	<b>4.00</b> <b>48.00</b>
Senior Management	Hours	0.53 9.50	13.83 41.48	<b>18.00</b> <b>34.29</b>
Middle Management	Hours	9.32 10.10	14.68 32.76	<b>13.00</b> <b>37.82</b>
Executive	Hours	15.27 11.80	14.26 31.24	<b>15.00</b> <b>24.13</b>
Non-Executive	Hours	10.86 9.40	16.10 29.57	<b>13.00</b> <b>15.87</b>
General Workers	Hours	3.83	5.22	<b>5.80</b>

\* Restated

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024	2025
<b>Social</b>				
<b>Percentage of Employee who Received Career Development Review by Gender<sup>1</sup></b>				
Male	Percentage	9	10	<b>11</b>
Female	Percentage	20	9	<b>8</b>
<b>Human and Labour Rights</b>				
<b>Gender Representation across Employee Categories</b>				
Top Management – Male	Percentage	92	100	<b>100</b>
Top Management – Female	Percentage	8	0	<b>0</b>
Senior Management – Male	Percentage	80	72	<b>78</b>
Senior Management – Female	Percentage	20	28	<b>22</b>
Middle Management – Male	Percentage	79	78	<b>78</b>
Middle Management – Female	Percentage	21	22	<b>22</b>
Executive – Male	Percentage	71	71	<b>69</b>
Executive – Female	Percentage	29	29	<b>31</b>
Non-Executive – Male	Percentage	86	87	<b>87</b>
Non-Executive – Female	Percentage	14	13	<b>13</b>
<b>Age Group Representation across Employee Categories</b>				
Top Management – Below 30	Percentage	0	0	<b>0</b>
Top Management – Between 30 – 50	Percentage	58	17	<b>14</b>
Top Management – Above 50	Percentage	42	83	<b>86</b>
Senior Management – Below 30	Percentage	0	0	<b>0</b>
Senior Management – Between 30 – 50	Percentage	63	62	<b>56</b>
Senior Management – Above 50	Percentage	37	38	<b>44</b>
Middle Management – Below 30	Percentage	0	0	<b>0</b>
Middle Management – Between 30 – 50	Percentage	80	77	<b>79</b>
Middle Management – Above 50	Percentage	20	23	<b>21</b>
Executive – Below 30	Percentage	15	16	<b>15</b>
Executive – Between 30 – 50	Percentage	79	77	<b>77</b>
Executive – Above 50	Percentage	6	7	<b>8</b>
Non-Executive – Below 30	Percentage	26	26	<b>24</b>
Non-Executive – Between 30 – 50	Percentage	59	59	<b>60</b>
Non-Executive – Above 50	Percentage	15	15	<b>16</b>
<b>Ethnicities Representation across Employee Categories</b>				
Top Management – Malay	Percentage	84	83	<b>86</b>
Top Management – Chinese	Percentage	8	17	<b>14</b>
Top Management – Indian	Percentage	0	0	<b>0</b>
Top Management – Others	Percentage	8	0	<b>0</b>
Senior Management – Malay	Percentage	76	83	<b>88</b>
Senior Management – Chinese	Percentage	13	10	<b>6</b>
Senior Management – Indian	Percentage	7	7	<b>6</b>
Senior Management – Others	Percentage	4	0	<b>0</b>
Middle Management – Malay	Percentage	89	92	<b>92</b>
Middle Management – Chinese	Percentage	8	6	<b>6</b>
Middle Management – Indian	Percentage	3	2	<b>2</b>
Middle Management – Others	Percentage	0	0	<b>0</b>

\* Restated

## SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024	2025
<b>Social</b>				
Executive - Malay	Percentage	98	98	<b>98</b>
Executive - Chinese	Percentage	1	1	<b>1.1</b>
Executive - Indian	Percentage	1	1	<b>0.7</b>
Executive - Others	Percentage	0	0	<b>0.2</b>
Non-Executive - Malay	Percentage	82	80	<b>81</b>
Non-Executive - Chinese	Percentage	0	0	<b>0</b>
Non-Executive - Indian	Percentage	10	11	<b>10</b>
Non-Executive - Others	Percentage	8	9	<b>9</b>
<b>Board Members Diversity by Gender, Age Group and Ethnicity</b>				
Male	Percentage	90	78	<b>78</b>
Female	Percentage	10	22	<b>22</b>
Below 30	Percentage	0	0	<b>0</b>
Between 30 - 50	Percentage	10	0	<b>0</b>
Above 50	Percentage	90	100	<b>100</b>
Malay	Percentage	78	78	<b>78</b>
Chinese	Percentage	11	11	<b>11</b>
Indian	Percentage	11	11	<b>11</b>
<b>Ratio of Basic Salary of Women to Men</b>				
Top Management	Ratio	0.00	0.00 0.67	<b>0.00</b> <b>0.00</b>
Senior Management	Ratio	0.15	0.71 1.09	<b>0.81</b> <b>0.99</b>
Middle Management	Ratio	0.20	0.86 0.94	<b>0.84</b> <b>0.92</b>
Executive	Ratio	0.23	0.83 0.99	<b>0.77</b> <b>0.97</b>
Non-Executive	Ratio	0.12	0.97 1.11	<b>0.93</b> <b>1.12</b>
<b>Ratio of Remuneration of Women to Men</b>				
Top Management	Ratio	0.00	0.00 0.75	<b>0.00</b> <b>0.00</b>
Senior Management	Ratio	0.19	0.69 1.36	<b>0.91</b> <b>0.04</b>
Middle Management	Ratio	0.14	0.72 0.90	<b>0.38</b> <b>0.72</b>
Executive	Ratio	0.09	0.42 0.97	<b>0.04</b> <b>0.52</b>

Note:

<sup>1</sup> Data only consists of Malakoff, not including Alam Flora Group.

\* Restated

## SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024	2025
<b>Social</b>				
Non-Executive	Ratio	0.04	0.23 0.57	0.10 0.48
Number of Discrimination Cases Reported	Number	0	0	0
Number of Substantiated Complaints Concerning Human Rights Violations	Number	0	0	0
<b>Community Impact</b>				
Total Amount Invested in the Community where the Target Beneficiaries are External to the Listed Issuer	MYR	240,500	407,413	369,290
Total Number of Beneficiaries of the Investment in Communities	Number	4,000	6,740	5,000
<b>Governance</b>				
<b>Good Governance and Corporate Integrity</b>				
<b>Percentage of Board of Directors, Employees and Business Partners who have Received Training on Anti-Corruption</b>				
Board of Directors	Percentage	11	90	75 89
Total Employees	Percentage	85	79	77 39
Top Management	Percentage	1	1	1 0.12
Senior Management	Percentage	3	2	3 0.09
Secondment Officers	Percentage	-	-	0.03
Middle Management	Percentage	22	20	22 5
Executive	Percentage	33	29	28 4
Non-Executive	Percentage	26	27	23 30
Business Partners	Percentage	49	31	40 100
Percentage of Operations Assessed for Corruption-Related Risks <sup>1</sup>	Percentage	100	100	100
Confirmed Incidents of Corruption and Action Taken	Number	0	0	0
<b>Supply Chain Management</b>				
Proportion of Spending on Local Vendors	Percentage	93 100	97 100	98.9 99.9
<b>Technology and Innovation</b>				
Number of Substantiated Complaints Concerning Breaches of Customer Privacy or Losses of Customer Data	Number	0	0	0

Note:

<sup>1</sup> The data covers only Malakoff's Energy operations and the corporate headquarters (KLHQ).

\* Restated

■ Malakoff
 ■ Alam Flora
 ■ AFES
 ■ Internal assurance
 ■ External assurance
  No assurance

# CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

Basis of Preparation	229
First Time Adoption of IFRS Sustainability Disclosure Standards and Additional Transition Reliefs Application	229
Reporting Boundary	229
GHG Emissions Reporting Boundary	230
Significant Judgements, Assumptions and Proportionality	230
Sustainability Governance	230
Climate-related Risks and Opportunities Management	231
Strategy in Managing Climate-related Risks and Opportunities	234
Metrics and Targets	237

## CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

**BASIS OF PREPARATION**

This Sustainability Statement (Statement) constitutes climate-related financial disclosures of Malakoff for the financial year 1 January to 31 December 2025 that has been prepared in accordance with IFRS Sustainability Disclosure Standards as adopted by the Bursa Malaysia MMLR.

This Statement is intended to be read in conjunction with the Group's Audited Financial Statements which has been prepared in accordance with the MFRS, IFRS Accounting Standards, Bursa Malaysia MMLR and the requirements of the Companies Act 2016 in Malaysia.

As of 31 December 2025, there are no other IFRS Sustainability Disclosure Standards issued by the ISSB. In preparing these climate-related disclosures, Malakoff has considered the applicability of relevant disclosure topics and metrics set out in the Sustainability Accounting Standards Board (SASB) Standards for the Electric Utilities and Power Generator and the Waste Management sectors.

The Group anticipates expanding the scope and depth of quantitative disclosures in subsequent reporting cycles as data availability, methodological frameworks and internal capabilities continue to develop.

**FIRST TIME ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND ADDITIONAL TRANSITION RELIEFS APPLICATION**

As this is the first year in which the Group has applied the IFRS Sustainability Standards; S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures' issued by the ISSB, the Group has applied the additional transitional reliefs (ATRs) as provided by the MMLR for issuers listed on the Main Market of Bursa Malaysia as follows:

- Where it is not required to disclose comparative information in the first annual reporting period;
- Permitted to disclose information only on climate-related risks and opportunities (in accordance with IFRS S2 Climate-related Disclosures) and consequently apply the requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information only insofar as they relate to the disclosure of information on climate-related risks and opportunities for two years;
- Permitted to focus on climate-related disclosures specifically on principal business segments for two years; and
- Permitted to not disclose Scope 3 GHG emissions for two years.

**REPORTING BOUNDARY**

The organisational boundary for Malakoff's climate-related financial disclosures is defined in accordance with the Group's financial reporting perimeter and covers all entities consolidated within the Group's financial statements. This boundary reflects Malakoff's structure as an investment holding company with subsidiaries operating across the Power Generation, RE and Environmental Solutions segments.

Within this consolidated perimeter, the extent of climate-related information presented is determined by management's assessment of where climate-related risks and potential opportunities are expected to arise and where such matters may reasonably influence the Group's financial performance, financial position or cash flow.

## CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

### GHG EMISSIONS REPORTING BOUNDARY

The Group’s approach to measuring and managing GHG emissions is guided by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol), and the Group’s internal framework.

#### Organisational Boundary

GHG emissions disclosed in this report cover the Group’s operations in Malaysia and are presented in line with the Group’s financial control approach.

#### Operational Boundary

The Groups’s GHG emissions disclosures include:

- Scope 1 emissions: Direct emissions of fuel combustion from sources owned or controlled by Malakoff.
- Scope 2 emissions: Indirect emissions associated with the consumption of purchased electricity reported using location-based methodologies.

### SIGNIFICANT JUDGEMENTS, ASSUMPTIONS AND PROPORTIONALITY

In preparing this Statement, Malakoff exercises judgements and assumptions in determining suitable methodologies and presenting climate-related financial information. Such judgements are applied in line with the IFRS Sustainability Disclosure Standards and rely on reasonable and supportable information available at the reporting date.

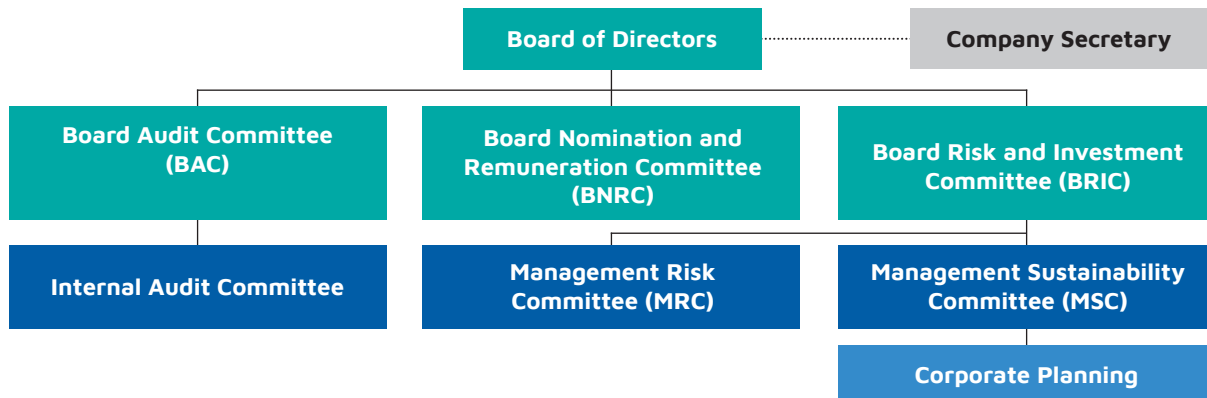
Management exercised significant judgements and assumptions in determining:

- The climate-related risks and opportunities could reasonably be expected to affect the Group’s financial position, financial performance, cash flows, strategy and resilience;

- The scenarios for climate-related analysis, applying judgement to reflect transition pathway that could reasonably be expected to affect the Group’s strategy, business model, financial position and performance;
- The suitable GHG accounting methodologies, emission factors and data sources, including the application of estimates where direct measurement is unavailable, in a manner consistent with GHG Protocol; and
- The measurement of anticipated financial effects for identified climate-related risks (CRRs) over the short-, medium- and long-term. This includes assumptions on the timing and occurrence or non-occurrence of specific regulations and incidence.

Where applicable, the proportionality mechanisms of the standards were also adopted, allowing companies to use reasonably available information without incurring undue cost or effort, and to apply an approach compatible with their skills, capabilities, and resources.

### SUSTAINABILITY GOVERNANCE



Malakoff is in the process of embedding climate-related oversight within its existing governance framework to support a more coordinated and consistent approach across the Group. As this integration progresses, climate-related responsibilities are being introduced across Board, management and operational structures in line with the Group’s evolving risk management practices.

## CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

**Board Oversight**

Climate considerations are being systematically integrated across governance, strategy, risk management and performance measurement, with strengthened connections to financial implications and evolving regulatory expectations under the NSRF. Oversight of climate-related matters will reside with the Board.

**Board Committee Oversight**

The BRIC will assume oversight of climate-related risks and opportunities as part of its broader responsibility for the Group's risk and investment management activities.

The BNRC will be responsible for overseeing climate-related performance measurement. The BNRC leads the Board in its annual Board performance evaluation and identifies areas requiring capability enhancement. Recognising that climate-related risks and opportunities are evolving, the Board is encouraged to attend training sessions covering emerging climate trends, regulatory developments, industry transition pathways and sustainability and climate reporting expectations. The Group's remuneration process for Management is guided by a structured review mechanism under the oversight of the BNRC. As the Group progresses in integrating climate-related considerations into performance management, the remuneration framework is being aligned to incorporate relevant KPIs and targets.

**Management Responsibilities**

At the management level, the MSC, chaired by the GCEO, will serve as the central platform for coordinating climate-related matters across business units. MSC's remit will also include the management of climate-related opportunities. MSC continues to explore opportunities through ongoing market analysis, including those related to climate aligned growth areas.

As climate-related risks and opportunities are being progressively incorporated into the existing Enterprise Risk Management Policy and Framework (ERMPF), risks that are assessed as potentially significant are intended to be consolidated and escalated to the MRC.

The MSC and MRC are responsible for overseeing emerging risks and opportunities, evaluating the adequacy of mitigation approaches, and determining when specific matters require escalation for further deliberation by the BRIC.

**Supporting Function**

Day-to-day coordination of climate-related activities will continue to be supported by the Corporate Planning department (previously known as Sustainability, Research and Investor Relations), which is progressively strengthening its role as the central point for cross-functional engagement to support the gradual alignment of internal processes. Corporate Planning is actively working to embed climate-related considerations into the Group's planning, data governance and internal reporting processes, with a focus on building the structures and competencies under the evolving regulatory landscape.

**CLIMATE-RELATED RISKS AND OPPORTUNITIES MANAGEMENT**

Identification and management of all risks is performed in accordance with Malakoff's ERMPF assessment, which is detailed out in the Statement of Risk Management and Internal Control section of this IAR 2025 on pages 280 to 286. Climate-related risks are in the early phases of being incorporated into the ERMPF, aligning with other principal risks to enable for a holistic approach in identifying, assessing and managing risks.

The climate-related risks and opportunities identified will encompass operational sites across Malaysia, including all thermal power generation, RE and environmental solutions operations.

As the Group continues strengthening its climate-related capabilities, climate-related risks and opportunities will be reviewed periodically to identify those that may have the potential to disrupt core operations, affect cost structures or influence the Group's earnings, liquidity, capital position or operating model.

## CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

For the climate-related risks disclosed in FY2025, the following steps were performed:

Steps	Physical Risk	Transition Risk
<p><b>Risks Identification</b></p>	<p>The Group's physical impact of climate change is assessed using Intergovernmental Panel on Climate Change (IPCC) climate scenarios to evaluate exposure to acute and chronic climate hazards and their potential operational implications.</p> <p>Consistent with IFRS S2 paragraph 25(a)(ii), the Group also considers physical climate scenario analysis during risk identification process.</p> <p>As part of the Group's physical risk identification process, the IPCC Shared Socioeconomic Pathway (SSP) 2-4.5 was selected as the base-case scenario while SSP 5-8.5 was scenario selected as the high physical risks scenario. These scenarios provide plausible future occurrences and are used to identify assets and geographies that may be exposed to elevated chronic and acute physical risks over time.</p> <p>These scenario-informed insights enable early visibility of potential climate-driven impacts on infrastructure and operations.</p> <p>Physical risks identified include:</p> <ul style="list-style-type: none"> <li>• Flood (pluvial, fluvial, tidal, sea-level rise).</li> <li>• Fire.</li> <li>• Extreme weather (wind).</li> <li>• Geotechnical (subsidence and landslide).</li> </ul>	<p>Transition risk identification is guided by ongoing Malaysian climate policy developments, particularly the government's planned introduction of a national carbon tax beginning in 2026. Current policy signals indicate that carbon pricing will initially target carbon-intensive sectors such as energy, iron and steel, and will be underpinned by the forthcoming National Climate Change Bill (<i>RUUPIN</i>), which will provide the legislative and regulatory foundation for the mechanism.</p> <p>To enhance the robustness of the identification process, transition risk insights were further informed by industry peer disclosures, along with guidance from the ISSB and sector specific standards issued by the SASB.</p> <p>Transition risks identified include:</p> <ul style="list-style-type: none"> <li>• Carbon tax.</li> <li>• Stranded assets.</li> </ul>
<p><b>Risks Assessment and Prioritisation</b></p>	<p>Physical risks are assessed under selected IPCC scenarios to determine hazard severity and asset exposure using a Climate Modelling Tool.</p> <p>The assessment considered key factors such as hazard ratings, asset-value thresholds and vulnerability threshold.</p> <p>The Group applies defined internal likelihood and impact criteria to assess climate-related physical risks, using a standardised five-by-five risk matrix consistent with the ERMPF to enable comparability of prioritisation across enterprise risks.</p>	<p>Identified transition risks are evaluated across short-, medium- and long-term horizons, considering likelihood, potential impact and compliance obligations arising from the national carbon tax and <i>RUUPIN</i>.</p> <p>Likelihood and impact are assessed using a combination of qualitative and quantitative factors, with financial impacts measured against internal percentage-based sensitivities to revenue and profit.</p> <p>The assessments follow the Group's standardised five-by-five risk matrix under the ERMPF to ensure consistency and comparability. Prioritisation is based on the combined likelihood-impact rating, guided by the level of business significance and complexity.</p>

CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

Steps	Physical Risk	Transition Risk
<b>Risk Treatment and Integration into Strategy</b>	Scenario-informed insights guide mitigation and adaptation recommendations to safeguard critical assets, with actions integrated into business planning to enhance resilience against identified climate hazards.	Prioritised transition risks inform mitigation and adaptation actions, including alignment of plans with the emerging carbon pricing framework and readiness for regulatory requirements under the <i>RUUPIN</i> . Measures are integrated into CAPEX and OPEX planning to support resilience.

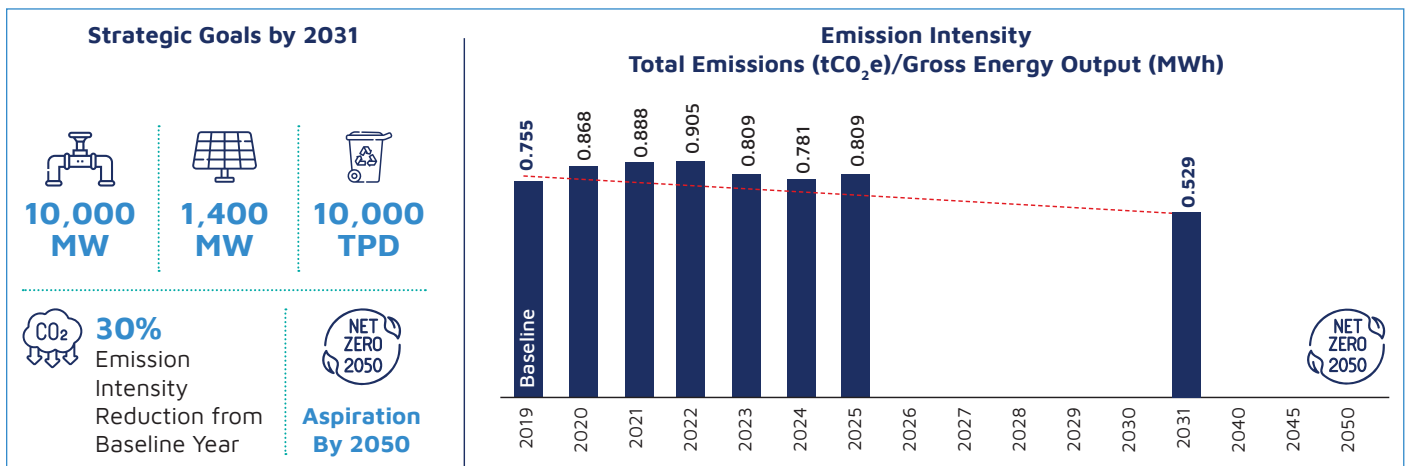
Assessment of Climate-related Opportunity

Steps	Climate-related Opportunity
<b>Opportunity Identification</b>	Climate-related opportunity was identified across Malakoff’s operations through strategic scanning, business planning processes and project assessments, reflecting relevant regulatory trends, market movements, technological developments and stakeholder interests.
<b>Opportunity Assessment and Prioritisation</b>	Opportunities assessed as financially and strategically material will be incorporated into investment planning to ensure alignment with corporate priorities and effective resource allocation. The Group will continue to monitor developments in both the power generation and waste management sectors and will periodically reassess potential climate-related opportunities as part of its broader climate-related risk and strategy framework.

The Group has identified low-carbon solution expansion as a material climate-related opportunity, offering value-creation potential through lower-carbon generation, renewable energy, new investment pipelines and enhanced resilience under future transition scenarios.

Climate Transition Plan

Malakoff’s Climate Transition Plan sets out a decarbonisation pathway that supports the Group’s long-term ambition of achieving net-zero emissions by 2050. The plan outlines targeted actions across short-, medium- and long-term horizons, focusing on emissions intensity reduction, RE growth, operational optimisation and the adoption of low-carbon solutions.



## CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

Malakoff aims to progressively lower the emissions intensity of its generation portfolio through sustained operational improvements, strategic capital planning and increased adoption of RE. The Group has articulated an emissions intensity reduction target of 30% for Scope 1 and Scope 2 GHG emissions by 2031 from a 2019 baseline of 0.755 tCO<sub>2</sub>e/MWh for the Energy business segment. Malakoff continues to expand its RE portfolio as a key lever to deliver structural intensity reductions across the generation mix, in support of the NETR.

The Group’s decarbonisation pathway is structured into three phases:

### Malakoff Decarbonisation Plan

<p><b>Short- to Medium-Term</b></p> <ul style="list-style-type: none"> <li>• Optimise Plant Efficiency</li> <li>• Digitalisation and Preventative Maintenance</li> <li>• Accelerate RE Growth</li> <li>• Biomass Co-Firing and Tech-based Solutions</li> <li>• Fuel Switching to Natural Gas</li> </ul>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Reach biomass co-firing capacity to at least 15% by 2027</li> </ul>
<p><b>Medium- to Long-Term</b></p> <ul style="list-style-type: none"> <li>• Accelerate RE Projects and Hybrid RE Systems</li> <li>• Carbon Capture, Utilisation &amp; Storage</li> <li>• Nature-based Solutions</li> <li>• Clean Fuel Switching</li> </ul>	<p><b>Target</b></p> <ul style="list-style-type: none"> <li>• Achieve thermal capacity of 10,000 MW by 2031</li> <li>• Achieve RE capacity of 1,400 MW by 2031</li> <li>• 30% GHG emissions intensity reduction by 2031 from 2019 baseline (Scope 1 and 2)</li> <li>• Net Zero 2050</li> </ul>

The Group is advancing its clean energy transition through recent project wins and strategic collaborations that strengthen its position for future large scale RE deployment across solar and hydro initiatives. Recently awarded projects includes the development of a major solar facility in Perak through a consortium structure, reinforcing the Group’s commitment to increasing RE penetration and supporting Malaysia’s energy transition agenda. In parallel, the Group is advancing renewable opportunities in Sarawak through collaborations on solar and other green energy ventures, supported by feasibility studies and technical assessments. Malakoff will continue to pursue additional renewable opportunities and operational efficiency measures to stay on track toward achieving a 30% emissions intensity reduction by 2031.

### STRATEGY IN MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Group’s strategy is developed within an operating environment increasingly shaped by climate-related physical and transition risks, which have direct implications for asset performance, operating costs and regulatory compliance.

#### Strategic Planning Time Horizons

Malakoff assesses climate-related risks and opportunities across three time horizons aligned to its existing budgeting, business planning and strategic cycles and are defined as follows:



**Short-term:** Up to 2026



**Medium-term:** 2027–2030



**Long-term:** 2031–2050

#### Risks and Opportunities Shaping Malakoff’s Strategy

Malakoff’s physical risk assessment was conducted using an asset-level exposure screening methodology, evaluating hazard exposure across the portfolio. Flood was confirmed as the primary physical hazard warranting further financial impact assessment.

The carbon pricing transition risk was assessed under an estimated carbon pricing scenario as a base case, aligning to Malaysia’s announced national low-carbon transition policy direction.



## CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

The table below presents a consolidated summary of all climate-related risks prioritised.

### Climate-related Risks Exposure

Climate-related Risks	Time Horizon	Medium/Long	Average Exposure Rating <sup>1</sup>	High
<b>Physical Risk (Acute)</b>				
<b>Flood:</b> Risk of asset inundation from tidal flooding, high precipitation intensity, river discharge and backflow during extreme rainfall events.				
<b>Impact on Business Model and Value Chain</b>				
<ul style="list-style-type: none"> <li>Flood events may impair operational continuity, damage plant and underground infrastructure, restrict site access and increase unplanned maintenance, emergency response, and repair costs.</li> <li>Disruption to generation output may affect power supply reliability and contracted obligation.</li> </ul>				
<b>Financial Effects</b>				
<b>Current:</b> Flood event occurred near the entrance of one of the power plant sites restricting access to employees. However, no additional financial cost was incurred as none of the assets were impacted and no operational impact occurred. This identified climate-related physical risks is not expected to result in a material adjustment to the carrying amount of assets or liabilities within the next annual reporting period.				
<b>Anticipated   Medium- to Long-term:</b> Three out of seven assets were identified to be susceptible to flooding. Future investments in adaptation and resilience enhancing measures will be required to mitigate physical climate risks and safeguard operational continuity.				
<b>Effects on Strategy and Decision Making</b>				
<b>Existing Assets:</b> Management intends to enhance monitoring of flood related impacts and, where necessary, prioritise preventive maintenance and timely rectification to manage cost exposure and maintain generation reliability.				
<b>Future Assets:</b> Management intends to factor physical climate risk considerations into future asset siting, design standards and project planning to support long-term resilience.				
<b>Resource Allocation:</b> Management expects capital allocation and resource planning to increasingly reflect assessed physical climate risk exposures as adaptation needs are identified.				

Climate-related Risks	Time Horizon	Medium/Long	Average Exposure Rating <sup>1</sup>	High
<b>Transition Risk</b>				
<b>Carbon Pricing:</b> Policy exposures as adaptation needs are identified. Detailed financial quantification is not disclosed due to commercial sensitivity.				
<b>Impact on Business Model and Value Chain</b>				
<ul style="list-style-type: none"> <li>Increased operating and compliance costs for coal and gas-fired generation assets as carbon pricing is introduced and potentially expands in coverage and price level.</li> <li>Reduced ability to pass through carbon cost increases may compress operating margins for thermal assets.</li> </ul>				
<b>Financial Effects</b>				
<b>Current:</b> No impact as Malaysia did not introduce a carbon pricing mechanism in FY2025.				
<b>Anticipated   Medium- to Long-term:</b> Six out of seven assets are likely to be affected by the implementation of carbon tax. Preliminary assessment indicates potential financial impact affecting profitability in the short- and medium-term horizons, subject to final government announcement on carbon pricing mechanism. The Group will continue to assess the financial impact of transition risks, following the finalised carbon pricing mechanism.				
<b>Effects on Strategy and Decision Making</b>				
<b>Existing and Future Assets:</b> Management applies scenario analysis to assess potential carbon cost sensitivities across existing operations and planned projects and will continue to monitor policy developments through ongoing stakeholder engagement.				
<b>Resource Allocation:</b> Management expects capital allocation and resource planning to increasingly consider emissions reduction initiatives, efficiency improvements and preparedness for potential future carbon cost exposures.				

<sup>1</sup> Portfolio exposure rating represents a directional characterisation of the Group's overall exposure to each hazard, based on the distribution of individual asset ratings provided. It is not a quantitative weighted average.

## CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

## Climate-related Opportunity Prioritised

Time Horizon

Medium/ Long

## Low-carbon solutions

Opportunity to enhance long-term resilience by expanding RE capacity, improving operational efficiency through low-carbon technologies and developing circular-economy solutions that reduce emissions and support a cleaner, more sustainable energy mix.

## Impact on Business Model and Value Chain

- Increased revenue diversification as low-carbon solutions scale, improving margins from reduced fuel consumption.
- Enhanced business resilience through a more sustainable asset portfolio and reduced long-term operational risks tied to carbon-intensive activities.

## Financial Effects

## Anticipated:

## Short-, Medium- to Long-term:

The Group is progressively expanding its business into RE, with total investments of approximately RM3.5 billion. This strategic shift enhances revenue diversification, mitigates exposure to fuel price volatility, and supports the generation of stable and predictable cash flows through long-term PPAs.

## Effects on Strategy and Decision Making

**Core Business:** Management continues to optimise conventional generation assets through efficiency improvements and life cycle management while supporting the gradual transition to a lower-carbon portfolio.

**New Business Growth:** The Group prioritises RE and low-carbon solutions in its growth strategy to diversify revenue and support long-term portfolio resilience.

**Resource Allocation:** Up to FY2025, approximately RM3.5 billion has been invested in RE projects, alongside progressive deployment of human resources, capability development and selected Engineering, Procurement, Construction and Engineering (EPCC) collaborations to support low-carbon growth.

## Resilience Assessment

Malakoff assessed climate risks using globally recognised scenarios, providing a structured basis for identifying and evaluating climate-related risks and opportunities across its operations and value chain. Physical risks are analysed using IPCC SSP pathways, which illustrate how different warming trajectories could affect asset exposure and long-term operational continuity.

## Baseline Scenario: SSP2-4.5 (Middle of the Road)

Malakoff has selected SSP2-4.5 as the baseline scenario for physical risk assessment, representing a moderate global warming pathway where emissions stabilise before declining mid-century, resulting in an estimated temperature increase of approximately 2.7°C by 2100. Under this scenario, the assessment shows that flooding emerges as the most material physical hazard for Malakoff.

Other hazards such as fire, extreme weather and geotechnical risks generally fall within the low exposure range, resulting in limited financial implications. The SSP2-4.5 baseline therefore provides a realistic central case for evaluating both chronic shifts (e.g. rising temperature and humidity) and acute hazards (e.g. extreme rainfall events), while highlighting that flood risk is the primary driver of potential financial impact across the asset base.



CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

**Physical Stress Test: SSP5-8.5 (Fossil-Fueled Development)**

Under the SSP 5-8.5 high-warming stress case, Malakoff applies an upper-bound climate scenario to test asset resilience under more extreme conditions. This pathway reflects a potential rise of ~4.4°C by 2100 and is used to identify severe but plausible physical stresses. Even under this intensified scenario, flooding remains the most material hazard, with high exposure and driving the potential financial impacts. Other hazards, including fire, extreme weather and geotechnical risks, generally remain low, indicating limited sensitivity even in a worst-case climate future.

The Group maintains sufficient internal funding and has the flexibility to access external financing, if required, to address climate-related risks and opportunities, including CAPEX investments for the mitigations and strategic plans outlined above.

Malakoff’s existing infrastructure can be upgraded or repurposed to support transition initiatives, such as energy efficient solutions and the expansion of renewable energy projects. Ongoing and future investments will continue to focus on enhancing energy efficiency, strengthening operational resilience and enabling long-term adaptability to climate-related challenges.

**METRICS AND TARGETS**

This section presents the Group’s climate-related metrics and targets. Broader sustainability-related metrics and targets and Scope 3 data are disclosed within Malakoff’s voluntary disclosure on pages 237 to 239.

**Revised Operational Approach and GHG Intensity**

Historically, Malakoff applied the equity share approach, however, from FY2025, the Group has adopted the financial control approach to better align with its financial reporting boundaries and governance structure.

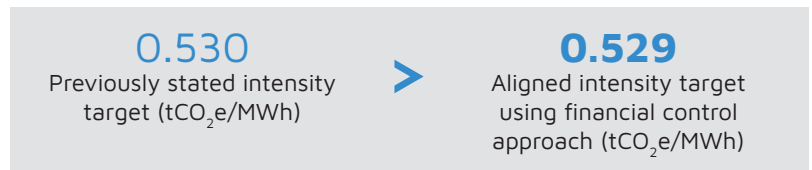
Physical Risks	SSP 2-4.5: ~2.7 °C <i>(moderate emissions reductions)</i>		SSP 5-8.5: ~4.4 °C <i>(high emissions, limited mitigation)</i>	
	Short-Medium term	Long-term	Short-Medium term	Long-term
	2026-2030	2030-2050	2026-2030	2030-2050
Flood	High	High	High	High

As part of this review, two newly acquired entities, ZEC Solar and TJZ Suria were confirmed to fall within the Group’s financial control boundary and are therefore required to be included in Scope 1 and Scope 2 emissions reporting. Given that the processes for collecting, reviewing and validating their energy and emissions data were not yet fully in place during FY2025, their emissions have been accordingly excluded. These entities will be progressively incorporated into future reporting cycles as data governance, validation and assurance processes mature.

As the organisational boundary change affects the composition of Scope 1 and Scope 2 emissions, the Group has restated its base year (FY2019) emissions intensity:



The change reflects boundary alignment only and does not result in changes from operational activity, efficiency or emission factors. To maintain consistency with the restated base year, the Group has aligned its emissions intensity target to the financial control boundary.



The ambition and timeframe of the target remain unchanged. The adjustment ensures that progress against the target is measured on a consistent boundary basis. Climate-related targets will be regularly reviewed to maintain their relevance and are aligned with changes in operations, regulations, and climate-related risks and opportunities.

## CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

**GHG Emissions Performance**

The table below summarises the Group's absolute gross GHG emissions for the reporting year, including emissions from entities and operations within the Group's reporting boundary according to financial control consolidation approach.

**Energy GHG Emissions**<sup>1,2</sup>

GHG Emissions	Unit	2023	2024	2025
SCOPE 1 <sup>3</sup>	tCO <sub>2</sub> e	17,665,876	20,397,450	<b>18,085,857</b>
SCOPE 2 – location based <sup>4</sup>	tCO <sub>2</sub> e	80,912	64,770	<b>66,487</b>
Joint Venture and Associates				
SCOPE 1	tCO <sub>2</sub> e	nil	nil	<b>nil</b>
SCOPE 2	tCO <sub>2</sub> e	nil	nil	<b>nil</b>
Total Absolute Emissions	tCO <sub>2</sub> e	17,746,788	20,462,220	<b>18,152,344</b>
Gross Energy Produced	MWh	21,947,175	26,195,306	<b>22,445,735</b>
<b>GHG Emissions Intensity</b>	<b>tCO<sub>2</sub>e/MWh</b>	<b>0.809</b>	<b>0.781</b>	<b>0.809</b>

**Environmental Solutions GHG Emissions**<sup>1,2</sup>

GHG Emissions	Unit	2023	2024	2025
SCOPE 1 <sup>3,5</sup>	tCO <sub>2</sub> e	12,918	11,484	<b>12,585</b>
SCOPE 2 – location based <sup>4</sup>	tCO <sub>2</sub> e	1,821	3,621	<b>2,963</b>
<b>Total Absolute Emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>14,739</b>	<b>15,105</b>	<b>15,548</b>

Notes:

<sup>1</sup> GHG emissions comprise seven GHG per GHG Protocol, as defined by the United Nations Framework Convention on Climate Change (UNFCCC) (Kyoto Protocol).

<sup>2</sup> The Group is not subjected to any emissions-limiting regulations such as cap-and-trade schemes or carbon tax systems as of 31 December 2025.

<sup>3</sup> Sources of Scope 1 emissions include stationary combustion sources (such as coal and gas power plants operations) and mobile combustion sources (such as company-owned and operated vehicles), measured from the amount of fuel consumed through purchases.

<sup>4</sup> Scope 2 emissions are from purchased grid electricity, consolidated from electricity bills obtained from grid electricity suppliers. Includes office premises owned and managed by the Group. Leased office spaces in which the Group has no ownership of assets and/or no operational control over the building/floor set up and electricity are excluded.

<sup>5</sup> Alam Flora's fleet portion is excluded in the net emissions calculation in this inventory. Please refer to page 153 for total vehicle fuel consumption.

Malakoff's climate-related risk screening provides a high-level view of the Group's exposure to transition and physical risks across its operating assets. The assessment highlights where vulnerabilities may emerge under different climate scenarios and how these may influence future strategy, investment planning and operational resilience.

IFRS S2 Cross Industry Metrics	2025
Percentage (%) of assets susceptible to climate physical risks	<b>43%</b>
Percentage (%) of assets susceptible to climate transition risks	<b>86%</b>
Capital deployment – the amount of CAPEX, financing or investment deployed towards climate-related opportunities (RM million)	<b>3,496.6</b>

Note: The physical and transition risk assessment covered seven operating assets within the Energy business.

CLIMATE-RELATED DISCLOSURES (SUSTAINABILITY STATEMENT)

**Methodology, Inputs and Assumptions**

The methodologies, inputs and key assumptions applied in measuring the Group’s GHG emissions are summarised in the table below. These methodologies are aligned with the GHG Protocol’s Corporate Accounting and Reporting Standard and the requirements of IFRS S2 and reflect Management’s judgement in applying emission factors, activity data and estimation techniques.

The table outlines the scope of emissions, measurement approaches and material assumptions used in the calculation process to support transparency and comparability of disclosures across reporting periods.

Scope	Measurement Approach	Inputs	Assumptions	Reasons for Measurement Approach, Inputs and Assumptions	Changes to Measurement Approach, Inputs and Assumptions in the Reporting Period
<b>Scope 1</b>	Activity data collection from fuel consumption	Fuel purchase receipts	Global Warming Potentials (GWP) are based on the IPCC Sixth Assessment Report (AR6) with a 100-year time horizon	UK DESNZ provides comprehensive list of emission factors for fuel combustion	No changes to measurement approach, inputs and assumptions
<b>Scope 2</b>	Location-based approach	Electricity bills	Average grid emission factor 2024 for Peninsular Malaysia	Latest national grid emission factor published by the EC	Latest grid emission factor applied in the current year

**Internal Carbon Pricing**

Carbon pricing is a key transition risk driver for the Group. While the Group has not adopted a formal internal carbon price, Management uses scenario analysis to assess the potential financial sensitivity of earnings and cash flows to a range of carbon cost assumptions across existing operations and planned projects.

The analysis is used to inform strategic planning, investment evaluation and risk management, and reflects uncertainty in the design, coverage, price level and implementation timing of potential carbon pricing mechanisms, as well as the applicable regulatory and contractual treatment. The Group reviews these assumptions periodically and will refine its assessment as market and policy conditions evolve.



*From emissions measurement to scenario analysis and carbon pricing using data to navigate climate risks and opportunities.*

# IFRS S2 CONTENT INDEX

IFRS S2 Indicator	Description	Section	Page Reference
<b>Governance</b>			
6(a)(i)	How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s)	Sustainability Governance	230 - 231
6(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities	Please refer to Malakoff Berhad's Corporate Governance Report 2025	
6(a)(iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities	Sustainability Governance	231
6(a)(iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities	Sustainability Governance	231
6(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies	Sustainability Governance	231
6(b)(i)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:  Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee	Sustainability Governance	231
6(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	Sustainability Governance	231
<b>Strategy</b>			
10(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Risk Management, Strategy	231-233
10(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	Risk Management	232-233
10(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long-term—the effects of each climate-related risk and opportunity could reasonably be expected to occur	Risk Management	234
10(d)	Explain how the entity defines 'short term', 'medium term' and 'long-term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making	Risk Management	234
13(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain	Strategy	235
13(b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	Risk Management	235
14(a)(i)	Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments)	Strategy	235-236
14(a)(ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications)	Strategy	234-236
14(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains)	Strategy	234-236
14(a)(iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies	Strategy	233-234
14(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets	Metrics and targets	237-238

## IFRS S2 CONTENT INDEX

IFRS S2 Indicator	Description	Section	Page Reference
<b>Strategy</b>			
14(b)	Information about how the entity is resourcing, and plans to resource, the activities disclosed	Strategy	235-236
14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods	Climate Report: net zero by 2050, Managing Our Environmental Impact	
16(a)(i)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	Strategy	235-236
16(c)(i)	Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to	Strategy, Metrics & Targets	235-236
22(a)(i)	The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis	Strategy	235-236
22(a)(ii)	How climate-related risks and opportunities have affected its financial position, financial	Strategy	235-236
22(a)(iii)	The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long-term, including: <ol style="list-style-type: none"> <li>the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities</li> <li>the entity's ability to redeploy, repurpose, upgrade or decommission existing assets</li> <li>the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience</li> </ol>	Strategy	235-236
22(b)(i)	Information about the inputs the entity used, including: <ol style="list-style-type: none"> <li>which climate-related scenarios the entity used for the analysis and the sources of those scenarios</li> <li>whether the analysis included a diverse range of climate-related scenarios</li> <li>whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks</li> <li>whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change</li> <li>why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties</li> <li>the time horizons the entity used in the analysis</li> <li>what scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis)</li> </ol>	Risk Management	236
22(b)(ii)	The key assumptions the entity made in the analysis, including assumptions about: <ol style="list-style-type: none"> <li>climate-related policies in the jurisdictions in which the entity operates</li> <li>macroeconomic trends</li> <li>national-or-regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources)</li> <li>energy usage and mix</li> <li>developments in technology</li> </ol>	Risk Management, Strategy	231-236
22(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out	Risk Management	229
<b>Risk Management</b>			
25(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: <p>The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes)</p>	Risk Management	232-233
25(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks	Risk Management	232-233
25(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria)	Risk Management	232-233

## IFRS S2 CONTENT INDEX

IFRS S2 Indicator	Description	Section	Page Reference
<b>Risk Management</b>			
25(a)(iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk	Risk Management	232-233
25(a)(v)	How the entity monitors climate-related risks	Risk Management	232-233
25(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period	Risk Management	-
25(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	Risk Management	232
25(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	Risk Management	232
<b>Metrics and Targets</b>			
29(a)(i)	Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO <sub>2</sub> equivalent, classified as: <ol style="list-style-type: none"> <li>Scope 1 greenhouse gas emissions</li> <li>Scope 2 greenhouse gas emissions</li> <li>Scope 3 greenhouse gas emissions</li> </ol>	Metrics and Targets	238
29(a)(ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions	Metrics and Targets	238
29(a)(iii)	Disclose the approach it uses to measure its greenhouse gas emissions including: <ol style="list-style-type: none"> <li>the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;</li> <li>the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</li> <li>any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes</li> </ol>	Metrics and Targets	238-239
29(a)(v)	For Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions	Metrics and Targets	238
29(a)(vi)	For Scope 3 greenhouse gas emissions <ol style="list-style-type: none"> <li>the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</li> <li>additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management</li> </ol>	Metrics and Targets	
29(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks	Risk Management	235-236
29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks	Risk Management	235-236
29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities	Strategy	236
29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Strategy	237
29(f)	Internal carbon prices—the entity shall disclose: <ol style="list-style-type: none"> <li>an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)</li> <li>the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions*</li> </ol>	Strategy	239
29(g)	Remuneration—the entity shall disclose: <ol style="list-style-type: none"> <li>a description of whether and how climate-related considerations are factored into executive remuneration</li> <li>the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations</li> </ol>	Governance	231

## IFRS S2 CONTENT INDEX

IFRS S2 Indicator	Description	Section	Page Reference
<b>Metrics and Targets</b>			
32	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Metrics and Targets	237-238
33(a)	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose	Metrics and Targets	233-234
33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives)	Metrics and Targets	237-239
33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region)	Metrics and Targets	233-234
33(d)	The period over which the target applies	Metrics and Targets	233-234
33(e)	The base period from which progress is measured	Metrics and Targets	233-234
33(f)	Any milestones and interim targets	Metrics and Targets	233-234
33(g)	If the target is quantitative, whether it is an absolute target or an intensity target	Metrics and Targets	233-234
33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	Metrics and Targets	237-239
34(a)	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:  Whether the target and the methodology for setting the target has been validated by a third party	Metrics and Targets	
34(b)	The entity's processes for reviewing the target	Metrics and targets	233-238
34(c)	The metrics used to monitor progress towards reaching the target	Metrics and targets	233-238
34(d)	Any revisions to the target and an explanation for those revisions	Metrics and targets	
35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance	Metrics and targets, Managing Our Environmental Impact	233-238
36(a)	For each greenhouse gas emissions target, an entity shall disclose:  Which greenhouse gases are covered by the target	Metrics and Targets	237
36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	Metrics and Targets	233-238
36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target	Metrics and Targets	233-238
36(d)	Whether the target was derived using a sectoral decarbonisation approach	Strategy	233-238
36(e)(i)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including,  The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	A Reflection on Sustainability through the Malakoff Lens	
36(e)(ii)	Which third-party scheme(s) will verify or certify the carbon credits	Assurance Statements	
36(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal	Strategy	-
36(e)(iv)	Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset)	Strategy	-

# BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-30 17:32:41  
FYE 31/12/2025

**Malakoff Corporation Berhad**  
IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate	Scope 1 (Energy business)	tCO2e	18,085,857	-	External (Limited)
Climate	Scope 2: Location-based (Energy business)	tCO2e	66,487	-	External (Limited)
Climate	Total Scope 1 and Scope 2 (Energy business)	tCO2e	18,152,344	-	External (Limited)
Climate	Gross Energy Produced	MWh	22,445,735	-	External (Limited)
Climate	GHG Emissions Intensity	tCO2e/MWh	0.809	Reduce GHG emissions intensity by 30% by 2031 from a 2019 baseline year	External (Limited)
Climate	Scope 1 (Environmental Solutions)	tCO2e	12,585	-	External (Limited)
Climate	Scope 2: Location-based (Environmental Solutions)	tCO2e	2,963	-	External (Limited)
Climate	Total Scope 1 and Scope 2 (Environmental Solutions)	tCO2e	15,548	-	External (Limited)
Climate	Percentage of Assets Susceptible to Climate Physical Risks	%	43	-	No assurance
Climate	Percentage of Assets Susceptible to Climate Transition Risks	%	86	-	No assurance
Climate	Capital Deployment (the amount of capital expenditure, financing or investment deployed towards climate-related opportunities)	RM million	3,496.6	-	No assurance

# STATEMENT OF ASSURANCE

## ASSURANCE UNDERTAKEN

In strengthening the credibility of the sustainability reporting, selected aspects/parts of this report have 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	<ul style="list-style-type: none"> <li>Energy consumption within the organisation</li> </ul>
Emissions Management	<ul style="list-style-type: none"> <li>Scope 1 greenhouse gas emissions</li> <li>Scope 2 greenhouse gas emissions</li> <li>Scope 3 greenhouse gas emissions (Category 4, 6 and 7)</li> </ul>
Health and Safety	<ul style="list-style-type: none"> <li>Number of employees trained on health and safety standards</li> <li>Number of work-related fatalities</li> <li>Lost Time Incident Rate</li> </ul>
Diversity	<ul style="list-style-type: none"> <li>Percentage of employees by gender and age group, for each employee category</li> <li>Percentage of directors by gender and age group</li> </ul>
Supply Chain Management	<ul style="list-style-type: none"> <li>Proportion of spending on local suppliers</li> </ul>
Anti-corruption	<ul style="list-style-type: none"> <li>Percentage of operations assessed for corruption related risks</li> <li>Percentage of employees who have received training on anti-corruption by employee category</li> <li>Total number and nature of confirmed incidents of corruption</li> </ul>

## SCOPE

The boundary of the internal review includes the Group's operations and activities in Kuala Lumpur, Johor, Pulau Pinang, Perak, Putrajaya and Pahang. The internal review was with respect to the year ended 31 December 2025 information and does not include earlier periods.

## PROCEDURES PERFORMED

The internal review includes the following:

- i. Compilation of sustainability data/ information from respective business units by the Corporate Planning department for preliminary review.
- ii. Verification and validation of underlying records, information and data by Group Internal Audit.
- iii. Inquiries and interview by Group Internal Audit on relevant key personnel in charge of the subject matter data collection, collation and reporting.
- iv. 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.

## STATEMENT OF ASSURANCE



## INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of Malakoff Corporation Berhad

### Introduction and objectives of work

Malakoff Corporation Berhad ("Malakoff") engaged Bureau Veritas Certification (M) Sdn. Bhd. ("Bureau Veritas") to provide independent limited assurance over selected sustainability information relating to Energy Management and Emissions Management for the reporting period 1 January 2025 to 31 December 2025 ("FY2025"). This Independent Limited Assurance Statement applies to the selected disclosures described in the Scope of work section below, as presented in Malakoff's Sustainability Statement 2025 and the related climate-related Metrics and Targets disclosure reviewed by Bureau Veritas up to the issue date of this statement.

The objective of this limited assurance engagement is to provide an independent conclusion, in accordance with ISAE 3000 (Revised), on whether the selected sustainability information is prepared, in all material respects, in accordance with the applicable reporting criteria.

### Responsibilities

The preparation and presentation of the selected sustainability information are the responsibility of Malakoff's management. This responsibility includes establishing appropriate reporting boundaries, designing and maintaining internal controls over the preparation of the selected disclosures, selecting and applying the reporting criteria, and making estimates that are reasonable in the circumstances. Bureau Veritas was not involved in the preparation of the selected disclosures.

Our responsibility is to perform a limited assurance engagement and to issue an independent assurance report based on the procedures performed and the evidence obtained.

### Scope of work

The scope of this engagement was determined with reference to the agreed Verification Plan for Malakoff Sustainability Statement 2025 and covered Malakoff Corporation Berhad and the following entities in scope: Tanjung Bin Power Plant Sdn. Bhd. (TBP), Tanjung Bin Energy Sdn. Bhd. (TBE), Segari Power Plant Sdn. Bhd. (SEV), Prai Power Sdn. Bhd. (PPP), Malakoff Utilities Sdn. Bhd. (MUSB), Alam Flora Sdn. Bhd. (AFSB), and Alam Flora Environmental Solutions Sdn. Bhd. (AFES).

The selected disclosures within scope comprised sustainability information relating to:

- Energy Management, including fuel consumption, purchased electricity and total energy use from relevant operations, and Gross Energy Produced where reported;
- Emissions Management, including Scope 1 and Scope 2 greenhouse gas emissions and emissions intensity metrics where reported; and
- Related notes describing organisational boundary, methodology, assumptions, exclusions, restatements and presentation of the above disclosures.

This engagement did not extend to other sustainability information outside the selected disclosures, including forward-looking statements, targets, commitments, offsets or credits, and Scope 3 emissions except where such information was considered solely for presentation consistency and cross-reference review.

## STATEMENT OF ASSURANCE



### Reporting criteria

The reporting criteria for this engagement comprise Malakoff's stated definitions, methodologies, organisational boundaries, consolidation rules and calculation approaches for the selected disclosures, as described in the Sustainability Statement 2025 and related supporting methodology documentation, with reference to Malakoff's stated reporting frameworks, including GRI Standards, SASB and IFRS S2 where applicable to the selected disclosures.

### Assessment standard

This limited assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the nature, timing and extent of procedures performed for a limited assurance engagement are less than for a reasonable assurance engagement, and the level of assurance obtained is correspondingly lower.

### Summary of procedures performed

Based solely on the documentation made available to us up to the issue date, Bureau Veritas performed procedures that included, as applicable:

- review of the agreed entities in scope and applicable criteria;
- review of the draft Sustainability Statement 2025 disclosures relating to M7 Energy Mix and Efficiency and M8 GHG Emissions, together with the related climate-related Metrics and Targets disclosure;
- analytical review and internal consistency checks of selected tables, totals, units, cross-references, boundary notes and disclosures across the documents provided;
- selected recalculation and reasonableness checks of disclosed totals and inter-table consistency for selected energy and greenhouse gas metrics; and
- review of disclosed methodology notes, assumptions and stated exclusions relevant to the selected disclosures.

### Limitations and exclusions

This engagement was performed on a limited assurance basis and on the basis of the information and documentation made available to Bureau Veritas by Malakoff's management up to the issue date of this statement. The procedures performed were designed to obtain limited assurance and were not intended to detect all errors, omissions or misstatements that may exist.

Our conclusion relates only to the selected disclosures described above for FY2025 and does not extend to any other information included in Malakoff's Sustainability Statement 2025 or related disclosures that is not expressly identified as being within the scope of this engagement.

### Basis for Disclaimer of Conclusion

The agreed Verification Plan contemplated a risk-based limited assurance approach for detailed testing and identified full review of the group consolidation as a key component of the engagement. The plan also contemplated testing of underlying records such as fuel invoices, weighbridge tickets, stockpile reconciliations, calorific value reports, electricity bills, meter logs, emissions calculation files, factor libraries and related governance sign-offs.

## STATEMENT OF ASSURANCE



Based on the documentation made available for this engagement, Bureau Veritas performed limited assurance procedures over the selected FY2025 sustainability disclosures. These procedures included review of the organisational boundary and application of the financial control approach, assessment of the stated definitions, methodologies, conversion bases and key assumptions, analytical review of the reported energy and greenhouse gas data, selected recalculations of totals, subtotals and unit conversions, and review of the presentation of the selected disclosures in the Sustainability Statement 2025 and the related IFRS S2 Metrics and Targets disclosure.

On the basis of these procedures, Bureau Veritas obtained evidence over the documented FY2025 reporting approach applied by Malakoff, including the use of the financial control boundary, the compilation basis and presentation of the selected energy consumption disclosures, the Scope 1 and Scope 2 greenhouse gas summary disclosures, and the related reporting assumptions, restatements and boundary notes described by management. This includes the transparent disclosure that ZEC Solar Sdn. Bhd. and TJZ Suria Sdn. Bhd., although within the Group's financial control boundary from 31 January 2025, were temporarily excluded from FY2025 energy consumption and Scope 1 and Scope 2 reporting pending completion of data governance and validation processes.

#### **Inherent limitation**

Bureau Veritas has diligently applied its expertise and rigorous processes to ensure the accuracy and reliability of the information presented. While the inherent nature of any assessment means the possibility of undetected errors or irregularities remains, our comprehensive scope and design are intended to identify and address potential weaknesses in internal controls related to data preparation and presentation. Testing procedures were carefully executed according to the engagement plan, focusing on key areas of risk.

#### **Conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that Malakoff's selected FY2025 sustainability Disclosure, within the scope of this engagement, is not fairly stated and materially accurate in all material respects, in accordance with the stated criteria.

Specifically, with respect to the indicators within the scope of our limited assurance, this statement represents Bureau Veritas's conclusion on the reported figures.

#### **Statement of Independence, Integrity and Competence**

Bureau Veritas is an independent professional services company specialising in quality, health, safety, social and environmental management. Bureau Veritas has implemented a Code of Ethics to maintain high ethical standards and to prevent conflicts of interest.

No member of the assurance team has a business relationship with Malakoff, its Directors or Managers beyond that required for this engagement. The engagement team has the appropriate competence and experience to perform this limited assurance engagement.

The independent assurance opinion statement has been prepared for the Stakeholders of Malakoff and only for the purpose of verifying its statement relating to the Scope detailed above.

## STATEMENT OF ASSURANCE



Bureau Veritas complied to ISO 17021-1:2015 Conformity assessment — Requirements for bodies providing audit and certification of management systems where it has founded the principle of independence of accessor, competency, impartiality, confidentiality and accessor professional behaviour.

**Restriction of liability**

Our report, including our conclusion, has been prepared solely for the reason specified in paragraph one and the Board of Directors of the company and for no other purpose. Any reliance on this report by any third party is entirely at its own risk. We do not assume or accept responsibility or liability to anyone other than Malakoff Corporation Berhad, for our work, for this report, or for conclusion we have reached.

For and on behalf of Bureau Veritas Certification (M) Sdn. Bhd., Kuala Lumpur, Malaysia.

Issue Date: 27 March 2026

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Ng Sheng Wa  
Southeast Asia Certification & Sustainability Manager