

Sustainability Statement

Forging a Tomorrow

Sustainable

ABOUT THIS STATEMENT

Gas Malaysia Berhad (“Gas Malaysia”) and its subsidiaries (“the Group”) acknowledges that sustainability is a key aspect of our business operations as we seek to produce long-term value for our shareholders.

As a purpose-driven organisation, sustainability considerations contribute directly to what we do as a business, how we operate, and how we engage with our stakeholders.

As such, we recognise that sustainable development is a global priority, and as a responsible corporation, we strive to operate in an environmentally and socially responsible manner. By sharing the details of our sustainability journey, we aim to foster trust, engagement, and collaboration with our stakeholders.

This statement covers the sustainability goals, strategies, initiatives, and performance of Gas Malaysia for the financial year 2023. We have determined the issues of tremendous significance via our materiality assessment. We recognise that sustainability is an ongoing journey and are committed to continuously improving our environmental, economic, social, and governance performance. We remain dedicated to operating responsibly, minimising our impact, and contributing to a sustainable future.


OUR SUSTAINABILITY PILLARS

In our unwavering commitment to sustainability, Gas Malaysia has outlined four (4) key pillars that shape our strategic approach.

- Advancing environmental sustainability
- Strengthening business delivery
- Creating a people-centric organisation
- Enhancing governance & transparency


ADVANCING ENVIRONMENTAL SUSTAINABILITY

Our first pillar centres on advancing environmental sustainability, placing a strong emphasis on decarbonising our operations. By transitioning to renewable energy sources and refining our processes, we aim to reduce our carbon footprint. We also proactively support the transition to cleaner energies, such as solar. Furthermore, maintaining operational excellence in asset management remains a priority, ensuring efficient and sustainable resource utilisation.

 Please refer to pages 55 to 60


STRENGTHENING BUSINESS DELIVERY

Our second pillar underscores the significance of strengthening business delivery. We view investments in gas-related infrastructures and new businesses as essential steps to broaden our market presence and provide sustainable energy solutions. Infrastructure development and the introduction of innovative distribution methods are pivotal to enhancing customers' accessibility to natural gas and new energies.

 Please refer to pages 62 to 69

CREATING A PEOPLE-CENTRIC ORGANISATION

Central to Gas Malaysia's strategy is the third pillar, focusing on creating a people-centric organisation. We prioritise fostering a safe, healthy, inclusive, and productive workplace culture to ensure the well-being of our employees and drive performance. Additionally, we place a strong emphasis on upskilling and advancing our employees' capabilities through comprehensive training and development initiatives, underscoring our commitment to continuous learning and growth.

 Please refer to page 62

ENHANCING GOVERNANCE & TRANSPARENCY

Lastly, our fourth pillar centres on enhancing governance and transparency. We recognise the critical importance of upholding high ethical standards and maintaining a zero-tolerance policy towards corruption. To this end, we have implemented robust anti-bribery and anti-corruption measures to ensure fair and transparent business practices. Furthermore, we drive quality improvements that ultimately benefit consumers, contributing to a dynamic and thriving market ecosystem.

 Please refer to pages 70 to 74

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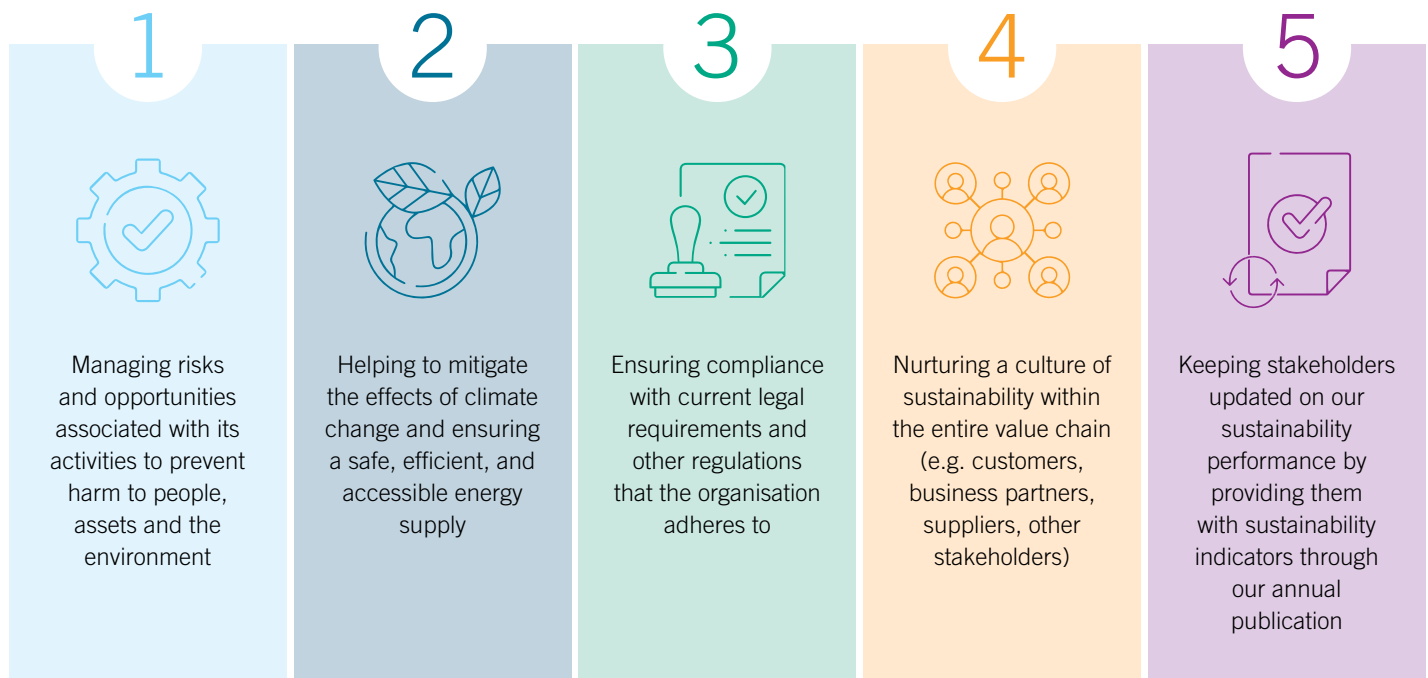
OUR ASPIRATIONS

Our business practices are designed to create sustainable, long-term value throughout our value chain through ethical, responsible, and transparent business conduct. In doing so, we aim to drive the transition towards a low-carbon future while ensuring energy security and meeting global energy demands.

OUR COMMITMENTS

Gas Malaysia is committed to ensuring that environmental, ethical and social principles are at the core of our business decisions. In line with this, we commit to identifying and analysing the expectations of Gas Malaysia’s various stakeholders as well as establishing action guidelines regarding key issues such as greenhouse gas (“GHG”) emissions, health and safety, good governance, employment practices, non-discrimination, and anticorruption.

Gas Malaysia understands that sustainability must be integrated within all aspects of Gas Malaysia’s business and organisational levels while considering the perspective of its stakeholders such as:



APPROVAL BY THE BOARD

To ensure the integrity of this statement as well as fair and balanced disclosures of matters deemed material, the Board Risk & Compliance Committee (“BRCC”) reviewed and recommended this report to the Board of Directors for approval.

REPORTING FRAMEWORKS AND STANDARDS

This statement is guided by Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) and the Global Reporting Initiative (“GRI”) Framework to aid us in meeting our commitment of creating a more sustainable and resilient organisation.

SCOPE & BOUNDARY

In preparing this statement, we have aligned our reporting with Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition). This statement covers our sustainability-related activities for the period 1 January 2023 to 31 December 2023 for the Group.

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STATEMENT OF ASSURANCE

Assurance Undertaken

In strengthening the credibility of the Sustainability Statement, selected aspects of this Sustainability Statement have been subjected to an internal review by the company's internal auditors. The company's Internal Audit Department ("IAD") has provided the assurance and validations of the data across the company on those sections as per below and prepared in compliance with the reporting criteria.

Subject Matter

The subject matters covered by the internal review only include 2023 data on selected indicators under the following sections:

SOCIAL SECTION

- Complaints concerning human rights
- Percentage of employees by gender and management level
- Training hours by employee category
- Health and safety performance
- Lost Time Incident Rate ("LTIR")
- Number of staff that attended safety and health training
- Corporate Social Responsibility ("CSR")
- Training, development and upskilling programmes
- Number of new hires by employee category
- Number of employee turnover by employee category
- Breakdown of permanent and contract staff
- Initiatives/programmes under safety and health

GOVERNANCE SECTION

- Policies and framework to manage anti-bribery and anti-corruption
- Initiatives to manage anti-bribery and anti-corruption
- Percentage of operations assessed for corruption-related risks
- Number of confirmed incidents of corruption
- Percentage of employees trained in anti-bribery and anti-corruption policies and procedures
- Percentage of employees informed on anti-bribery and anti-corruption policies and procedures

SUSTAINABILITY GOVERNANCE

To effectively drive Gas Malaysia's sustainability agenda right from the top, we have enhanced our Sustainability Governance Structure to ensure that all business activities are conducted in line with our sustainability commitments. Cultivating a top-down approach focused on accountability, the framework not only defines the roles and responsibilities of the Board and Management, but also the disclosure process which enables us to accurately report on our progress.

Gas Malaysia's sustainability governance structure empowers the Board of Directors ("the Board") with the responsibility of endorsing Gas Malaysia's sustainability strategies and goals while also empowering the Board Risk & Compliance Committee ("BRCC") with the responsibility of providing oversight on Gas Malaysia's sustainability strategies and goals.

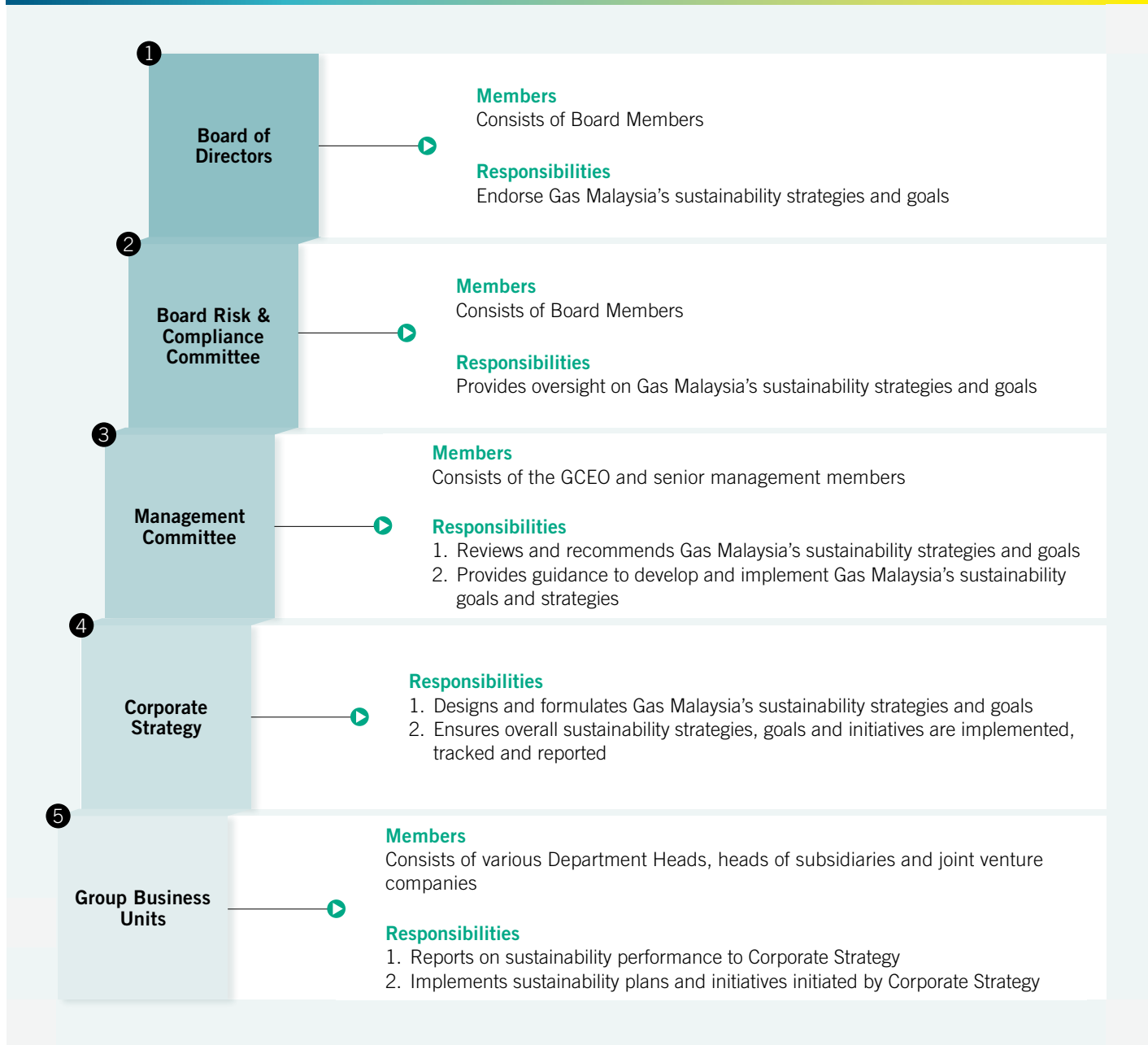
Below the RCC, is the Management Committee ("MC"), comprising the Group Chief Executive Officer ("GCEO") and senior management members of the company, is responsible for providing guidance to developing and implementing Gas Malaysia's sustainability goals and strategies. The MC reviews and recommends appropriate sustainability strategies and goals to the RCC.

In support of the MC, the Corporate Strategy Department is responsible for designing and formulating Gas Malaysia's sustainability strategies and goals and ensuring the company's sustainability progress is tracked and updated periodically.

With clear direction and strong leadership, we can execute sustainability initiatives and integrate sustainability considerations into our businesses. This includes establishing goals and strategies, as well as communicating key messages about our sustainability efforts through a top-down approach.

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SUSTAINABILITY GOVERNANCE STRUCTURE



STAKEHOLDER MANAGEMENT

We actively and consistently engage with our stakeholders across eight (8) different groups, with varied concerns and interests, and influence and impact over the Group. Meaningful and transparent engagement with our stakeholders is crucial for building trust, fostering collaboration, and driving positive change. We gain valuable insights, diverse perspectives, and a deeper understanding of their needs and expectations by engaging with our stakeholders. This enables us to align our strategies, initiatives, and decision-making processes with the interests of our stakeholders, ultimately contributing to long-term value creation and sustainable development.

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STAKEHOLDER MANAGEMENT

Regulatory Bodies & Government Agencies

Method & Frequency of Engagement

Engagement Method

- Engagements and Dialogue Sessions
- Reporting and Consultation on Regulatory or Industry Related Matters
- Formal Meetings
- Familiarisation Visits

Engagement Frequency

- Regular & Ad-hoc

Expectations & Concerns

Regulatory bodies such as Suruhanjaya Tenaga and the Economic Planning Unit expect the Group to comply with the relevant laws and regulations.

Our Response

We cooperated with Suruhanjaya Tenaga to ensure that our business operations remain well-prepared and equipped to fully adhere to the Third Party Access ("TPA") requirements.

We have been in close consultations with Suruhanjaya Tenaga on gas tariff revisions.

Impact on the Group

Not adhering to the relevant laws and regulations can lead to a withdrawal of our licence to operate, penalty fees and a loss of reputation.

Board of Directors ("BOD")

Method & Frequency of Engagement

Engagement Method

- Periodic Board and Board Committee Meetings
- Formal Correspondences

Engagement Frequency

- Scheduled & Ad-hoc

Expectations & Concerns

The Board expects the Group to uphold the highest principles of transparency and accountability in full compliance with all applicable laws.

Our Response

Management has ensured the Board is always updated regarding the Group's latest business and governance developments.

Impact on the Group

A good working relationship with the Board will ensure business continuity through good and ethical governance practices.

Shareholders

Method & Frequency of Engagement

Engagement Method

- Quarterly Analyst Briefings
- Open Dialogue Sessions (Scheduled & Unscheduled)
- Conference Calls
- Annual General Meeting ("AGM")
- Annual Reports
- Site Visits
- Media Releases & Bursa Announcements

Engagement Frequency

- Scheduled, Regular & Ad-hoc

Expectations & Concerns

Shareholders expect the Group to sustain its earnings potential and market presence for the investment community. They are also concerned about material business development, liquidity and fair ratings of Gas Malaysia's shares, shareholders' confidence and the enhancement of shareholders' value.

Our Response

We have designed a comprehensive investor relations engagement programme, which focuses on guided disclosures about the Group's business focus, financial performance, new businesses and market liberalisation.

Impact on the Group

Maintaining a good engagement with our shareholders is positive for our business as it increases interaction with the capital market and fosters a positive perception among the investment community, which can also increase positive analyst coverage of the Group.

Customers

Method & Frequency of Engagement

Engagement Method

- Dialogue Sessions
- Customer Relationship Building Programme
- Formal Meetings
- Customer Feedback Platforms

Engagement Frequency

- Regular & Ad-hoc

Expectations & Concerns

Our industrial, commercial, retail and residential customers expect the Group to deliver reliable and quality service at competitive pricing.

Our Response

- We have focused on increasing engagement with our customers and have organised outreach programmes.
- We have enhanced our customer service by conducting after-sales and value-added services.
- Constructive feedback from customers into consideration to further improve our services.

Impact on the Group

Our strong customer-centric service will strengthen our customer base and market share, in addition to improving customer experience and brand loyalty which will turn our customers into brand ambassadors.

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Authorities	<p>Method & Frequency of Engagement</p> <p>Engagement Method</p> <ul style="list-style-type: none"> • Dialogue Sessions • Formal Meetings • Familiarisation Visits to our Gas Facilities <p>Engagement Frequency</p> <ul style="list-style-type: none"> • Regular & Ad-hoc 	<p>Expectations & Concerns</p> <p>Federal, state and local government and safety and health authorities expect the Group to comply with the related legal and regulatory requirements under their jurisdiction.</p> <p>Our Response</p> <p>The Group continues to ensure that all relevant and applicable laws are strictly followed and complied with.</p> <p>Impact on the Group</p> <ul style="list-style-type: none"> • Non-compliance with relevant laws and regulations can result in our licence being revoked and will also cause a loss of reputation. • Local authorities must issue work permits before we can commence pipeline construction.
Business Partners	<p>Method & Frequency of Engagement</p> <p>Engagement Method</p> <ul style="list-style-type: none"> • Formal Meetings • Dialogue Sessions <p>Engagement Frequency</p> <ul style="list-style-type: none"> • Regular & Ad-hoc 	<p>Expectations & Concerns</p> <p>Suppliers and vendors of the Group expect fair opportunities and the transparent conduct of procurement and payment processes.</p> <p>Our Response</p> <ul style="list-style-type: none"> • The Group has established a procurement policy and has an Integrity Pact in place. • We have also strictly observed fair procurement and pricing evaluation practices while monitoring for process irregularities. <p>Impact on the Group</p> <p>The fair and transparent treatment of our vendors and suppliers will positively impact the quality and timeliness of the deliverables, leading to better project outcomes.</p>
Employees	<p>Method & Frequency of Engagement</p> <p>Engagement Method</p> <ul style="list-style-type: none"> • Employee Engagement Survey • Internal Communications • Employee Engagement Initiatives • Leadership Engagement Sessions • Sports and Recreational Activity <p>Engagement Frequency</p> <ul style="list-style-type: none"> • Regular & Ad-hoc 	<p>Expectations & Concerns</p> <p>Our employees are concerned about fair employment practices, career opportunities and safety and health.</p> <p>Our Response</p> <ul style="list-style-type: none"> • The Group provides ample opportunities for learning and development and is committed to nurturing future potential talent to ensure career progression. • The Group also upholds good safety and health practices to ensure our employees remain safe at all times. <p>Impact on the Group</p> <p>Good employment practices will improve overall productivity and improve employee loyalty and result in a lower attrition rate.</p>
Local Communities	<p>Method & Frequency of Engagement</p> <p>Engagement Method</p> <ul style="list-style-type: none"> • Periodic Meetings • Dialogue Sessions • CSR Initiatives <p>Engagement Frequency</p> <ul style="list-style-type: none"> • Regular & Ad-hoc 	<p>Expectations & Concerns</p> <p>The communities in areas where we operate are concerned about the Group's activities and how they may affect the surrounding areas.</p> <p>Our Response</p> <ul style="list-style-type: none"> • We take great care in ensuring public safety standards are upheld and closely monitor the pipelines we have built. • Through our CSR initiatives, we closely collaborate with welfare associations and conduct community outreach programmes while providing financial support for community development and environmental preservation programmes. <p>Impact on the Group</p> <ul style="list-style-type: none"> • Nurturing good relationships with local communities will enable positive outcomes involving community concerns. • Carrying out environmental protections ensures more sustainable business outcomes.

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MATERIALITY ASSESSMENT

At Gas Malaysia, sustainability remains a core consideration of what we do and how we do it. As part of our commitment to responsible practices, we conducted a materiality assessment in 2022 to identify the critical sustainability issues that are most material to our business and stakeholders. This assessment is crucial in shaping our sustainability strategy and guiding our decision-making processes.

During the assessment, we examined various topics related to our operations, considering their potential impacts on the environment, communities, and society. The assessment process involved a thorough analysis of the significance and relevance of each topic. The outcomes of the materiality assessment were compiled into a materiality matrix, which visually represents the significance of each issue based on their impact and stakeholder relevance. This matrix is a roadmap for prioritising our sustainability efforts and allocating resources effectively. It enables us to focus on the most material issues and develop targeted strategies and action plans to address them.

We recognise that the sustainability landscape constantly evolves, and new issues may emerge over time. Therefore, we remain committed to periodically reviewing and updating our materiality assessment to ensure its relevance and effectiveness. In 2023, we conducted a revalidation exercise and found our material matters relevant and adequate.

Our material assessment process consists of three (3) steps:

Step 1

IDENTIFICATION

- We identified a list of potential material matters that are important to both our stakeholders and Gas Malaysia, by analysing the GRI Framework.
- We specifically analysed the Sector Standards (GRI 11: Oil and Gas Sector) of this framework to identify the list of potential material matters.
- Based on the analysis of this framework, we identified a total of 22 potential material matters.

Step 2

STAKEHOLDER ENGAGEMENT

- We then conducted a validation process via surveys with internal stakeholders, namely our Board and MC Members, to assess the relevancy of these matters to Gas Malaysia.
- Through this process, a total of nine (9) material matters were selected as relevant to Gas Malaysia's operations.

Step 3

PRIORITISATION

We then prioritised the selected material matters based on two-criteria:

- The importance of the material matter to the stakeholder
- The impact of the material matter on our business

We then plotted the selected material matters within our materiality matrix.















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GAS MALAYSIA SUSTAINABILITY FRAMEWORK

Building on the momentum that we have gained thus far, 2023 has been filled with more significant milestones in Gas Malaysia's sustainability journey. One such milestone was the launch of Gas Malaysia's eagerly awaited Sustainability Framework. Gas Malaysia's Sustainability Framework is our guiding compass, providing clarity and direction as we continue our sustainability journey.

Overview of Gas Malaysia's Sustainability Framework

Gas Malaysia's Sustainability Framework is anchored on four (4) sustainability pillars and nine (9) sustainability strategies, which focuses on addressing the nine (9) identified material topics.

ADVANCING ENVIRONMENTAL SUSTAINABILITY	STRENGTHENING BUSINESS DELIVERY	CREATING A PEOPLE-CENTRIC ORGANISATION	ENHANCING GOVERNANCE & TRANSPARENCY	
<ul style="list-style-type: none"> Decarbonise operations Support the transition to cleaner energies Maintain operational excellence in asset management 	<ul style="list-style-type: none"> Invest in gas-related infrastructures and new businesses Enhance customers' accessibility to natural gas and new energies 	<ul style="list-style-type: none"> Fostering a safe, healthy, inclusive, and productive workplace culture Upskill and advance employees' capabilities 	<ul style="list-style-type: none"> Continue zero-corruption policy Promote a healthy competition in the market 	
<ul style="list-style-type: none">  GHG emissions  Climate adaptation  Asset integrity & critical incident management 	<ul style="list-style-type: none">  Economic impacts 	<ul style="list-style-type: none">  Occupational safety and health  Employment practices  Non-discrimination and equal opportunities 	<ul style="list-style-type: none">  Anti-corruption  Anti-competitive behaviour 	
				

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GAS MALAYSIA SUSTAINABILITY FRAMEWORK

Gas Malaysia's Sustainability Framework will continue to drive and guide the Group in our approach towards sustainability matters. Under the Framework, our approach is driven by nine (9) strategies with the aim of achieving our nine (9) sustainability goals.

Pillars	Strategies	Goals
Advancing Environmental Sustainability	1 Decarbonise operations	Net zero emissions by 2050 (Scope 1 & 2)
	2 Support transition to cleaner energies	Annual increase in green gas injected into Natural Gas Distribution System ("NGDS")
	3 Maintain operational excellence in asset management	Achieve best-in-class performance in gas network safety
Strengthening Business Delivery	4 Invest in gas-related infrastructures and new businesses	Annual increase in Earnings Before Interest Income, Taxes, Zakat, Depreciation and Amortisation ("EBITZDA")
	5 Enhance customers' accessibility to natural gas and new energies	Continuous improvement in customer satisfaction level
Creating a People-Centric Organisation	6 Fostering a safe, healthy, inclusive, and productive workplace culture	Strive towards zero lost workdays and zero-tolerance for discrimination
	7 Upskill and advance employees' capabilities	Continuous improvement in organisational competency level
Enhancing Governance & Transparency	8 Continue zero corruption policy	Maintain zero business ethics incidence
	9 Promote a healthy competition in the market	Maintain transparent and ethical behaviour towards competitors and suppliers

We believe that these strategies and subsequent sustainability goals show our commitment towards building a sustainable future for all while also allowing us to focus on five (5) key UN SDGs namely:



Goal 3
Good Health and Well-Being



Goal 7
Affordable and Clean Energy



Goal 8
Decent Work and Economic Growth



Goal 13
Climate Action



Goal 16
Peace, Justice and Strong Institutions

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Upholding Our Commitments

Gas Malaysia is committed to executing its sustainability strategies and achieving its sustainability goals. To that end we have taken proactive steps and implemented nine (9) initiatives with the aim of embedding sustainability throughout our organisation to effect lasting and impactful change.

ADVANCING ENVIRONMENTAL SUSTAINABILITY

- Installation of rooftop solar panels
- Guarantee of Origin (“GO”) for clean gas scheme development

STRENGTHENING BUSINESS DELIVERY

- NGDS network expansion
- Injection of biomethane into NGDS
- New Combined Heat and Power (“CHP”) clients (industrial)
- Gas Infrastructure expansion

ENHANCING GOVERNANCE & TRANSPARENCY

- Enforcement of Anti-Bribery & Anti-Corruption (“ABAC”) and Whistleblower Policy
- Enforcement of corruption risk assessment
- Enforcement of Anti-Bribery Management System training and awareness for staff



SUSTAINABILITY HIGHLIGHTS

Sustainability Appreciation

Since 2021, Gas Malaysia Energy and Services Sdn Bhd (“GMES”), a subsidiary under Gas Malaysia, has registered and subscribed to Ecovadis. Ecovadis is a third-party accreditation company that evaluates and rates a company’s sustainability performance by assessing its business practices and operations. Ecovadis issues a questionnaire on an annual basis to registered companies to collect data regarding the company’s sustainability goals, initiatives, and sustainable business practices. Ecovadis then evaluates the company’s sustainability performance based on four (4) aspects: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement. GMES has subscribed to Ecovadis to comply with one (1) of its customer’s requirements. GMES’s customer, Malaysian Sheet Glass Sdn Bhd (“MSG”), is a subsidiary of NSG Group. It requires all its vendors and suppliers to subscribe to Ecovadis. As a registered member, GMES is given a scorecard which is rated based on Ecovadis’s evaluation of the data provided by Gas Malaysia.

GMES’s scorecard from 2021 to 2022 showed tremendous improvement, earning it a bronze score. This prompted MSG to award GMES an appreciation plaque to recognise this sustainability achievement.

Sustainability Framework Launch

To align with the national energy transition agenda, Gas Malaysia, a member of MMC Group, unveiled its sustainability framework at the Setia City Convention Centre in Setia Alam. The company’s comprehensive sustainability framework is aligned with the National Energy Transition Roadmap and New Industrial Master Plan 2030. The launching ceremony was honoured by the presence of YBhg Tan Sri Wan Zulkiflee Wan Ariffin, Chairman of Gas Malaysia and graced by the Minister of Natural Resources, Environment and Climate Change, as the guest of honour.

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Gas Malaysia continues to advance our efforts to conserve the environment through our sustainability commitments by managing our electricity, fuel and water consumption.

Additionally, we prioritise the issue of climate change by mitigating impacts through our initiatives to reduce our carbon emissions and improve energy efficiency through renewable energy solutions.

We stand guided by the ISO 14001:2015 Environmental Management Systems, which assists us in identifying, evaluating and managing our environmental matters so we can reduce the negative impacts that result from our operations.

This year, we have continued to disclose our GHG emissions for Scope 1 and Scope 2 emissions to better benchmark against our baseline. This also helps us monitor our progress over time and ensure we are on track to meet our Net Zero emissions target by 2050 for Scope 1 and 2.

ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT

The Group must maintain a secure and sustainable business model by effectively preserving asset integrity and managing critical incidents. We have put in place stringent routine processes including inspection, testing, verification and other preventative measures to avert major accidents or hazards. We protect our business by establishing a secure environment and instilling a culture of incident prevention in the workplace.

HOW WE MANAGE THE MATTER

We are committed to upholding public safety, and we work to minimise critical incidents that may threaten our assets and the environment. This includes gas leaks during distribution that could result in injuries or environmental pollution of the nearby soil, water and air.

We consistently implement rigorous safety measures and quality controls and adhere to applicable policies and procedures to reliably supply natural gas to our customers. Therefore, it is essential to consistently improve the condition of our gas facilities to deliver quality natural gas by regularly conducting routine preventative maintenance and systematic troubleshooting. We also ensure that our pipelines' design and material specifications align with local regulatory requirements and international standards.

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SAFETY MEASURES AT GAS NETWORKS INFRASTRUCTURE

A secure environment stems from meticulous planning and developing robust infrastructures. Our expansion initiatives encompass careful selection of pipeline routes and isolation valve locations, aligning with local regulations and international codes. During construction, we involve proficient contractors in designing, engineering, procuring, constructing, and commissioning our gas pipelines. Additionally, our steel pipes are sourced from American Petroleum Institute (“API”) licensed manufacturers, meeting specified standards and certified by third-party agencies.

SAFETY MEASURES AT OPERATIONS & MAINTENANCE

We ensure that our gas facilities are in optimum condition through timely maintenance and structured troubleshooting methods to avoid risks and hazards by conducting various measures, including:

- Inspecting our gas stations
- Monitoring the condition of underground steel gas pipelines through cathodic protection inspections
- Conducting valve inspections
- Performing pipeline leakage surveys
- Conducting pipeline integrity inspections
- Checking odorant intensity levels

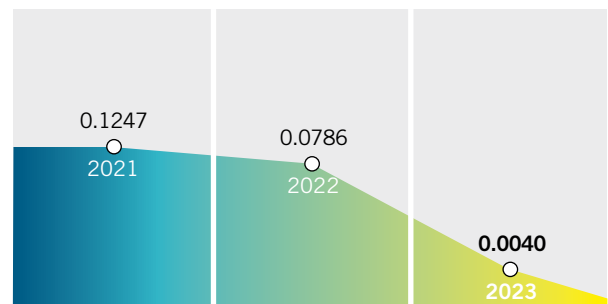
At our gas facilities, any third-party related works are approved and monitored through daily pipeline inspections by our Operations & Maintenance team in line with our standard operating procedures (“SOPs”). Additionally, these inspections also help us in identifying irregularities and avoiding any damage.

Our dedicated on-call emergency response team is also ready to address any emergencies within 90 minutes of notification. These teams are deployed to minimise the risk of our operations to the public and mitigate potential damage to property and the environment.

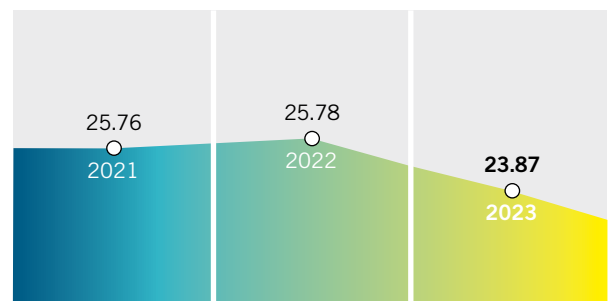
In 2023, we have recorded an improvement in our System Average Interruption Duration Index (“SAIDI”), achieving 0.0040 minutes of interruption per customer as compared to 0.0786 minutes of interruption per customer last year. Our average response time also improved from 25.78 minutes in 2022 to 23.87 minutes in 2023.

SAIDI Results by Year

SAIDI
(Average Minutes of Interruption per Customer)



Response Time
(Average Minutes Taken to Dispatch Response Team)



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CLIMATE ADAPTATION, RESILIENCE & TRANSITION

Climate change remains one (1) of organisations' most severe challenges, impacting operations, supply chains and overall business sustainability. To this end, we recognise the urgency for climate action, adapting to the changing environmental conditions as extreme weather disrupts production, distribution and resource availability. Gas Malaysia proactively embraces sustainable practices and implements environmentally friendly technologies to positively impact people and the planet.

The Group has embarked on a journey to reduce GHG by committing to a low-carbon future by supplying natural gas to consumers. Our efforts will empower our stakeholders to develop resilience towards environmental changes.



HOW WE MANAGE THE MATTER

GHG EMISSIONS

Natural gas has been recognised as the primary transitional fuel due to its status as one (1) of the cleaner forms of fossil fuels, with up to 50% less CO₂ emission than coal.

Additionally, the Group produces electricity and heat efficiently using gas-powered CHP systems through its joint venture entities, which results in lower emissions. CHP systems consume 32% less fuel and exhibit 50% less annual carbon emissions than coal.

BIOMETHANE

Since its first execution of the Gas Purchase Agreement in 2019, Gas Malaysia has always been committed to providing innovative and sustainable energy solutions to our customers. The agreements signed with palm oil millers and waste management operators were aimed at the offtake and purchase of biomethane generated from palm oil mill effluent ("POME") and organic waste to be injected into the Natural Gas Distribution System ("NGDS"). Biomethane helps promote climate protection by reducing harmful CO₂ emissions by up to 90% when used as a fuel.

Fast forward to this year, and we have successfully secured 1,050,000 MMBtu of biomethane to be injected into the NGDS annually or directly transported and supplied a to customers via virtual pipeline.

In the first year of operation, approximately 48,000 MMBtu of biomethane was successfully injected into the NGDS. Looking ahead to 2025, we anticipate that the total biomethane to be injected into the NGDS will substantially increase to 550,000 MMBtu per annum and continuously grow with more participation from mills and waste management operators. In adherence to our dedication to advancing our technology and expertise in this renewable energy context, we actively explore upstream biomethane processes. Our strategic approach involves securing scrubbed biogas derived from POME and organic waste and upgrading it into compressed biomethane. With this approach, we aim to secure an additional 6 million MMBtu per annum of biogas by 2030.

Gas Malaysia has also completed the audit process for the ISCC Plus Certification. It is expected to receive the certificate by the end of Q1 2024. ISCC Plus Certification is a globally recognised certification standard that ensures the traceability of products across the value chain. The certification shall certify the biomethane delivered to Gas Malaysia's customers and provide assurance to them that the delivery of the certified biomethane are in compliance with global standards to meet the customers' sustainability goals.

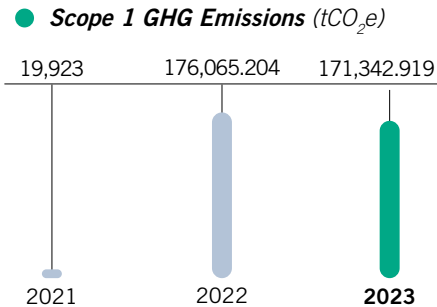
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SCOPE 1 & 2 EMISSIONS

Furthermore, we also prioritise transparency and accountability in our reporting practices for GHG emissions of Scope 1 and Scope 2, adhering to international reporting frameworks. Additionally, we also ensure that we practice strict and consistent reporting of our GHG emissions to enhance our knowledge of environmental impacts and in devising more effective initiatives to reduce energy consumption and emissions.

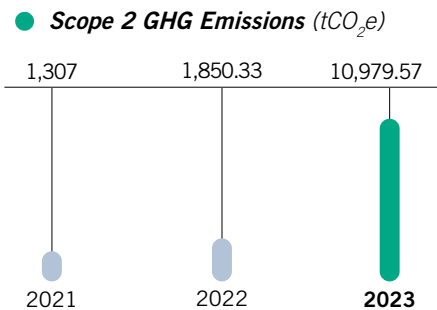
Our Scope 1 GHG emissions encompass direct emissions from sources under the control or ownership of Gas Malaysia, while Scope 2 accounts for indirect GHG emissions linked to the acquisition of heat, steam, electricity, or cooling. We have applied the operational control approach for the calculation of our GHG emissions and our measurements align with the GHG Protocol Corporate Standards and follow the IPCC 2006 Guidelines.

The following are the emissions measured in 2023:



The increase in Scope 1 emissions from 2021 to 2022 is due to incorporating emissions from our CHP plants into our GHG emissions calculations.

The decrease in Scope 1 emissions from 2022 to 2023 is due to the lower consumption of natural gas (“NG”) in our CHP systems.

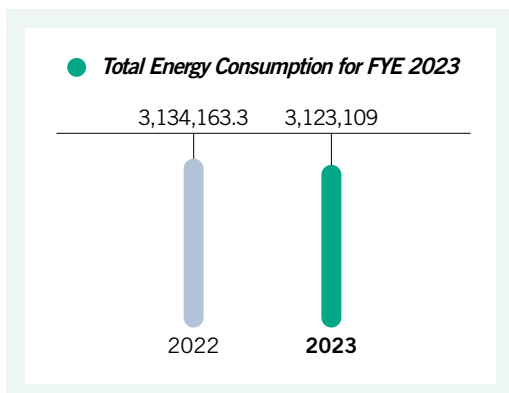


The increase in Scope 2 emissions from 2021 to 2022 is due to the increase in electricity usage as more staff members started working from the office resulting in more office space and facilities being utilised instead of working from home (due to COVID-19), and because our manpower increased from 2021 to 2022.

The increase in Scope 2 emissions from 2022 to 2023 is attributed to incorporating the electricity consumption from our CHP plants into our GHG emissions calculations.

ENERGY MANAGEMENT

Efficient energy management is a crucial aspect of our business operations, not only to minimise our carbon footprint but also to instil a culture of energy conservation. This involves optimising fuel consumption, integrating energy-efficient equipment throughout our operations, and emphasising energy-saving initiatives. Our vehicles heavily depend on diesel and petrol, and our offices and stations are powered by electricity.



In 2023, we recorded a total energy consumption at 3,123,109 GJ as compared to 3,134,163.3 GJ in the previous year. The reduction in energy consumption from 2022 to 2023 is due to the decrease in NG consumption in our CHP systems and subsequent energy generated from the CHP systems.



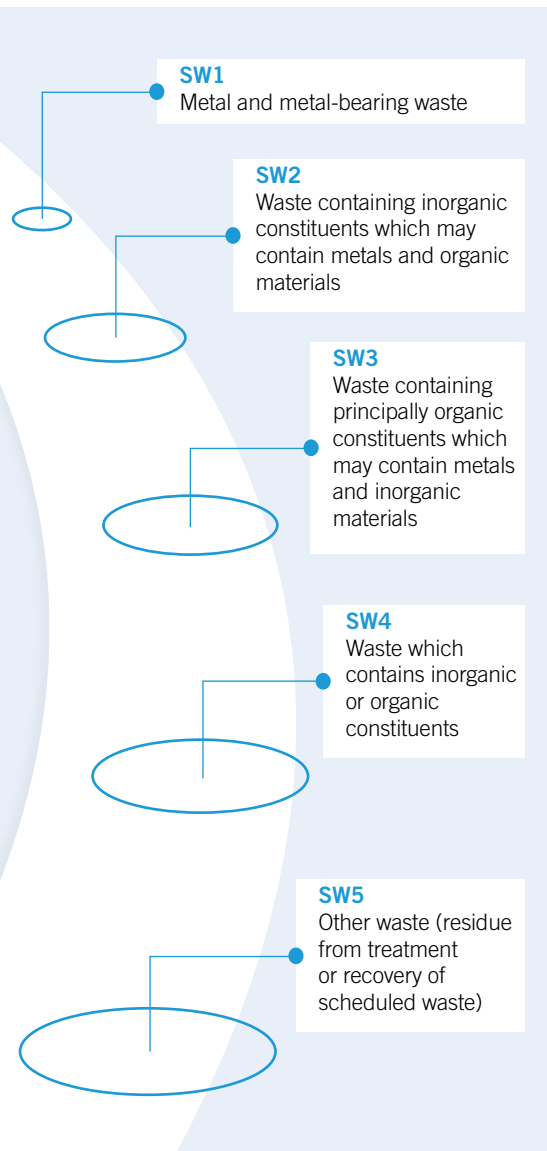
Sustainability Statement

WASTE MANAGEMENT

Gas Malaysia is committed to responsible waste management by reducing the amount of waste sent to landfills. Our ongoing waste management initiatives are intended to protect our surroundings, improve our reputation, uphold the well-being of our workforce and help obtain cost savings.

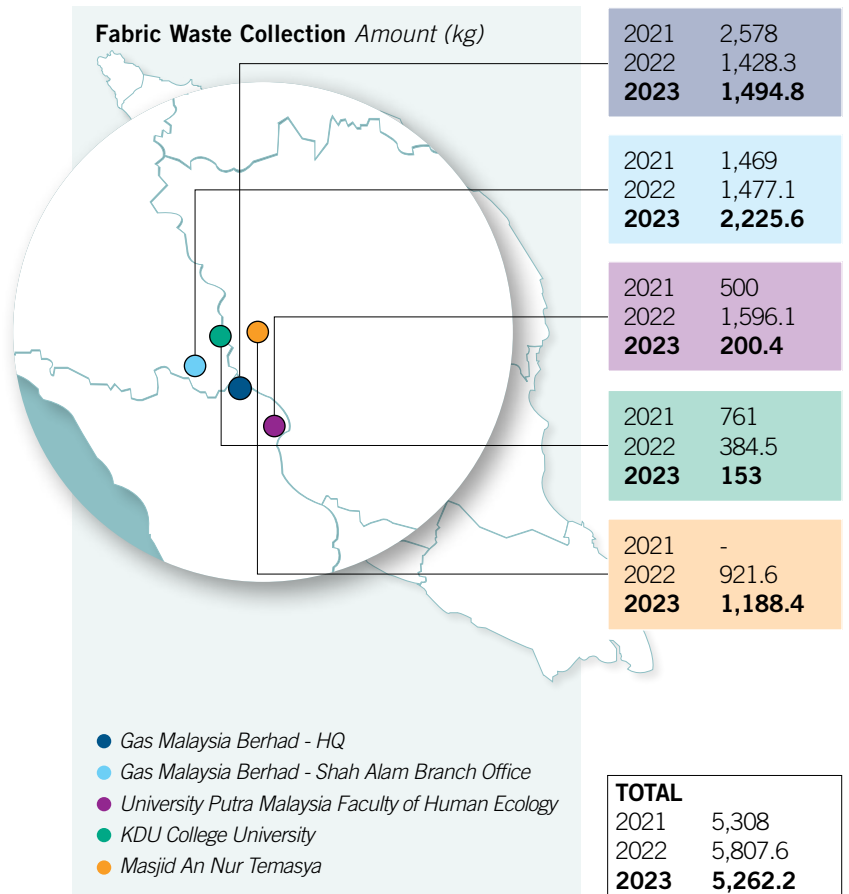
HOW WE MANAGE THE MATTER

Our scheduled waste is managed responsibly in accordance with the Environmental Quality Act 1974. We categorise our scheduled waste according to:



In 2023, we disposed 0.10MT of scheduled waste as compared to 0.14MT in the previous year. The waste disposed of in both years is under the SW1 category, with the sub-category being SW109 (waste containing mercury or its compound). The waste disposed of in both years refers to the fluorescent lamps.

Besides this, we have partnered with a social enterprise that collects fabrics for recycling. Five (5) bins were strategically assigned to various locations such as our head office (“HQ”), educational institutions, and mosque. We have recorded 5,262.2kg of fabrics diverted from the landfill during the year under review.



Sustainability Statement

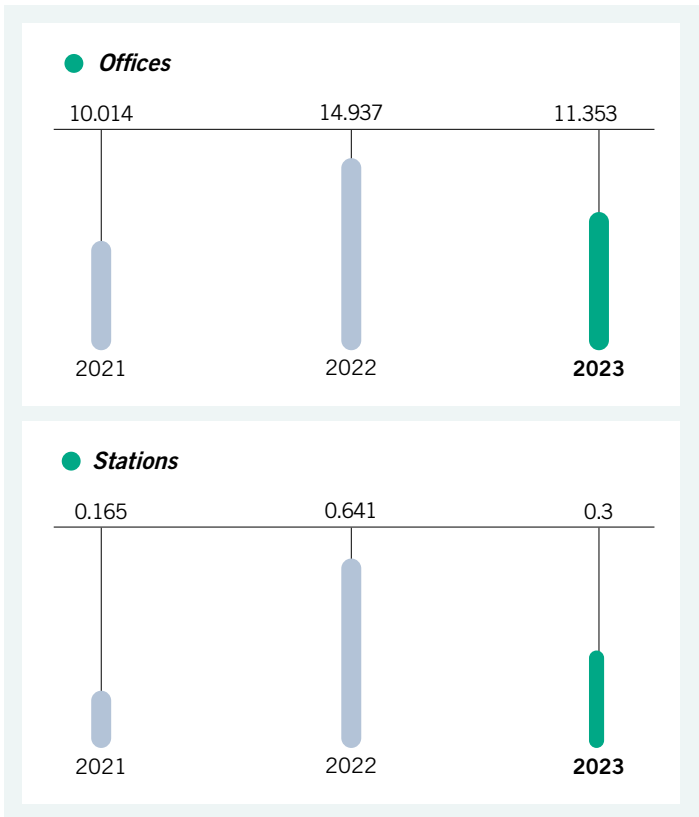
WATER CONSUMPTION

Water supply shortage due to climate change drives us to be more prudent in managing our water sources and utility. We ensure that we practice responsible usage of water throughout our operations. This enables us to have a consistent water supply, lower water-related costs and embed a culture of sustainability in the Group.



HOW WE MANAGE THE MATTER

WATER CONSUMPTION (MEGALITER)



Water is used for general purposes within our office premises and for auxiliary processes at our facilities. Our water consumption recorded this year was 11.653 ML, a decrease as compared to the previous year at 15.578 ML.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

We are identifying climate risks and formulating strategies to mitigate them. Climate risks will be included as part of our overall risk register as we are committed to aligning with the guidelines as stated in the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework. We have also set our goal of becoming Net Zero by 2050 for Scope 1 and Scope 2 emissions. In addition, we are exploring initiatives to reduce our Scope 1 and Scope 2 emissions by adopting electric vehicles (“EV”) and installing rooftop solar panels, respectively.

Sustainability Statement



Gas Malaysia has strategically aligned its procurement practices with sustainability objectives, seamlessly integrating them into the broader organisational goals.

This approach fosters consistency and maintains rigorous governance standards that effectively address our stakeholders' needs and requirements. By doing this, we express our commitment to economic practices that emphasise sustainability and accountability.

HOW WE MANAGE THE MATTER

As Malaysia's leading gas provider, we aim to deliver cleaner, safer, reliable and cost-effective energy solutions to our industrial, commercial and residential customers. In our dedication to ethical and responsible business practices, the Group ensures compliance with laws and regulations, concurrently upholding the highest standards of integrity and governance.

Additionally, the Group is steadfast in practising sustainable and responsible business methods, giving priority to proficient risk management, investing in sustainable solutions, and maintaining continuous engagement with stakeholders. These efforts are aimed to foster the gas industry's growth in alignment with our commitment to sustainably meeting the nation's energy needs.

TRANSPARENT AND FAIR PROCUREMENT PRACTICES

The Group is dedicated to conducting its procurement activities with a strong commitment to fairness and transparency, emphasising accountability and integrity throughout the procurement process. We strongly believe that upholding high standards of

business ethics is fundamental to the sustainable growth and future success of our business. Our goal is to foster a sustainable supply chain, and we work towards achieving this by building robust partnerships with our business associates while proactively mitigating potential risks to our operations.

This commitment is evident in the stages involved, including thoroughly confirming vendors' interest before extending invitations to participate in tenders. Additionally, Gas Malaysia has transitioned its procurement activities to an e-procurement system, enhancing efficiency, and transparency, increasing our stakeholder management efforts. The computerised system streamlines procurement policies, consolidates information and improves vendor/contractor management with traceability. These moves reflect Gas Malaysia's resolution to sustainability by optimising resources, reducing waste and improving energy use.

In 2023, Gas Malaysia tendered out contracts for around RM182 million to local contractors (99.94%) and overseas contractors (0.06%).

Sustainability Statement



Social

Our organisational strength and achievements are shaped by the collective endeavours of our workforce, who possess the capability to drive transformative change in our business.

As the Group strives to empower employees to unleash their full potential, continuous investments are made through comprehensive development programmes. These initiatives aim to enhance engagement and elevate competencies, fostering a workplace prioritising safety, diversity, equality and excellence. Over the years, we have remained committed to prioritising people, by ensuring a safe working environment, delivering exceptional customer experiences or upholding the needs of our communities.

EMPLOYMENT PRACTICES

We value our people. We do all we can to protect their health, well-being, safety, and development. The Group is steadfast in its commitment to engage, retain and attract top talents within the industry. This is achieved through comprehensive training and education initiatives, attractive benefits, and adherence to relevant frameworks and policies. Furthermore, the implementation and execution of robust labour practices and policies not only enhances employee productivity but also fortifies the company's performance and sustainability journey.

HOW WE MANAGE THE MATTER

At Gas Malaysia, our talent pool consists of a diverse and inclusive workforce encompassing individuals from various genders, backgrounds, ethnicities, age groups and other demographics. This consolidation of talent forms a cohesive team, working in unison to drive the business and achieve our objectives. Our commitment extends to establishing a safe, nurturing, inclusive, rewarding, and empowering workplace enabling our employees to achieve excellence in all their contributions to the Group. To foster a workplace with outstanding talents, we continuously invest in the development of our employees. This involves training, encouraging leadership and providing core skill programmes to elevate their competencies.

Sustainability Statement

OUR POLICY COMMITMENTS

The Group strives to provide equal employment opportunities, aligning with local laws and regulations as per the Employment Act 1955, which protects the rights of all employees. Our employment practices are meticulously outlined in the employee handbook and circulars, which are regularly communicated through email updates to keep our employees informed on any updates to labour laws or guidelines.

HUMAN RIGHTS & LABOUR PRACTICES

Our approach to human rights and labour practices remains guided by the principles outlined in the Malaysian Employment laws. Every employee is accorded dignity and respect and treated without discrimination, such as age, gender, or social standing, regarding employment, rewards, promotion and career advancement within the Group. We embrace a merit-based ethos, where recruitment and promotions are determined by an individual's skills, experience, capabilities and job performance. The Group also has a zero-tolerance approach towards all forms of child and forced labour through its operations. There were zero complaints concerning human rights violations in the year under review.

GRIEVANCE POLICY AND PROCEDURE

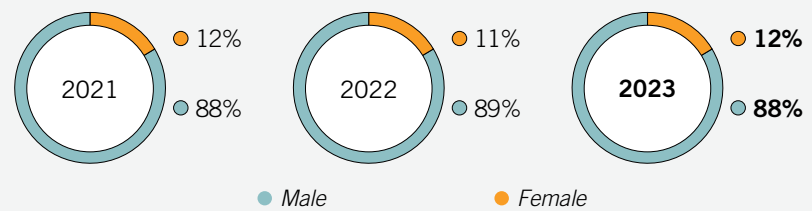
We recognise that employees at all levels may encounter problems and differences related to various aspects of their employment. As such, there may be instances where employees choose to address their individual concerns through formal channels or express their views and opinions to the management. Gas Malaysia is committed to resolving grievances promptly, and fostering a conducive work environment to enhance morale and improve the quality and quantity of work output. The company's policy is to assess the merit of grievances. If an investigation is warranted, it will be conducted promptly.

Employees with grievances are advised to file a report with their immediate supervisor. If a grievance involves their immediate superior, the employee can escalate the matter to the company's Human Resource Department or someone above their immediate superior. If the grievance was not adequately addressed, employees are entitled to bring the grievance to the respective Heads of Department or Division.

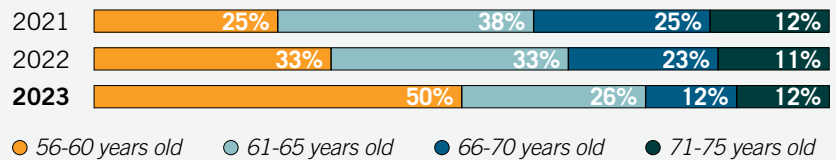
EMPLOYEE DIVERSITY

In the year under review, male Board Directors comprised 88%, and female Board Directors stood at 12%.

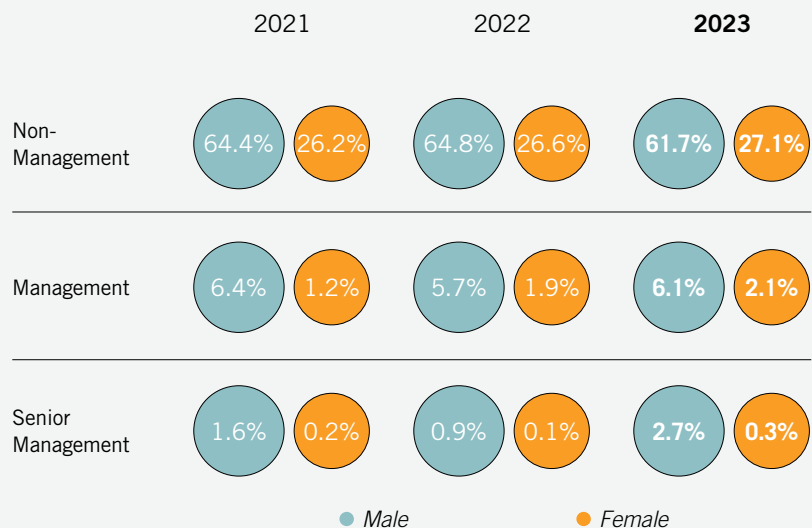
Percentage of Gas Malaysia's Board by Gender



Percentage of Gas Malaysia's Board by Age Group



Percentage of Employees by Gender and Management Level



Sustainability Statement

Percentage of Employees by Age Group and Management Level

2021	<30 years		30-50 years		>50 years	
	Female	Male	Female	Male	Female	Male
Non-Management	6.5%	10.5%	17%	46.1%	3.4%	7.5%
Management	0%	0%	0.9%	2.5%	0.4%	3.4%
Senior Management	0%	0%	0.1%	0.5%	0%	1.1%

2022	<30 years		30-50 years		>50 years	
	Female	Male	Female	Male	Female	Male
Non-Management	5.7%	11.5%	16.6%	44.8%	4.1%	9.1%
Management	0%	0%	0.9%	2.9%	0.3%	2.4%
Senior Management	0%	0%	0%	0.5%	0.2%	1.2%

2023	<30 years		30-50 years		>50 years	
	Female	Male	Female	Male	Female	Male
Non-Management	6.2%	11.9%	17.5%	40.9%	3.3%	8.8%
Management	0%	0%	1.4%	3.3%	0.6%	2.7%
Senior Management	0%	0%	0.2%	0.5%	0.2%	2.2%

Breakdown of Permanent & Contract Staff



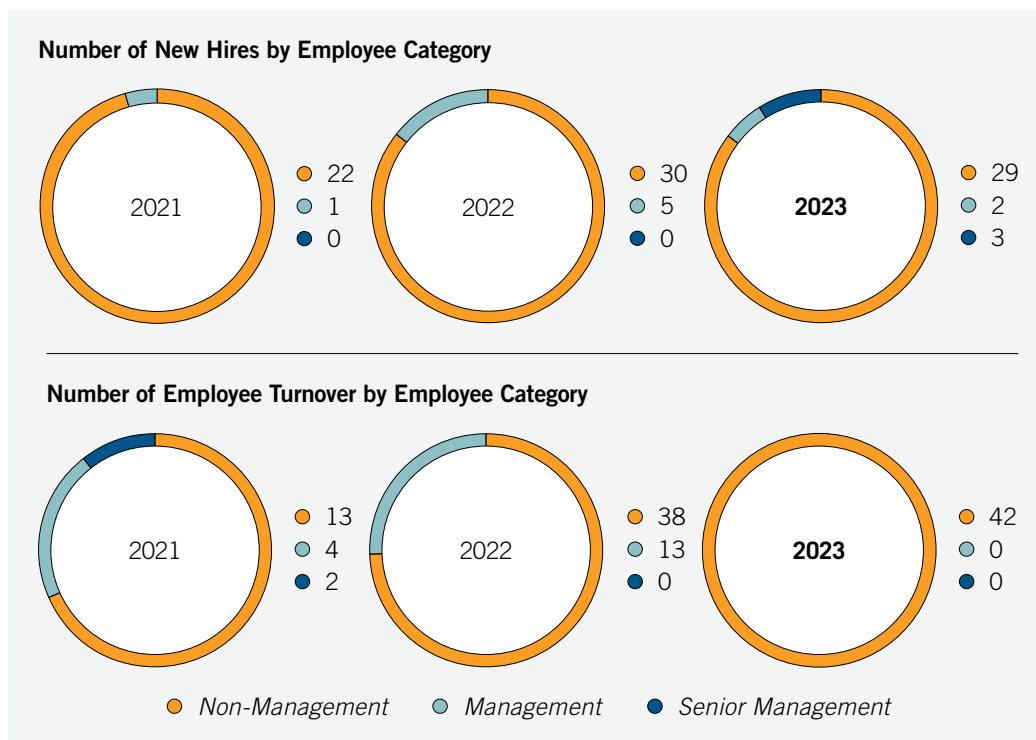
● Permanent Staff ● Contract Staff

Sustainability Statement

NEW HIRES & TURNOVER

The Group continued to attract and recruit new talents to drive the company’s expansion and progress, enhancing overall business success by optimising productivity and cultivating diverse skills within the workforce.

In 2023, the Group hired more employees for senior management positions, while our turnover for non-management between 2022 and 2023 increased slightly.



MEMBERSHIP ASSOCIATION

Gas Malaysia actively engages with membership associations to establish industry best practices within its organisational framework and foster the professional growth of its employees. Our affiliations empower us to meet our objectives, offering diverse tangible benefits and services, including upskilling workshops, comprehensive training programmes and networking events. These esteemed associations establish benchmarks for the industry and serve as invaluable sources of information for our employees, addressing critical aspects such as process standardisation and prevailing industry challenges.

These are the organisations and associations to which Gas Malaysia subscribes to:

- Malaysian Employer Federation
- Federation of Malaysian Manufacturers (“FMM”)
- Malaysian Gas Association (“MGA”)

NON-DISCRIMINATION & EQUAL OPPORTUNITY

In our commitment as a responsible employer, we strive to provide equitable opportunities for the personal and professional development of our employees, refraining from any form of discrimination. We firmly uphold the principle that every person deserves a chance to thrive and be accepted, irrespective of differences in opinion, background, religion, ethnicity and other unique personal characteristics. There were zero recorded incidents of discrimination and corrective actions taken in the year under review.

HOW WE MANAGE THE MATTER

We are cognisant of the prevailing needs of our workforce, and we are committed to addressing them. This strategic approach fosters employee retention and cultivates trust and loyalty within our workplace. Our commitment includes ongoing initiatives such as training programmes aimed at enhancing the skills and capabilities of our employees, alongside the provision for parental leave to support those with family responsibilities. Furthermore, we regularly connect with our employees through the Employee Engagement Survey, a platform designed to identify and mitigate risks related to discrimination and unfair treatment in the workplace.

Sustainability Statement

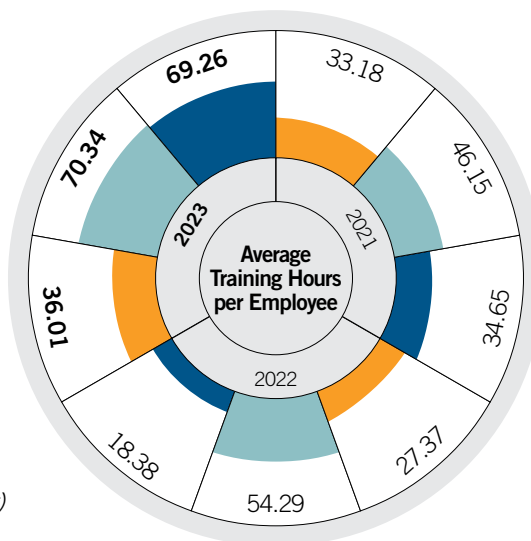
TRAINING, DEVELOPMENT & UPSKILLING PROGRAMMES

Throughout the year, dedicated efforts were invested to elevate our workforce’s skills and capabilities through comprehensive training programmes to enhance their knowledge of the intricacies of the gas industry. Our commitment extends beyond immediate needs, as we aspire to nurture our talents with leadership abilities to navigate the evolving changes that may occur within the Group. Additionally, we invest in succession planning as it is an integral component of talent development, where potential candidates are groomed, and employees with exceptional abilities are identified for leadership positions when required.

The training initiatives implemented during the year were strategically aligned with our overarching goal of enhancing employee skill sets while supporting our succession planning efforts. We conducted several training and leadership programmes to enhance management, fill skill gaps and improve strategic thinking capabilities.

Listed below are training programmes organised in 2023 to enhance employee skill sets and facilitate succession planning:

- General Management Programme (Senior Management)
- GMD Rapid Development Programme (Senior Management)
- Coaching Public Speaking for C-Level (Senior Management)
- Project Management Essentials (Management & Non-Management)



● Non-Management ● Management ● Senior Management

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM

The Group complies with internationally recognised management system standards, fostering enhanced operational efficiency and facilitating compliance with the statutory and regulatory requirements applicable to its services and industry. Concurrently, our OSH system plays a pivotal role in systematically managing risks associated with OSH, environmental conservation and the enhancement of operational service quality.

The scope of our OSH management system encompasses entities such as Gas Malaysia, Gas Malaysia Distribution Sdn Bhd (“GMD”), GMES, Gas Malaysia Retail Services Sdn Bhd (“GMRS”), and Gas Malaysia Green Ventures Sdn Bhd (“GMGV”), formerly known as Gas Malaysia Virtual Pipeline Sdn Bhd. This comprehensive approach underscores our commitment to ensuring robust standards across the entirety of our operational landscape.

Over the years, Gas Malaysia has complied the following SIRIM certifications:

ISO 9001:2015
Quality Management Systems
(since February 2000)

ISO 14001:2015
Environmental Management Systems
(since February 2003)

ISO 45001:2018
Occupational Health & Safety Management Systems
(since October 2007)

ISO/IEC 27001:2013
(since May 2014)

In addition, the Group complies with the Occupational Safety & Health Act 1994 and ensures its HSEQ management systems are well-implemented.

OCCUPATIONAL SAFETY & HEALTH (“OSH”)

We continue to prioritise the health and safety of our employees, customers and the communities in the areas where we operate. Our commitment is evident in our pursuit of the safest working conditions, achieved through proactive risk management practices that are embedded in every aspect of our organisation, fostering operational excellence. Guided by our Health, Safety, Environment and Quality (“HSEQ”) Policy, we adhere to rigorous guidelines addressing risk prevention, OSH and environmental preservation.

HOW WE MANAGE THE MATTER

Gas Malaysia aspires to uphold the highest OSH standards, driven by an ambition to safeguard our employees and the communities in the areas where we operate. To this end, we strive to enhance our accountability to our customers and stakeholders by instilling a culture of safety risk management across the entire Group. We are governed by stringent Health, Safety and Environment (“HSE”) policies and management systems that align with the requirements set by the International Organization for Standardization (“ISO”).

Sustainability Statement

HAZARD IDENTIFICATION, RISK ASSESSMENT AND RISK CONTROL (“HIRARC”)

Despite our efforts to integrate safety into our operations, unforeseen accidents and incidents may still occur. To effectively address and mitigate such occurrences, our HIRARC procedure serves as the cornerstone. This framework facilitates the identification of hazards, assessment of risks and the implementation of necessary control measures to enhance OSH.

To identify hazards at the workplace, we conduct consultation, training and brainstorming sessions, workplace inspections and accident investigations. These activities establish a HIRARC Register and Environmental Impact Aspect Register is established. The HIRARC also assesses OSH risks via consultation, training and brainstorming sessions. An accident investigation report will be implemented to identify root causes, analyse trends and assess the probability of an occurrence. At Gas Malaysia, the risk matrix chart evaluates risks associated with each activity, considering the likelihood of an incident and its potential severity. This will be followed by preventive and mitigative actions or control measures, which will be implemented and documented in the HIRARC Register. Ongoing monitoring will be conducted to evaluate the effectiveness of these measures, ultimately determining the final risk ranking as high, moderate or low.

In the event of an accident resulting in casualties such as fatality, injury, restricted work, ill health, dangerous occurrences or property damage, an investigation team comprising representatives from the relevant departments or function, the HSE Committee and an independent department or function will be formed to conduct an investigation. The team will produce a comprehensive report within 14 working days. If necessary, expert opinions will be sought. The investigation will involve gathering and analysing all relevant information to identify root causes, and the team will propose control measures to prevent recurrence. The implementation and monitoring of these actions are overseen by the Person in Charge (“PIC”) of the respective department or function.

WORK-RELATED INJURIES

Gas Malaysia is committed to preventing workplace injuries, illnesses, and fatalities by implementing comprehensive approaches and practices designed to safeguard the health and safety of employees within its operations.

In 2023, we recorded zero fatalities and three (3) employee work-related injury cases due to a contractor worker being struck by a falling filter and GMRS staff members involved in road accidents in two (2) separate incidents. Following these incidents, we immediately took appropriate measures according to procedure, increased staff training and reminded our workers of the importance of integrating safety measures into their work processes.

Looking ahead, we remain committed to identifying hazards and risks using our HIRARC procedures and aim to implement additional measures to strengthen our OSH initiatives.

HEALTH & SAFETY PERFORMANCE



LOST TIME INCIDENT RATE (“LTIR”) FOR 2021 TO 2023

	2021	2022	2023
LTIR for 200,000 hours worked	0.000	0.487	0.000

Sustainability Statement

EMPLOYEES' TRAINING ON OCCUPATIONAL SAFETY & HEALTH

In addition to adhering to policies, regulations and procedures, the Group emphasises the importance of teaching a robust safety culture among employees. This entails creating awareness and constantly reminding workers of the rules and measures necessary to enhance the effectiveness of our HSEQ initiatives.

In 2023, we provided health and safety training to enhance employees' OSH knowledge. A total of 54 employees participated in the health and safety training.

WORKER PARTICIPATION, CONSULTATION AND COMMUNICATION ON OSH

We have a Steering HSE Committee in place, which serves as a platform for employees to discuss safety, health and welfare issues. Apart from addressing OSH issues, the committee is tasked with formulating policies, procedures, rules and regulations. The Steering HSE Committee also has authority on decision-making in any OSH-related matters. Additionally, Gas Malaysia has established safety and health committees in its branch offices, including one (1) with 40 or more employees, in compliance with regulatory requirements.

The quorum for the Steering HSE Committee comprises a chairman ("GCEO"), a secretary (Head of Health, Safety, Environment, Quality & Performance Enhancement) and the Head of Department/Head of Section as the management representative. Executives and non-executives from various departments, functions and subsidiaries are appointed to represent workers. Gas Malaysia has also formed HSE sub-committees, namely the Facilities HSE sub-committee and Technical HSE sub-committee, to support and assist in disseminating information and action plans. These sub-committees function as a bridge for OSH-related issues requiring management decisions. The Steering HSE Committee and HSE sub-committee convene every three (3) months. The Committee is also responsible for conducting quarterly workplace inspections and accident investigations.

INITIATIVES

In the year under review, we implemented these initiatives to enhance our dedication to OSH, aiming for operational excellence:

HSEQ Induction
Building Evacuation
Fire Safety Awareness
OSH Coordinator Training
Workplace Inspection
Permit To Work
Defensive Riding
Chemical Safety & Practical Spill
Emergency Response

LENDING A HAND TO COMMUNITIES

As an organisation, we must contribute to the needs of society. This commitment not only serves to benefit our organisation but also the communities we serve. Our assistance to the underserved, underprivileged and marginalised will significantly bolster our reputation, encourage volunteerism among employees, heighten engagement with customers and cultivate accountability, loyalty and trust in our organisation.

CSR Programmes in 2022	Number of Beneficiaries	Amount Invested (RM)
Back to School	150 students	RM21,600
Post-Flood Assistance	100 families	RM18,000
Aiding the Mentally Challenged	200 disabled children and adults	RM33,600
Gibbons Rehabilitation	20 <i>Orang Asli</i> families	RM4,185
Partnership with Football Association of Selangor ("FAS")		RM10,000
Wakalah Zakat	4,400 students 200 families	RM380,400
	TOTAL	RM467,785

Sustainability Statement

In 2023, we invested over RM614,668.40 in these initiatives to support communities:

Back to School Programme

As part of our annual initiative, we organised a 'Back to School' programme, supporting 327 underprivileged students at Sekolah Menengah Kebangsaan Bandar Sungai Buaya in Rawang. These students received essential school supplies. We also contributed 10 used computers to enhance computer literacy, recognising its importance in today's digital world. Aligned with our "Education" pillar of CSR, this programme aimed to alleviate the families' burden by providing school necessities like uniforms, shoes and hijabs for the 2023 academic year. A total of RM49,050 was invested in this initiative.

Food Distribution for the Urban Poor and Homeless Communities

Committed to making a meaningful impact on the lives of the underserved and underprivileged, Gas Malaysia initiated a CSR programme in partnership with Pertubuhan Tindakan Wanita Islam ("PERTIWI"). This collaboration aims to provide meals to the homeless and urban poor at the Kuala Lumpur Homeless Transit Centre, coinciding with the 60th Malaysia Day celebration. The community outreach initiative comprises three (3) sessions to maximise its impact and support more beneficiaries. This marks Gas Malaysia's first collaboration with PERTIWI, reflecting a significant effort to address urban poverty in the city and extend support to the homeless community. A total of RM6,905.95 was invested in the food distribution effort, benefiting 720 individuals from homeless and urban poor communities.

Tree Planting and River Cleaning Programme with Local and Orang Asli Communities in Behrang

We organised a CSR programme in collaboration with the local community at Kampung Pos Bersih, Behrang, Perak. Activities included planting fruit saplings, cleaning the river and distributing Bakul Rezeki to approximately 40 underprivileged families, with a focus on the Orang Asli community. Gas Malaysia contributed RM14,212.45 to this initiative.

Partnership with Yayasan Pelajaran MARA ("YPM")

As education is vital to our nation's development, Gas Malaysia has established a collaborative partnership with YPM to provide support for the education of underprivileged B40 students. We contributed RM407,000 to this initiative, benefiting 1,100 B40 students.

Palestine Humanitarian Aid Fund

The ongoing conflict in Palestine has resulted in a substantial loss of lives, leaving Palestinians in need of essential supplies like medicine, food and basic necessities. Recognising the urgent need for support, Gas Malaysia has adopted a philanthropic stance, by taking a charitable approach to aid the Palestinian people. Gas Malaysia contributed to two (2) NGOs to provide support to Palestinians: RM25,000 to Global Peace Mission and RM100,000 to Mercy Malaysia.

MMC Prihatin Programme

During Ramadan and Syawal, Gas Malaysia distributed basic necessities like rice, sugar, flour, spices and other items for families in need residing in Pangsapuri PPR Kampung Baru Hicom, Seksyen 26 in Shah Alam. This effort is part of the annual MMC Prihatin Programme, aiming to ease the burdens of vulnerable communities and bring joy during Syawal festivities. We invested a total of RM12,500 in this programme, benefitting 250 families.

Sustainability Statement



Our goal is to create a safe, trustworthy and reliable distribution of gas to our industrial, commercial and residential customers in Malaysia.

By doing so, we contribute to the overall integrity and sustainability of the country's gas distribution industry. To achieve this, we set strong principles prioritising safety, reliability, and ethical standards in our operations. This means we consistently uphold these values in every aspect of our work. We are dedicated to adhering to robust corporate governance principles and abiding by applicable laws and regulations in our highly regulated sector.

HOW WE MANAGE THE MATTER

We actively take measures to prevent corruption, recognising its significant financial, operational, and reputational risks that can hinder our business growth. To maintain a robust ethical framework in Gas Malaysia, we are guided by the following key policies and guidelines:

- Gas Malaysia Group of Companies Anti-Bribery and Anti-Corruption Policy
- Whistleblower Policy
- Gifts Guidelines

We also comply with other relevant laws to promote organisational transparency and accountability. Furthermore, our strategic approach includes implementing the T.R.U.S.T. principles and the Anti-Bribery Management System, which aligns with the Malaysian Standards ISO 37001:2016. During the year under review, we received the ISO 37001:2016 Anti-Bribery Management System ("ABMS") Certification by SIRIM QAS.

Sustainability Statement

OUR PROGRESS/ACHIEVEMENTS

Gas Malaysia has taken robust measures to enhance its commitment to preventing bribery and corruption, incorporating policy revisions, risk assessments, control measures, systematic reviews, and extensive training and communication initiatives. Consistent with previous years, the Group has continued implementing various initiatives aligned with the T.R.U.S.T Principles.

These efforts encompass top-level commitment, thorough risk assessment, implementation of control measures, systematic monitoring, review, enforcement, and comprehensive training and communication strategies. The following outlines the objectives and actions were taken for each principle:

T.R.U.S.T Principles	Objectives	Current Initiatives	Upcoming Initiatives
Top Level Commitment	To ensure business activities are carried out in an environment that is bribery-free	<ul style="list-style-type: none"> Approval of the revised Anti-Bribery Anti-Corruption Policy & Framework 	<ul style="list-style-type: none"> Conduct Corruption Free-Pledge session with all staff ABMS training & awareness for Top Management and/or Governing Body
Risk Assessment	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption risks	<ul style="list-style-type: none"> Conducted Corruption Risk Assessment and review (by function) with representatives from all departments 	<ul style="list-style-type: none"> Monitor and review registered Corruption Risk Assessment ("CRA"). Finalise risk register for Gas Malaysia Energy Advance Sdn Bhd ("GMEA") and Gas Malaysia Synergy Drive Sdn Bhd ("GMSD") Conduct CRA with new business units, such as GMGV and Special Projects
Undertake Control Measures	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption	<ul style="list-style-type: none"> Provided ABAC Policy and Gifts Guidelines briefing for new staff during induction Reviewed and recommended revisions for ABMS-related documents 	<ul style="list-style-type: none"> Continuously conduct ABAC Policy and Gifts Guidelines briefing for new staff during the induction Review relevant Gas Malaysia policies and procedures, such as ABMS Manual, Integrity Pact, Gifts Guideline, and more

Sustainability Statement

T.R.U.S.T Principles	Objectives	Current Initiatives	Upcoming Initiatives
Systematic Monitoring, Review and Enforcement	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption	<ul style="list-style-type: none"> Performed ABMS internal audit for key departments Underwent ISO 37001:2016 certification audit by SIRIM QAS and was awarded the certification for Gas Malaysia, GMD, GMES and GMRS 	<ul style="list-style-type: none"> Conduct annual internal compliance audit, and surveillance audit by external auditor for Gas Malaysia, GMD, GMES, and GMRS Initiate ABMS certification process for Gas Malaysia subsidiaries
Training and Communication	To train employees on their awareness and understanding of ABMS to reduce potential bribery risks. To promote better corporate governance and legal compliance	<ul style="list-style-type: none"> Completed "Do The Right Thing" training by Institut Integriti Malaysia Raised awareness of ABAC Policy & Gifts Guidelines through Integrity & Governance Department Held ISO 37001 ABMS Certification Handover Ceremony for management Co-organised Risk Assessment & Due Diligence Training with Malaysian Institute of Corporate Governance Enhanced Anti-Bribery Management System awareness for GMES staff Communicated anti-bribery information through email, Integrity Portal, Integrity Corner and quarterly E-Bulletin publications Displayed bunting in Gas Malaysia and branch offices to reinforce anti-bribery messages 	<ul style="list-style-type: none"> Conduct and organise trainings and awareness programmes for all levels of employees, such as Ethics & Integrity Training by JTS Trainings and ISO 37001:2016 ABMS Internal Auditing Training by SIRIM STS Increase promotion of anti-bribery and integrity culture through video, anti-bribery pamphlets, monthly email blasts, and more

Sustainability Statement

ANTI-BRIBERY AND ANTI-CORRUPTION

Sustaining a strong culture of integrity throughout our business operations remains a fundamental pillar in nurturing effective corporate governance at Gas Malaysia. To address this, the Integrity and Governance Department is responsible for enhancing the overall integrity and governance of the organisation. Our dedication to integrity remains steadfast and is reinforced by a robust ABAC Policy, designed to eradicate all forms of corruption.

We offer training programmes designed to enhance our employees' understanding of contemporary issues surrounding bribery and corruption, aiming to raise awareness among them. As such, our people have attended training programmes on the following topics:

Non-Management

- Do The Right Thing
- ABAC Policy & Gifts Guideline Awareness
- Risk Assessment & Due Diligence Training
- Awareness of ABMS for GMES staff

83%

Management

- ISO 37001 ABMS Certification Handover Ceremony (for Management) on 20 Oct 2023

71%

Senior Management

- ISO 37001 ABMS Certification Handover Ceremony (for Management) on 20 Oct 2023

61%

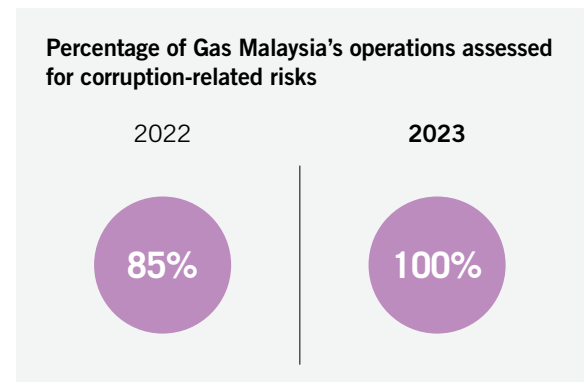
We also formulated our Gifts Guideline which clarifies our stance, categorises types of gifts, and sets forth the process for declaring gifts. Approval in accordance with the Gas Malaysia's Limits of Authority ("LOA") is required for accepting and offering gifts among employees, customers, vendors, contractors and third parties. It is crucial that the management of all gifts prevents misuse, including for the personal interests of the employee.

During the year under review, there were zero instances of ABAC Policy violations reported.



OPERATIONS ASSESSED FOR CORRUPTION-RELATED RISKS

In our ongoing commitment to combat corruption and drive progress and sustainable change within our organisation, we consistently subject our operations to thorough assessments for any corruption-related risks. We continue to perform a series of CRA sessions across all Gas Malaysia business units. The aim of this assessment is to enhance the current corruption risk register and ensure a proactive approach to addressing potential risks. As of 31 December 2023, 85% of Gas Malaysia's operations have undergone assessment and finalisation for corruption-related risks. GMEA, GMSD, and GMGV have yet to finalise their assessments of corruption risks.



Sustainability Statement

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION

It is imperative to comprehensively educate our people on the significance of adhering to best practices to combat bribery and corruption. Engaging in such behaviours goes against our corporate principles and is also illegal, putting individuals and our organisation at risk of facing fines and penalties that could lead to significant financial and reputational harm.

We conducted comprehensive briefings and awareness sessions on Anti-Corruption Policies and Procedures for all Gas Malaysia staff members, including our esteemed Board of Directors.

Percentage of Board of Directors informed of Anti-Corruption Policies and Procedures

The revised ABAC Policy and Framework for Gas Malaysia has been approved for adoption by the Directors at its Board of Directors' meeting held on 12 May 2022.

100%

Percentage of Employees informed of Anti-Corruption Policies and Procedures

All employees across all categories are informed about Gas Malaysia's Anti-Corruption Policies and Procedures through various channels including email communications, e-bulletins, the Integrity Portal on SharePoint, Integrity Corner on the notice board, bunting, display stands and during induction sessions.

CUSTOMER PRIVACY

During 2023, we received zero complaints regarding breaches of customer privacy or losses of customer data.

ANTI-COMPETITIVE BEHAVIOUR

Gas Malaysia is committed to fostering healthy competition among businesses, acknowledging its role in stimulating innovation and operational efficiency. This commitment leads to competitive pricing, superior product and service quality, increased consumer choices and enhanced overall value.

We are steadfast in complying with both local and international laws on anti-competitive conduct and monopolistic practices. Our aim is to prevent any actions that could reduce competition, impact our production capacity and establish monopolies in the realms of distribution, transportation and supply to our customers.

HOW WE MANAGE THE MATTER

The regulatory framework for TPA has been established to effectively oversee and address anti-competitive practices. This framework empowers third-party entities by granting them access to gas facilities that are not under their ownership or operation. Through the TPA system, multiple entities can access and utilise gas facilities within Malaysia.

Moreover, we have successfully separated our business operations into two (2) distinct entities in anticipation of full market liberalisation: GMD and GMES. Both entities, wholly owned by Gas Malaysia, have obtained distribution and shipping licences.

GMD has been awarded a 20-year distribution licence, empowering it to serve as a gas distributor through its NGDS across Peninsular Malaysia. On the other hand, GMES, with a 10-year shipping licence, operates as a gas shipper procuring gas from a shipper and delivering it according to customers' specifications. This strategic unbundling strengthens our value and standing in the gas industry.

Bursa Sustainability Performance Report

Indicator	Measurement Unit	2023
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	54
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	868,224.30 [*]
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	11.653000
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.94
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	69
Management	Hours	70
Non-Management	Hours	36
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.80
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Management	Number	0
Non-Management	Number	42
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	0.70
Senior Management Above 50	Percentage	2.40
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	4.70
Management Above 50	Percentage	3.30
Non-Management Under 30	Percentage	18.10
Non-Management Between 30-50	Percentage	58.40
Non-Management Above 50	Percentage	12.10
Gender Group by Employee Category		
Senior Management Male	Percentage	2.70
Senior Management Female	Percentage	0.30
Management Male	Percentage	6.10
Management Female	Percentage	2.10
Non-Management Male	Percentage	61.70
Non-Management Female	Percentage	27.10

Internal assurance

External assurance

No assurance

(*)Restated

Bursa Sustainability Performance Report

Indicator	Measurement Unit	2023
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	88.00
Female	Percentage	12.00
Between 56-60	Percentage	50.00
Between 61-65	Percentage	26.00
Between 66-70	Percentage	12.00
Between 71-75	Percentage	12.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	614,668.40
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,439**
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	61.00
Management	Percentage	71.40
Non Management	Percentage	83.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	85.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

* The unit of measurement reported in the sustainability statement was in GJ. However, to comply with Bursa Malaysia's requirements for the unit of measurement to be in MW, we have converted GJ into MW at a rate of 1 GJ to 0.278MW.

** The breakdown of beneficiaries are as follows: 327 students, 720 homeless individuals, 40 underprivileged families, 1,100 B40 students, two NGOs and 250 families.