



SUSTAINABILITY STATEMENT 2016



LEADING



CHANGE

TOWARDS SUSTAINABILITY

**FOR ALMOST
25 YEARS,
WE HAVE MADE
COMMENDABLE
CONTRIBUTION
TOWARDS
SUSTAINABLE
DEVELOPMENT**

SUSTAINABILITY STATEMENT

We understand that the realities of stakeholder expectation have changed:

stakeholders are increasingly interested in understanding the approach Gas Malaysia Berhad ("Gas Malaysia" or "the Company" or "the Group") takes in managing economic, environment and social risks & opportunities. Our customers, investors, regulators and business partners, as well as the community in which we operate, have become more aware of the impact our business has on them.

What is Inside

The Sustainability Statement ("the Statement") outlines our approach to addressing the three core sustainability pillars as described in the Bursa Malaysia Securities Berhad ("Bursa Securities") Sustainability framework for the Utilities Sector ("Bursa Guideline"). The Economic section discusses our role in developing the local economy and our interaction with economic system. In the Environmental section, we share the impact our operations have on the environment and efforts to minimise the environmental footprint. The Social section outlines our interaction with social systems including our responsibilities to the surrounding communities, our customers, employees and the public.

Reporting Scope

The Statement covers the entire organisation and its subsidiaries and includes quantitative and qualitative data relevant to sustainability reporting.

Reporting Period

1 January 2016 to 31 December 2016.

Reporting Cycle

Annually

Principle Guidelines

Bursa Guideline

OUR SUSTAINABILITY JOURNEY

“As we celebrate our 25th anniversary, we would like to take this opportunity to present our sustainability journey.”

Over the past 25 years, we have made commendable contributions towards sustainable development – a concept that advocates the utilisation of resources in a manner that generates economic growth for the Company, creates social benefits and at the same time minimises the impact on the environment.

In line with our mission, we provide the cleanest, safest, cost effective and reliable supply of gas to industrial, commercial and residential sectors. 25 years ago, if you had gone to major industrial areas during the day, chances are you would see factories producing large amount of smoke into the atmosphere. The toxics chemicals in the smoke would form smog and fall to the ground in the form of acid rain and consequently contaminate the soil and the water.

Now, fast forward 25 years, after Gas Malaysia started supplying natural gas to these factories, emission of environmental pollutants has reduced and the occurrence of acid rain has declined. Furthermore, because natural gas also emits lower carbon dioxide (“CO₂”) compared to other fossil fuels, our business activities have contributed to lower CO₂ emission into the atmosphere.

We continue to lead on sustainable practices by providing innovative value-added energy solutions. The nature of our new ventures business activities allows us to innovate, whilst addressing the environmental challenges our generation is facing.

For instance, the Combined Heat and Power (“CHP”), which is a mini power generation system with heat recovery, boasts high thermal efficiency, resulting in lower Greenhouse Gas (“GHG”) emission compared to a conventional power plant — a win-win situation for our clients and the environment. Through Virtual Pipeline and Bio Compressed Natural Gas (“BioCNG”), we also address other issues pertaining to sustainable development such as supply availability and reliability, all whilst creating new demand for cleaner energy.

When you think about it, at Gas Malaysia, our vision and mission are in fact, the enablers for sustainability.

As part of the gas industry liberalisation, the Incentive Based Regulation (“IBR”) framework introduces a more efficient and sustainable tariff structure that help ensure earnings stability and certainty. As for our customers, the framework avails to them efficient pricing for natural gas.

Gas Malaysia enhances its commercial potential by diversifying into the aforementioned new ventures, namely, the CHP, Virtual Pipeline and BioCNG. The diversification offers economic opportunities as it complements the regulated distribution business.

On a different note, we ensure that our business contributes to the community too, by initiating and supporting charitable causes. We support programmes that improves the quality of lives of those who are mentally challenged, children with cancer and those with renal disease.

Our responsibility to society is as important as it is to our employees. We strive to provide a conducive working environment for our employees, offer them challenges and opportunities for their career advancement, afford them competitive compensation and benefits, as well as development training. Our goal is to have a strong employer brand, fitting for our employee – our greatest asset.

Moving Forward

As our business continues to expand, we shall continue to evaluate the impact of economic, environmental and social risks and present respective opportunities in ensuring long term growth whilst charting sustainability for the Group.

MATERIALITY MATTERS

Driving Sustainability

In 2016, we formed a Sustainability Reporting Committee ("SRC") to assist us in our corporate sustainability reporting. The SRC is chaired by our Chief Executive Officer, Encik Ahmad Hashimi Abdul Manap, and reports to the Risk & Compliance Committee. As the SRC mirrors the organisational chart of the Company, it includes representatives from all departments.

Information on the Company's organisational chart can be found at <http://www.gasmalaysia.com/index.php/about-gas-malaysia/corporate-information/organisational-chart>

The SRC addresses issues, develop and refine strategies, and evaluate progress towards established sustainability goals and targets. The SRC looks for ways to improve performance in areas that impact all stakeholders, helping the Company meets its long term responsibilities.

In coming up with the statement, materiality assessment was undertaken. We commissioned a materiality survey to identify sustainability topics that matter to our stakeholders as well as examined the most relevant issues for Gas Malaysia. The materiality survey evaluated 30 sustainability areas under the economic, environment and social pillars.

The Methodology

A comprehensive materiality survey was conducted in the last quarter of 2016. The entire process was handled by an external consultant, to ensure impartiality and protect the anonymity of the respondents.

Stakeholder Groups Participating in the Materiality Survey



Business Partners



Customers



Management/
Employees



Regulators



Shareholders
(Investors &
Analysts)



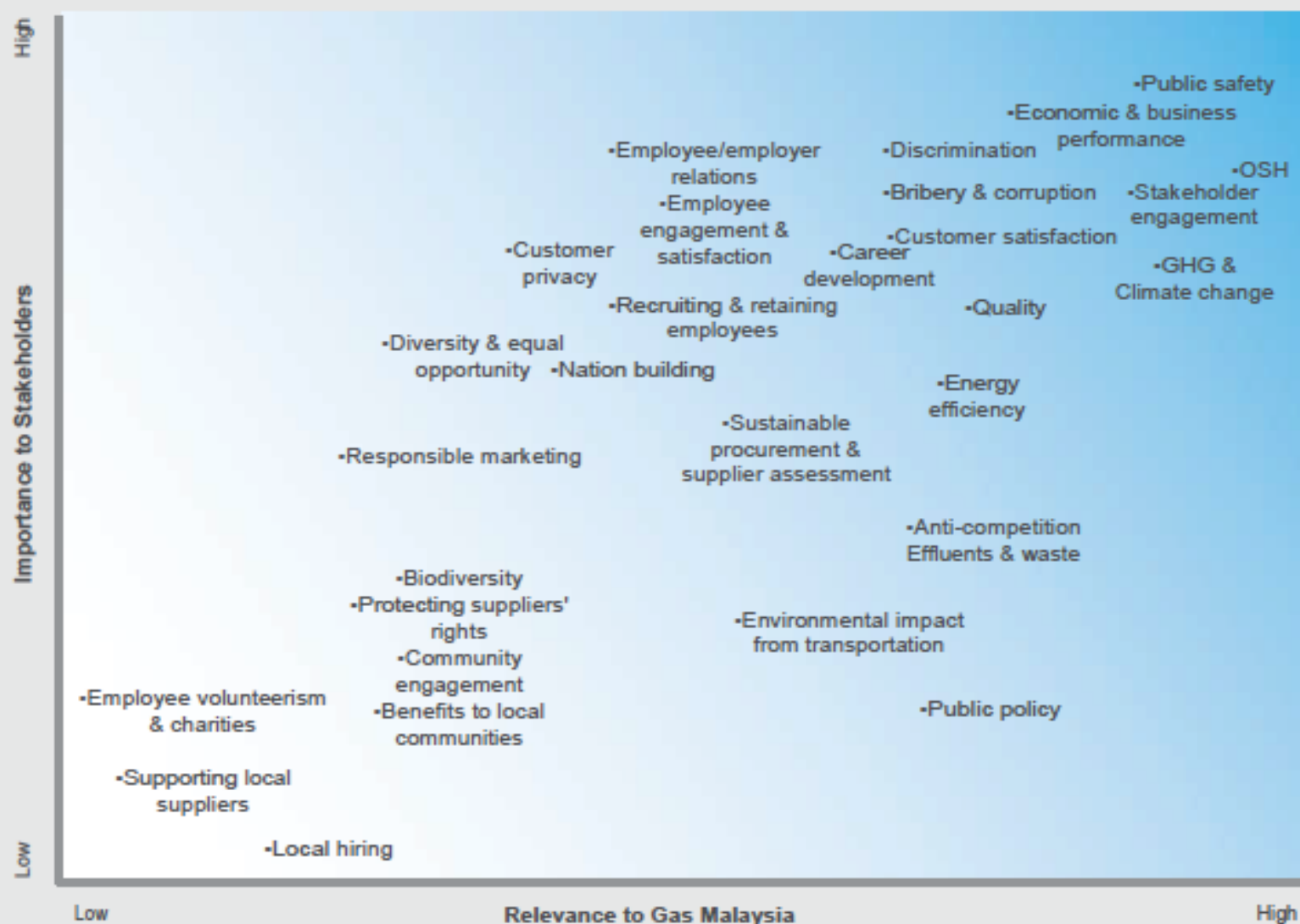
Supplier and
Contractors

Respondents were asked to indicate how important each sustainability area was, from a scale of 'very unimportant' (1) to 'very important' (5) with (3) being neutral.

A similar survey was completed by the members of the Board whose responses represented Gas Malaysia.

The Results

The results of the materiality survey are depicted in the chart below. The topics mapped in the rightmost quadrant of the chart are most relevant for both Gas Malaysia and all its stakeholders and are therefore discussed more extensively.



Our approach to materiality provides a deeper understanding of the Company's materiality matters, which allows us to narrow down to areas that are closely linked to our business and operations. All topics which appear in the chart carry certain level of importance to our stakeholders and the Company. The level of disclosure for most material issues which appear at the top right hand corner of this chart is more extensive than those for others.

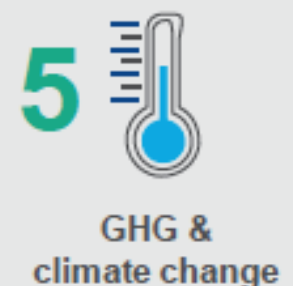
Based on the combined highest scores, the result of our materiality survey shows that the top five materiality matters are:



Public safety



Economic & business performance



GHG & climate change



Occupational Safety & Health ("OSH")

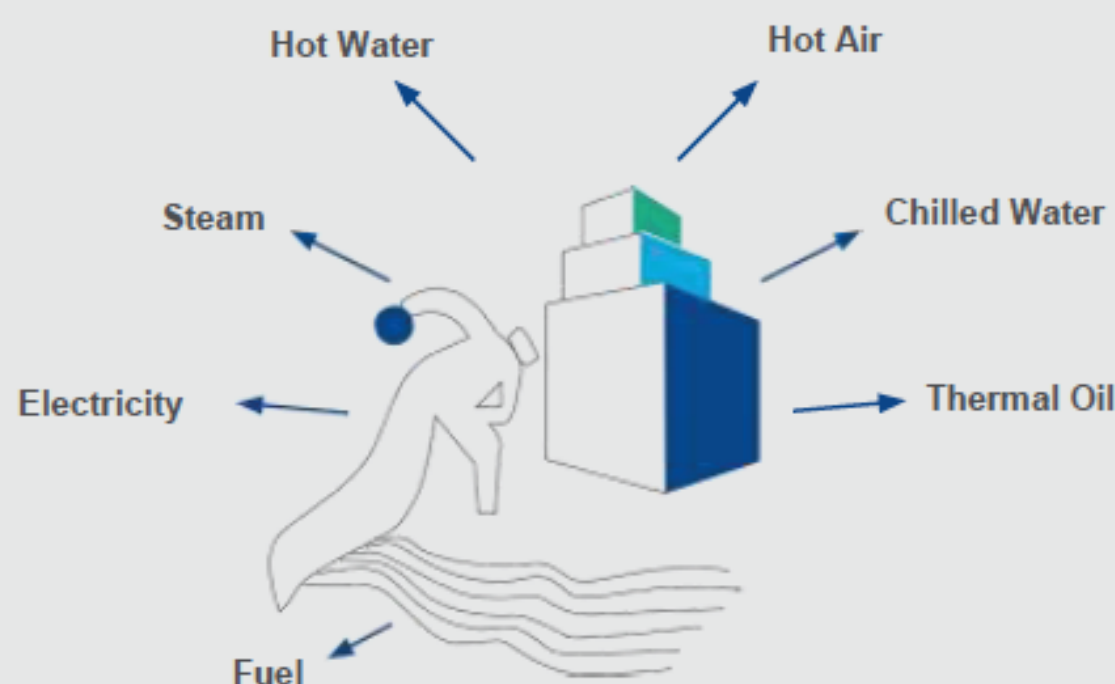


Stakeholder engagement

Building the Nation through Innovative Energy Solutions

CHP is an efficient and clean approach to generating electric power and useful thermal energy from a single fuel source with lower priced natural gas.

Combined Heat and Power



Single Fuel Producing Multiple Energy

Benefits of CHP

- Reduce conventional infrastructure & competitive operating cost
- Reduce total utility bill
- Ensure reliability and efficiency of energy supply
- Reduce CO₂ emissions by about 30%

Industries That Stand to Benefit Most From CHP





ECONOMIC

Gas Malaysia has made a significant contribution to the economic development of the gas industry by **building natural gas infrastructure** and **providing innovative and reliable energy solutions.**

At Gas Malaysia, we support the national agenda by embracing our vision that is to be an innovative value added energy solutions provider and carrying out our mission that is to provide the cleanest, safest, cost effective and reliable energy solutions to the nation. Gas Malaysia has made a significant contribution to the economic development of the country by building natural gas infrastructure and providing innovative energy solutions and reliable supply of gas with service excellence to our customers.

Our Natural Gas Distribution System ("NGDS") network, which is now over 2,000 kilometres in length, supplies the competitively priced natural gas to all major industrial areas, hence driving the economic growth of the nation.

For customers who are remotely located from the NGDS network, we avail natural gas supply to them via land transportation such as that in our Virtual Pipeline and BioCNG businesses. This effort has further helped create new demand for natural gas.

Advancing the Industry through Active Engagement

Gas Malaysia is committed to engaging constructively and responsibly in the industry in numerous ways such as participating in forums and discussions, being members of associations and participating in outreach activities with the Company's stakeholders.

By engaging with our respective stakeholders, we are able to anticipate, identify and understand the key issues that may affect our industry. Through our active engagement, we strive to shape regulatory outcome and advance the industry by contributing our views and expertise.

As a result of our engagement with the Suruhanjaya Tenaga ("ST"), we have a much more structured and efficient tariff structure for our distribution business, benefiting both our customers and the Company.

We have also taken part in discussions and engagement sessions with ST and local authorities on safety regulations.

In addition, on a regular basis, we collaborate with other utility companies to raise awareness of safety guidelines with respect to working within the vicinity of our gas pipeline and facilities. This is to ensure no disruption of services.

We build a **strong market presence** and brand by taking part in industry-related discussions, forums and events. Our **continuous engagement** ensures we learn from other players, business partners and industry experts.



ENVIRONMENT



Climate change is one of the biggest environmental challenges facing our society today. In keeping the impacts of our business activities on the environment at the minimum, we observe the value of eco-efficiency. Eco-efficiency promotes the improvement in economic benefits of energy savings. In so doing, we can work towards not only reducing our GHG emissions but also lowering production costs.

The Environmental Benefits of Switching to Natural Gas

Natural gas offers significant climate change benefits as carbon dioxide emissions from natural gas are about half those of coal, resulting in both immediate and long term benefits for public health and the environment.

Natural gas advantages over other fuels include the following: it has fewer impurities, it is less chemically complexed and its combustion generally results in less pollution. Therefore, using natural gas produces less CO₂ emission and environmental pollutants.

Tackling the Issue of Global Warming

There is no single solution to global warming, which is primarily a problem of too much heat-trapping gas such as CO₂, methane, nitrogen oxide and sulfur dioxide in the atmosphere. In addressing of this situation, the Government had re-pledged to achieve 45% reduction in CO₂ emission by 2030.

For the last 25 years, Gas Malaysia have been supporting the national agenda of reducing GHG. Besides promoting the use of natural gas, which is the cleanest version of fossil fuel, we have also been promoting efficient energy solutions which has vast potential to save energy, money and most important of all, our environment.

The approaches that we have taken thus far in promoting energy efficiency are as follows:

- 1 Promoting the use of natural gas;
- 2 Promoting the use of CHP; and
- 3 Promoting the use of BioCNG.

Natural Gas – Source of Cleaner Energy

As already mentioned in the previous section, natural gas offers significant climate change benefits as it emits up to 50% less carbon dioxide compared to other fossil fuels.

Natural gas, as the cleanest of the fossil fuels, can be used in many ways to help reduce the emissions of pollutants into the atmosphere. Burning natural gas in place of other fossil fuels emits fewer harmful pollutants.

CHP – Conserving the Environment

As discussed earlier, since CHP system uses energy sources more efficiently, it reduces the overall burning of fossil fuels. This increases the overall efficiency of the power supply system, hence leading to lower environmental impact.

BioGas – Reducing Malaysia's Global Warming Potential

As we cope with increasing energy demand and rising fuel costs, the need to seek out alternative and cleaner energy looms even larger.

Many palm oil mills in Malaysia have anaerobic digester to generate biogas, providing huge source of renewable energy with the potential to create viable revenue stream. The mills also play a major role in addressing the issue of global warming. Via biogas trapping facilities at the mills, methane can be purified and subsequently used as energy.

If not captured, methane can be 22 times more hazardous than CO₂ in terms of trapping heat in the atmosphere, which subsequently causes global warming.

Our BioCNG project, which is undertaken by the joint venture company, undertakes the BioCNG distribution business via land transportation, for customers that are currently not served by NGDS.

By creating demand for BioCNG via biogas upgrading and methane capture, we tackle the issue of global warming.



SOCIAL

The social section of this report highlights our progress in delivering social commitment to our stakeholders. Following the Bursa Guideline, this section has been divided into four sub-sections of product responsibility; society; labour practices and decent work; and human rights.



PRODUCT RESPONSIBILITY

Ensuring Public Safety through Safe Operations

The Company is committed to managing our operations in a way that protects the safety, security, and health of our employees, customers and the public, as well as the integrity of our assets. We do this in a responsible, reliable and safe manner that meets regulatory requirements. We believe that this approach is essential to creating superior and sustainable value to our business.

Public safety is prioritised during any construction or maintenance work. The work is carried out in accordance with the respective Standard Operating Procedure.

Pipeline Safety

As part of our comprehensive preventive maintenance programme, the gas pipeline is inspected daily for signs of potential leaks or other abnormalities. Our systematic approach also helps detect third party activities in the vicinity of the gas facilities.

Gas Malaysia's pipeline can be identified by a Pipeline Warning Marker ("PWM") that is placed at approximately every 50 metres (concrete) and every 500 metres (sign board) along the pipeline. PWMs are installed by the contractor and maintained by Operations & Maintenance personnel.

Cathodic Protection ("CP") Inspection

CP forms part of our asset integrity management to protect against corrosion, so as to ensure supply reliability to our customers.

Business Continuity Management

Driven by the mission to provide the cleanest, safest, cost effective and reliable energy solutions to the nation, Gas Malaysia pursues optimal development of strategies, plans and actions that provide protection for those activities or business processes which, if they were to be interrupted, might otherwise bring damage or potentially fatal loss to the Company.

We have in place a comprehensive Business Continuity Management ("BCM") plan, developed to achieve our business objectives by minimising the impact of any untoward incident on employees, business partners, local community and environment. This is to ensure that crucial business functions are able to be performed even in an emergency situation.

Delivering Reliable Service

Delivering services with superior quality is more than a matter of Company's pride; we believe it is also both environmentally responsible and economically sensible. Accordingly we have evolved a company-wide culture that is focused intensely on quality. Our journey towards quality excellence shown below involves hundreds of small procedures and practices, many of which far exceed industry standards.

Our commitment to quality and excellence surrounds four core areas including reliable and efficient services, safe, cost saving and environmental benefits.

Reliable and efficient services	With 99% supply reliability, we are dedicated to developing successful synergistic business relationships with our customers. Our headquarters are in Shah Alam, with three regional offices in Prai, Gebeng and Pasir Gudang and eight branch offices throughout Peninsular Malaysia. We provide customers with efficient operations and maintenance, as well as effective customer service.
	<div>Safe</div> <p>We do not compromise on quality and safety measures. We uphold and practice stringent policies and procedures to ensure the timely and safe delivery of natural gas to our customers.</p>
Cost saving	Fuel substitutes for natural gas include coal, diesel and medium fuel oil. Currently natural gas remains the most economical source of energy in Malaysia. Its price is currently regulated by the Government and is lower than alternative fuels.
	<div>Environmental benefits</div> <p>Natural gas is cleaner and more environmentally friendly than the substitutes. It produces fewer pollutants, fewer GHG emissions and less smog.</p>

Managing the Risk of Supply Interruption

We take proactive measures in minimising the risk of supply interruption by implementing measures which help to ensure a continuous and stable supply of gas to our customers. These measures are as below:

- Daily pipeline inspection
- Repair and troubleshoot
- Third party management
- Managing risk of supply interruption
- Emergency response
- Preventive maintenance
- Supply performance indicator

PRODUCT RESPONSIBILITY

Responsible Pricing

Gas Malaysia activities are governed by the Gas Supply (Amendment) Act 2016 and Gas Supply Regulations 1997. These Acts also protect customers through:

- Efficient tariffs and other terms of supply
- Reliability of gas supply
- Gas supply availability

In addition to these Acts, the Government had recently introduced the IBR framework for the natural gas sector, which governed on a trial basis our distribution business from 1 January 2016 until 31 December 2016. The IBR framework is a form of economic regulation that encourages Gas Malaysia to improve its operational and financial performance while regulating the natural gas tariff.

It protects the interests of all stakeholders in the gas industry. It also covers aspects of safety, economy, reliability, quality and efficiency.

The cost efficient tariff structure, which is embedded in the IBR framework, provides tariff certainty and helps our customers forecast their costings and plan for their consumption. It also provides earnings clarity and certainty for the Company.

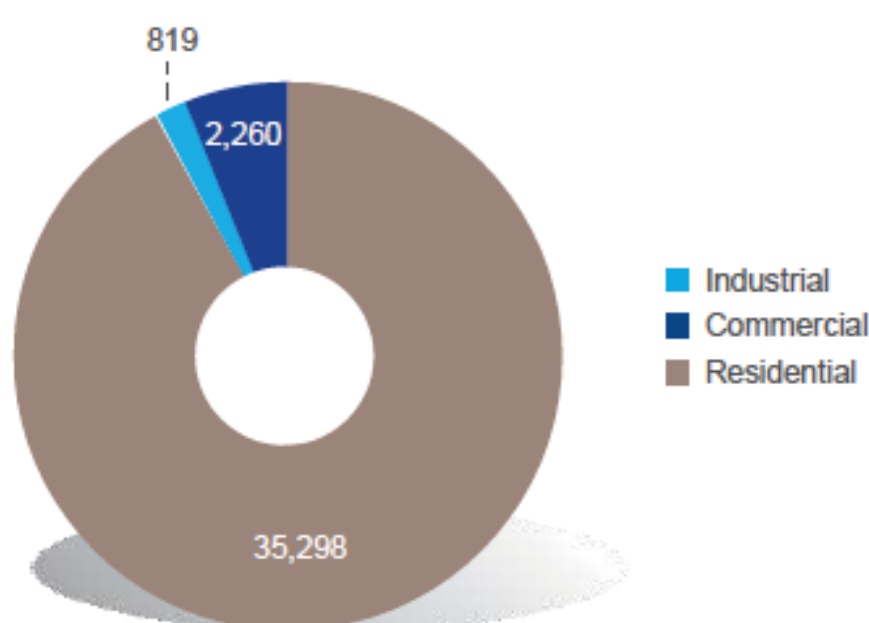
Our Customer Growth

We leverage on our knowledge of market needs and unique capabilities to increase our industry presence. Our customer growth relies on the success of our customer engagement strategies in balancing the customer's experience with our service and their business requirements.

In 2016, our customer base which is represented by the industrial, commercial and residential sectors, stood at 38,377.

In terms of numbers, residential customers form the majority of our customers' base (92%), followed by commercial (5.9%) and industrial (2.1%). However, though the percentage of our industrial customers is only 2.1%, they accounted for 99.1% of Gas Malaysia's total gas volume contribution.

Customer Breakdown by Business Sector



Gas Malaysia's Industrial Customer Growth in 2016

2015	2016
37	45
New Customers	New Customers
795	819
Total No. Of Customers	Total No. Of Customers

Customer-First Culture

We are committed to providing the highest standard of customer experience. We have established a customer care unit that provides customers with all the necessary help and assistance they need. The customer service team is responsible for:

- Delivering excellent service by responding to customers' needs and requirements in a timely and courteous manner;
- Resolving any pertinent issues to a high standard within a set timeframe;
- Providing a friendly and efficient service with a dedicated executive or engineer being assigned to every customer to ensure a consistent level of service; and
- Listening to customers' requirements and comments to allow us to continually improve the service we provide.

We welcome and respond to feedback, whether it is a compliment, suggestion or complaint.

Our customer care unit is operated from 9:00 am to 5:00 pm by a specialised department dedicated to handling feedback efficiently.

Our Operations Control Centre, which operates around the clock, is a focal point in emergency cases. Day-to-day responsibilities include:

- Handling emergency calls;
- Providing an appropriate response during emergency;
- Attending and replying to enquiries on gas facilities;
- Providing daily gas information to customers; and
- Monitoring gas pressure and daily off-take.

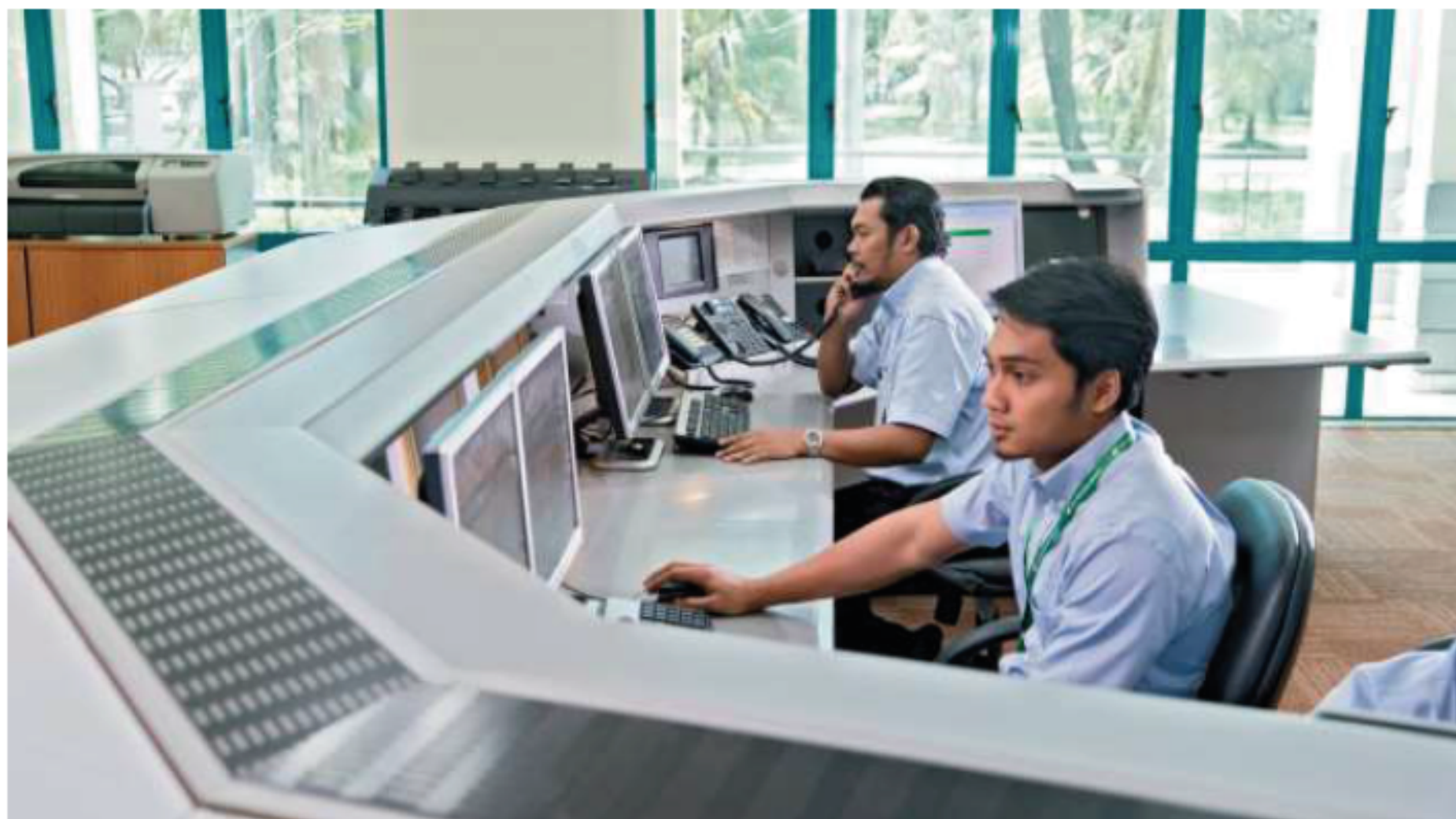


How to Reach Us

customer service hotline
1-300-88-4276

24-hour toll-free number
1-800-88-9119

PRODUCT RESPONSIBILITY



Full Compliance with the Law and Regulations

Responsible corporate governance covers adherence to laws, regulations and standards, and also requires a stringent compliance system. We have defined strict rules and guidelines for our employees across the entire spectrum of our areas of activity. Through our conformity with the law, we ensure that the Company, its shareholders, clients, employees and the public are protected as comprehensively as possible.

Compliance Obligations

Petroleum Development Act 1974	Factories & Machinery Act 1967	Petroleum Safety Measures Act 1984	Gas Supply (Amendment) Act 2016	
Occupational Safety & Health Act 1994	Employment Act 1955	Environmental Quality Act 1974	Bursa Securities Main Market Listing Requirements	Gas Supply Regulations 1997



SOCIETY

Our Focus Areas in 2016

Giving back to communities is an important part of our company ethos, especially in locations that are closest to our operations. This philosophy complements our community tagline of 'improving the quality of life. Three main focus areas have been identified. These focus areas provide structure to our community programme and ensure that we support those, in which we can make a difference.

Focus Areas for Community Programmes



Mentally Challenged



Paediatric Cancer



Renal Disease



We are committed to making a meaningful contribution to society through engagement and advocacy of important issues.



We aided SAMH in providing support for the mentally challenged.



Mentally Challenged

The Selangor & Federal Territory Association for the Mentally Handicapped ("SAMH") provides education and training programmes to children and adults with mental disabilities. This non-profit voluntary organisation grew from a humble beginning of four children and one teacher. Currently, SAMH operates from three buildings in the Klang Valley and supports 350 children and adults with various types of mental disability.

SAMH's primary aim is to provide education and training programmes for mentally challenged children and adults. The programme helps them be as independent as possible. It is hoped that our support for SAMH's causes will help improve the quality of life of these mentally challenged individual in its care.

SOCIETY

Paediatric Cancer

Cases of paediatric cancer in Malaysia are rising at an alarming rate. According to the National Cancer Registry Report (Malaysian Cancer Statistics, 2007), the most common cancers in children below 14 years old are leukaemia, brain cancer and lymphoma. Generally, factors that can trigger cancer in children are different from adults. Paediatric cancer often results from abnormalities in the DNA. These abnormalities occur early in the child's life, sometimes before the child is even born.



We donated to the National Cancer Society to help fund its mission of providing education, care and support to patients, caregivers and the public.

Renal Disease

More and more Malaysians are diagnosed with kidney failure each year. With the rising prevalence of diabetes mellitus and hypertension in Malaysia, not surprisingly, there are currently so many Malaysians being diagnosed with chronic renal disease. Many of whom have to be on dialysis.

Gas Malaysia contributed to An-Nur Dialysis Centre, in support of its cause in providing care for those in need of dialysis treatment.



Zakat Distribution

We also executed our obligatory duty via zakat contribution to various schools, mosques as well as underprivileged individuals.

Our Ethical Conduct in the Society

Gas Malaysia is firmly opposed to corruption in all forms and follows the highest ethical business standards. All employees are responsible for understanding the important legal and ethical issues that affect our business and must act with integrity at all times. Integrity covers both the spirit and the letter of the laws and the regulations that govern our industry.

Gas Malaysia's ethical business conduct commits us to conducting business fairly, impartially and in full compliance with applicable laws and regulations. We operate with integrity and honesty in all our business relationships internally and externally. Our employees are required to complete training about Gas Malaysia policies and procedures. Various policies, procedure and guidelines are in place to ensure the Company's compliance to all relevant laws and regulations.



LABOUR PRACTICES AND DECENT WORK

Creating value for employee is an important part in driving the company and delivering its success. Our approach is to have a fair and inclusive organisation where our employees' personal and professional aspirations are met while creating value for the shareholders.

Providing a Safe Workplace

Quality and productivity are our primary goals; however, the safety of our personnel or project sites is never compromised to achieve them. Our commitment towards OSH extends beyond our employees to include our entire team of contractors, subcontractors, suppliers, vendors and industry partners. All persons working on site must adopt our OSH safety guidelines and we strive to achieve a workplace that is free from incidents each day. We are guided by our Health, Safety, Environment & Quality ("HSEQ") policy.

Safety and Health Commitment

A safe and healthy work environment is a basic requirement for safeguarding the wellbeing of all employees. Adopting occupational health and safety best practices helps us improve our overall performance. Our commitment to safety and health objectives along with our achievements are presented below.



Commitment

- Safety and health committee meeting once every three months with minutes being kept for a minimum of seven years
- Notification and reporting of accidents and dangerous occurrences to State Department of Occupational Safety and Health ("DOSH") with records being kept for at least five years
- Conduct continuous education programme for employee representatives in the safety and health committee



Objectives

Maintain zero non-compliance with OSH Act 1994, Environmental Quality Act 1974 and related regulations



Achievements to Date

- Four safety and health committee meetings were held in January, April, July and October 2016
- No reportable incidents occurred in 2016
- Three continuous education programmes conducted in 2016

- Continue to conduct building evacuation drills for HQ as well as regional and branch offices

To maintain building evacuation timing within 3-minutes as per Jabatan Bomba & Penyelamat Malaysia, standard for low rise building

- Four evacuation drills were conducted in 2016:
 - At HQ on 16 May 2016
 - At Southern Regional Office on 14 September 2016
 - At Eastern Regional Office on 18 August 2016
 - In KL Branch Office on 17 February 2016

LABOUR PRACTICES AND DECENT WORK



Commitment

- Periodic inspection and maintenance of PA system and other fire safety installation facilities



Objectives

To ensure functionality of emergency facilities



Achievements to Date

- Regular functional testing of the PA system as per schedule

- Conduct HSE workplace inspection (including at Joint Venture ("JV") companies worksite)
- Conduct HSEQ induction to all new temporary and trainee employees
- Conduct OSH awareness training for selected personnel of Operations & Maintenance ("O&M") Department

Striving for ZERO:
Lost Workday Case (LWC)
Discrepancy rate

- 367 inspections were conducted at Gas Malaysia sites, and four inspections at our JV and subsidiary companies
- 20 induction sessions were conducted for new employees, one for temporary staff and one for practical students
- Two OSH awareness training sessions were conducted for O&M employees

- Conduct HSEQ Internal Audit and 2nd Party Audit (contractors and vendors)
- Reviewing and revising related SOPs to meet current practices
- Conduct ISO & OHSAS Management Review meeting
- Conduct evaluation of legal compliance

Effective implementation and continual improvement of HSEQ Management System (HSEQ MS) – ISO 9001, ISO 14001 and OHSAS 18001

- 28 internal audits were conducted
- 7 second party audits were conducted
- 12 procedures were reviewed in 2016
- Two ISO/OHSAS Management System Review meetings were held
- Evaluation completed in August 2016

Reviewing Our Employees' Performance

Each employee is appraised annually by his or her line manager. Appraisals comprise of two components: performance assessment and development planning. Employees receive specific feedback on their performance and clear guidance on career prospects. Recognising and valuing good performance is as equally important in this context as identifying individual potential or areas for further training.



Our people are our greatest asset – we say it often and with good reason. Their sheer determination and dedication ensure that we are well-equipped to serve our clients, **generate long term value for our shareholders** and contribute to the broader public.



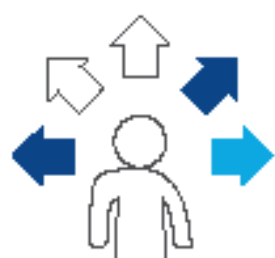
Our Commitment to Career Development

We strive to motivate our employees and encourage their personal growth through on-the-job learning. Employees are also given access to a variety of training programmes designed to improve their skills. Training programmes are tailored to each employee's needs. However, some training programmes are conducted regularly to ensure the workforce attains high levels of competency in carrying out their responsibilities.

Structured Training Courses within Gas Malaysia

Introduction to natural gas and its properties and hazards	Gas distribution for gas engineering certificate course	Authorised gas tester and supervisor for confined space	
Site construction and fabrication safety training		Safety Training	Geospatial analysis training

LABOUR PRACTICES AND DECENT WORK



Succession Planning

Succession planning ensures that a successor can quickly assume the position without causing any severe damage to the organisational functions. This is essential for sustainable operations.

As part of the Company's succession planning programme, we have identified a cadre of leaders who are ready and able to perform, in the event that incumbents in critical positions are unexpectedly incapacitated or has reached retirement age. Succession planning helps the prospective successor prepare for taking charge because the skills demanded for top level management are different from those at the bottom level of the organisation.

Enhancing Employees' Wellbeing

Registered in 2005, *Kelab Sukan dan Rekreasi Gas Malaysia* ("KSRGMS") promotes social recreational activities to its members through sports, games and competitions. The sport club is open to all employees.

The committee convenes at least quarterly to organise and oversee the society's activities and a range of matters affecting its running.

KSRGMS' Objectives



Empowers the workforce



Promotes the development of an inclusive environment



Improves the health and well-being of employees

Examples of Activities Organised by KSRGMS in 2016



Zumba
(dance fitness programme)



Bowling



Fishing



Table Tennis



Darts



Volleyball



Recreational related activities

Diversity and Equal Opportunity

Our policies and initiatives such as recruitment, retention, training and development, as well as corporate activities, are all undertaken in a way that does not discriminate against age, gender, ethnicity and disability. Gas Malaysia employs, appoints, promotes, develops and rewards its employees through the principles of meritocracy and fairness.

A Culture of Inclusivity

Employer-employee relationships are strengthened each year by delivering various programmes and communicating more effectively. This healthy working environment helps boost employees' morale and loyalty to the Company. Some of the engagement sessions were our Information Meeting, Light & easy with the CEO, and several others involving the middle and senior Management team.



HUMAN RIGHTS

At Gas Malaysia we treat everyone within the Company – and everyone with whom we come into contact – with fairness, respect and dignity. We treat everyone fairly and without discrimination. We also recognise and respect employees' right to freedom of association within the scope of labour practice and laws in this country.