

Sustainability Statement

OUR APPROACH TO SUSTAINABILITY

Gas Malaysia Berhad ("Gas Malaysia" or "the Group") acknowledges that sustainable practices is a core part of our operations as we seek to produce long-term value for our stakeholders. We recognise that sustainable development is critical to our success to ensure that we incorporate elements of sustainability into our operations that will aid us in maximising our economic potential, minimising our impact on the environment and empowering the communities around us. We are guided by the Economic, Environment and Social ("EES") pillars to help us meet our commitments that will help create a more resilient organisation.

The contents of this report reflect our most material sustainability impacts across the value chain, and the sustainability issues that were most significant to us and our stakeholders in 2021.

Our Aspiration

Our business practices are designed to create long term value throughout all our value chain through ethical and transparent conduct.

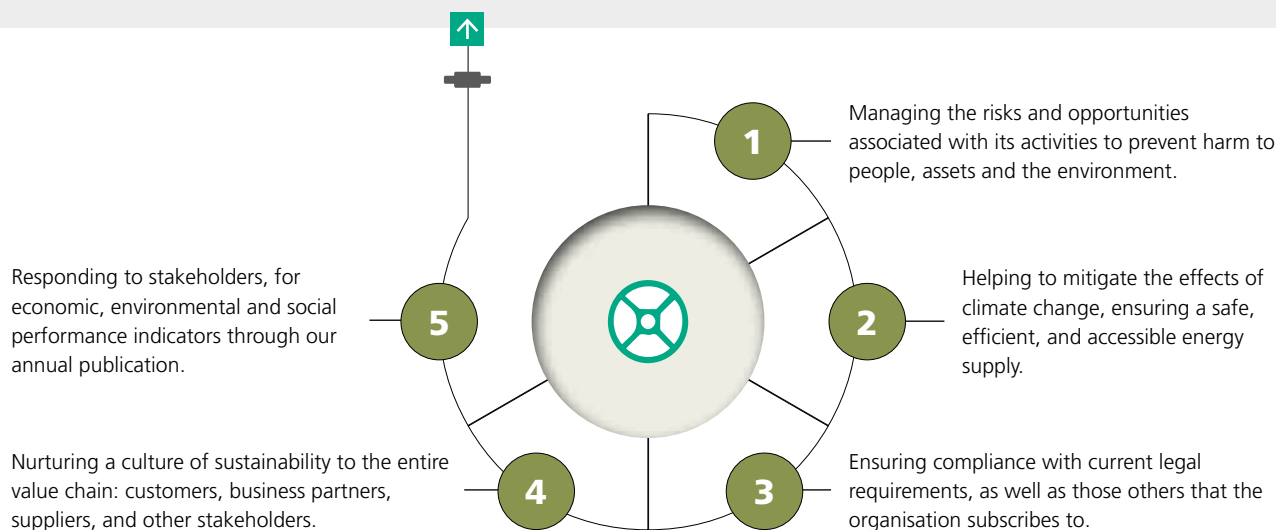
Our Commitments

Gas Malaysia is committed to ensure that environmental, ethical and social principles are at the core of our business decisions.

It also commits to identifying and analysing the expectations of the Company's various stakeholders, such as its shareholders, financial community, employees, customers, business partners, suppliers, local communities and society in general.

The Company establishes action guidelines such as health and safety, governance, diversity, equal opportunities, tax responsibility, prevention of illegal behaviour, and the fight against corruption.

Gas Malaysia understands that sustainability must be integrated in all the Company's businesses and organisational levels, ensuring availability of needed resources, considering the perspective of its stakeholders such as:



The Company has several communication channels that are available and accessible, which it uses to engage with its stakeholders. Further to this, all of our employees are committed towards sustainable practices.

Sustainability Statement

↓ Our three key pillars are:

ECONOMIC

Our role in ensuring the sustainable growth of our business is in line with developing the local economy

ENVIRONMENT

The impact of our business operations on the environment and the efforts to embrace eco-friendly practices and minimise our environmental footprint

SOCIAL

Our interactions with the social system with a particular focus on reaching out to the surrounding communities and our stakeholders in order to strengthen our reputation as a responsible corporate entity

Scope & Boundary

In preparing this statement, we have aligned our reporting with Bursa Malaysia's Sustainability Reporting Guide. The statement covers our sustainability-related activities for the period 1 January 2021 to 31 December 2021 for the Group, its subsidiaries and joint venture companies.

Sustainability Governance

The Sustainability Reporting Committee ("SRC") reports to the Group Chief Executive Officer ("GCEO"), who provides further input and guidance regarding the Sustainability Statement. The SRC is also responsible for reviewing all sustainability-related policies and standards, has oversight of management processes to ensure compliance with sustainability policies and standards. The Risk & Compliance Committee ("RCC") evaluates sustainability performance in addition to providing approvals and oversight of sustainability initiatives and strategies.

RISK & COMPLIANCE COMMITTEE



(Consists of Board Members)

- Approvals
- Oversight of sustainability initiatives/strategy
- Evaluates sustainability performance

GROUP CHIEF EXECUTIVE OFFICER



- Provides insights to the SRC to ensure the Group's sustainability strategies and goals are aligned
- Provides counsel and guidance on EES matters within the Group

SUSTAINABILITY REPORTING COMMITTEE



(Consists of Department Heads and heads of subsidiaries and joint venture companies)

- The SRC reports to the GCEO
- Reviews and discusses the Group's sustainability initiatives and goals and communicates them to the respective departments within the Company
- Works closely with the respective departments to develop related reports

Sustainability Statement

Stakeholder Management

We actively engage with our stakeholders across eight different groups with varied interests and concerns, as well as ability to impact the Group. We are of the view that such engagement not only helps to improve rapport, but helps the Group to better understand the concerns of stakeholders which will enable holistic and relevant responses. During the pandemic, most of our engagements shifted to virtual formats, but it did not dampen our commitment towards seeking effective outcomes with our stakeholders.

Regulatory Bodies & Government Agencies	Board of Directors (BOD)	Shareholders	Customers
↓	↓	↓	↓
METHOD & FREQUENCY OF ENGAGEMENT			
<u>Engagement Method</u> <ul style="list-style-type: none"> Engagements and dialogue sessions Reporting and consultation on regulatory or industry related matters Formal meetings Familiarisation Visits <u>Engagement Frequency</u> <ul style="list-style-type: none"> Regular & Ad-hoc 	<u>Engagement Method</u> <ul style="list-style-type: none"> Periodic Board and Board Committee meetings Formal correspondences <u>Engagement Frequency</u> <ul style="list-style-type: none"> Scheduled & Ad-hoc 	<u>Engagement Method</u> <ul style="list-style-type: none"> Quarterly Analyst Briefings Open Dialogues Sessions (Scheduled & Unscheduled) Conference Calls Annual General Meeting (AGM) Annual Reports Site Visits Media Releases & Bursa Announcements <u>Engagement Frequency</u> <ul style="list-style-type: none"> Scheduled, regular & Ad-hoc 	<u>Engagement Method</u> <ul style="list-style-type: none"> Dialogue sessions Customer relationship building programme Formal Meetings Customer feedback platforms Road shows <u>Engagement Frequency</u> <ul style="list-style-type: none"> 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.	The Board expects the Group to uphold the highest principles of transparency and accountability in full compliance with all applicable laws.	Shareholders expect the Group to sustain its earnings potential and market presence for the investment community. They are also concerned about matters such as material business development, liquidity and fair ratings of GMB shares, shareholders' confidence and the enhancement of shareholders' value.	Our Industrial, Commercial, Retail and Residential customers expect the Group to deliver reliable and quality service that meets the required standards at competitive pricing.
OUR RESPONSE			
<ul style="list-style-type: none"> Cooperated effectively 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 distribution tariff revisions. 	Management has ensured that the Board is always kept updated regarding the Group's latest business and governance developments.	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.	<ul style="list-style-type: none"> 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. Taken constructive feedback from customers into consideration to further improve our services.
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.	A good working relationship with the Board will ensure business continuity through good and ethical governance practices.	Maintaining good engagement with our shareholders is positive for our business as it increases the interaction with the capital market and fosters a positive perception amongst the investment community, which can also increase positive analyst coverage of 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	Business Partners	Employees	Local Communities
↓	↓	↓	↓
<p><u>Engagement Method</u></p> <ul style="list-style-type: none"> • Dialogue sessions • Formal meetings • Familiarisation visits to our gas facilities <p><u>Engagement Frequency</u></p> <ul style="list-style-type: none"> • Regular & Ad-hoc 	<p><u>Engagement Method</u></p> <ul style="list-style-type: none"> • Formal meetings • Dialogue Sessions <p><u>Engagement Frequency</u></p> <ul style="list-style-type: none"> • Regular & Ad-hoc 	<p><u>Engagement Method</u></p> <ul style="list-style-type: none"> • Employee Engagement Survey • Internal Communications • Employee Engagement Initiatives • Leadership Engagement Sessions • Sports and recreational activity <p><u>Engagement Frequency</u></p> <ul style="list-style-type: none"> • Regular & Ad-hoc 	<p><u>Engagement Method</u></p> <ul style="list-style-type: none"> • Periodic meetings • Dialogue sessions • CSR Initiatives <p><u>Engagement Frequency</u></p> <ul style="list-style-type: none"> • Regular & Ad-hoc
Federal, state and local government as well as safety and health authorities expect the Group to comply with the related legal and regulatory requirements under their jurisdiction.	Suppliers and vendors of the Group expect fair opportunities and the transparent conduct of procurement and payment processes.	Our employees are concerned about fair employment practices, career opportunities and safety and health.	The communities in which we operate are concerned about the Group's activities and how they may affect the surrounding areas.
<ul style="list-style-type: none"> • The Group continues to ensure that all relevant and applicable laws are strictly followed and complied with. 	<ul style="list-style-type: none"> • The Group has established a procurement policy and is in the midst of formulating a Vendor's Code of Conduct. • We have also strictly observed fair procurement and pricing evaluation practices, while monitoring any process irregularities. 	<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. 	<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 Corporate Social Responsibility ("CSR") initiatives, we closely collaborate with welfare associations and conduct community outreach programmes, while providing financial support for community development and environmental preservation programmes.
<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. • Work permits must be obtained from local authorities before we can commence pipeline construction. 	The fair and transparent treatment of our vendors and suppliers will have a positive impact on the quality and timeliness of the deliverables, leading to better project outcomes.	Good employment practices will improve overall productivity and improve employee loyalty and result in a lower attrition rate.	<ul style="list-style-type: none"> • Nurturing good relationships with local communities will enable positive outcomes involving community concerns. • Environmental protection and biodiversity preservation ensure more sustainable business outcomes.

Sustainability Statement

Materiality Assessment

Gas Malaysia Berhad's performance and long-term sustainability is closely linked to how it can effectively address its material matters. With our large footprint throughout the country, it is particularly important to be aware of the issues material to us in environmental, economic and social contexts. In addition to this, we are aided by the perspectives and expectations of our stakeholders which we have garnered through regular engagement to help us manage our matters more effectively.

In 2020, we revalidated our material matters which were identified in 2016 to better reflect the evolving nature of our organisation. The revalidation in 2020 expanded eight material matters into nine, as we made the distinction clear between carbon emissions and energy management and to enable better disclosures in these two areas.

In the year under review, we have once again undertaken a revalidation of the nine material matters against local, regional and global industry peers and benchmarked them against the Sustainability Accounting Standards Board as well as the International Petroleum Environmental Conservation Association.

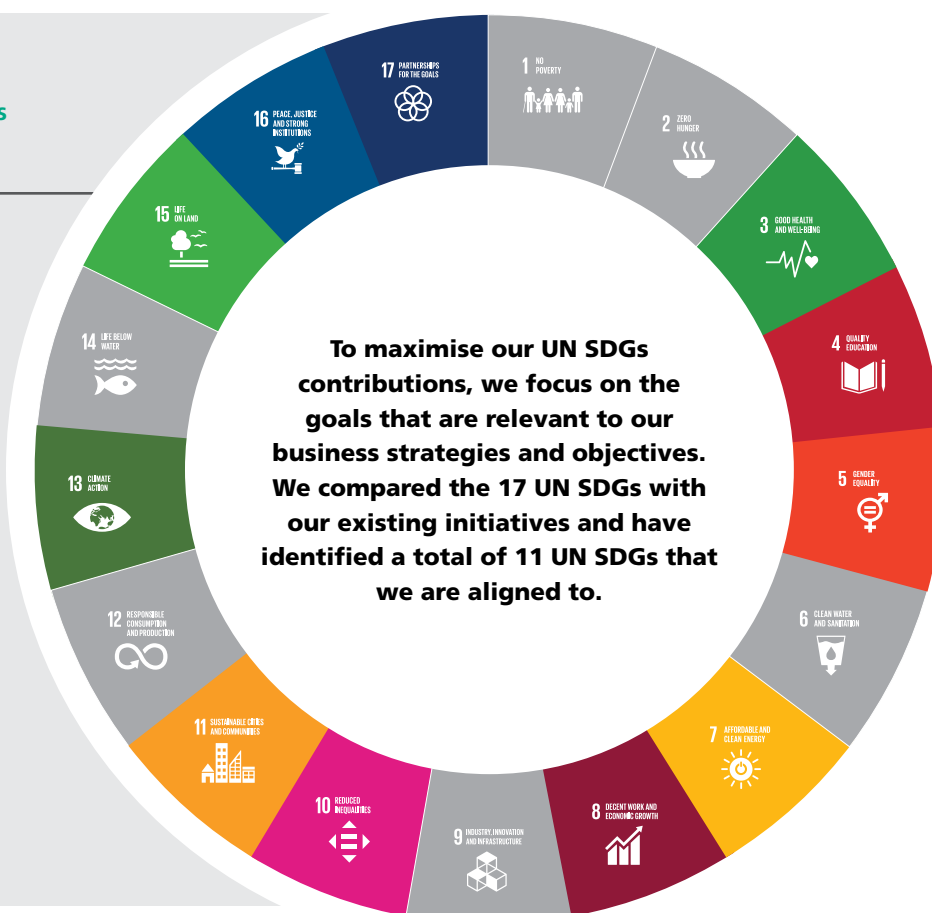
Material Issue	Impact on the Group	How We Manage the Issue	Stakeholder Groups Impacted
ECONOMIC			
Economic & Business Performance	Initiatives to support the Group's business performance help improve the value of the Company and the sustainability of the business.	The Group is focused on managing all aspects of the business through consistent engagements with shareholders, regulators, business partners and customers, to ensure that we continue to create value in a responsible and effective manner.	<ul style="list-style-type: none"> Shareholders Regulator Business Partners Customers Policy Makers
Ethics & Integrity	The Group upholds the highest standards of good governance, integrity and ethical practices, which are critical and crucial to the sustainability of our business.	The Group has established an Anti-Bribery and Anti- Corruption Policy and Framework, a Whistleblower Policy and has had all employees undertake a Corruption-Free Pledge.	<ul style="list-style-type: none"> Directors Employees Business Partners
ENVIRONMENT			
Energy Management	The Group is dedicated to reducing its energy usage and strives for the optimal use of natural resources.	The Group has implemented energy-saving initiatives and has started reporting on its usage statistics as the basis for formulating more energy-management initiatives.	<ul style="list-style-type: none"> Shareholders Local Communities
Energy/ Supply Reliability	The Group is committed to ensuring robust operational performance with a target of 100% supply reliability rate.	<p>To achieve our target, the Group ensures that regularly scheduled maintenance is carried out at all our facilities.</p> <p>We also implement a work permit system as required by law and monitor third parties that operate in close proximity to our gas facilities to mitigate the risk of any potential damage. In addition, our Operations Control Centre continuously monitors the gas distribution system in real-time and acts as the nerve centre of our emergency response efforts.</p>	<ul style="list-style-type: none"> Contractors Customers Shareholders
Greenhouse Gas & Emissions	The Group is committed to ensuring it delivers clean energy while mitigating our impact on the environment.	The Group has long advocated the usage of natural gas, considering it is a cleaner form of energy. More recently, we have been involved in efficiently generating energy through combined heat and power while investing in biogas initiatives. The Group is also fully supportive of Government efforts that are focused on efforts to mitigate climate change.	<ul style="list-style-type: none"> Shareholders Local Communities

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Material Issue	Impact on the Group	How We Manage the Issue	Stakeholder Groups Impacted
SOCIAL			
Public Safety	The Group complies with the relevant policies and procedures to ensure timely and safe natural gas delivery.	We are strongly dedicated to the maintenance of our pipeline network by ensuring emergency response teams are on standby, clear aboveground markers to indicate the location of our underground pipelines to third-party workers, daily inspections and odourising the gas to enable easy detection of leaked gas. During construction, we organise safety forums and closely monitor our contractors to ensure compliance with all safety requirements and procedures.	<ul style="list-style-type: none"> • Authorities • Business Partners • Employees • Local Communities
Occupational Safety and Health	The Group is committed to complying with all applicable occupational safety and health legislative requirements.	<p>Besides the continuous and ongoing occupational safety and health training, we utilise our internal communications platform to embed a safety culture.</p> <p>We also monitor safe man-hours for all employees and contractors, enabling us to determine our safety & health performance.</p>	<ul style="list-style-type: none"> • Employees • Public • Authorities • Business Partners
Stakeholder Engagement	The Group is cognisant of the importance of engaging with our stakeholders in meaningful ways to advance the business.	The Group engages with stakeholders frequently in various ways to understand their needs and expectations, aiding us in building trust and confidence among the different stakeholder groups.	<ul style="list-style-type: none"> • All Stakeholder Groups
Customer Satisfaction	The Group is committed to complying with all applicable occupational safety and health legislative requirements.	The Group organises outreach and marketing programmes to both retain customers and attract new ones. In terms of service delivery, we pay close attention to customers' feedback and have enhanced our services by creating our E-Services portal.	<ul style="list-style-type: none"> • Customers • Shareholders • Local Communities

Supporting the United Nations Sustainable Development Goals (UN SDGs)

In the spirit of UN SDGs 17 on partnerships for the goals, we recognise that partnerships are crucial in providing opportunities for businesses to collectively achieve greater progress in the area of sustainable development.



Sustainability Statement



ECONOMIC

ECONOMIC HIGHLIGHTS

Constructed
2,706 km
of gas pipeline
year-to-date



Zero
whistleblowing
reported case



Volume gas sold in 2021:
203.3 million
MMBtu



153
total vendors



Secured **46**
new industrial
customers



Our Approach

Gas Malaysia is committed to supporting the growth of the nation through our operations. The provision of clean, safe and reliable energy is crucial to driving economic growth, as well as contributing to the transition to a low-carbon economy.

Our contributions extend beyond this as we also add value to the economy through the development of gas infrastructure that generates work and economic value for our vendors, business partners and employees. We also actively engage industry stakeholders with a view of advancing the industry. The Group also upholds the highest standards of integrity and governance to ensure compliance to relevant laws and regulations.

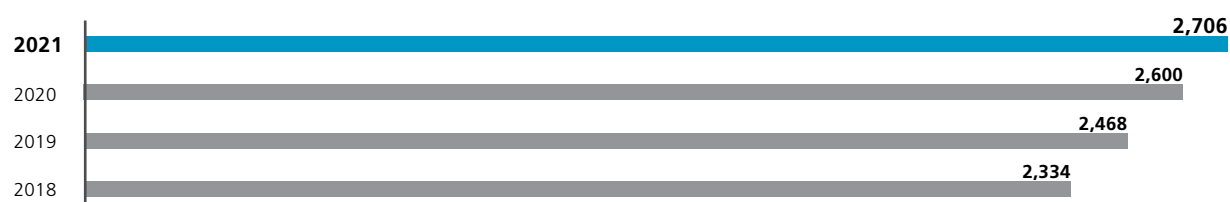
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Our Contribution to Economic Growth

For the year under review, Gas Malaysia expanded the NGDS network by another 106 kilometres (commissioned length), bringing the total length of gas pipeline in operation to 2,706 kilometres. This was less than the 132 kilometres constructed in 2020, it was still a significant length given the challenges posed by the pandemic. The expansion of gas networks' infrastructure not only adds value to the nation and the industry but also enables the Group to garner additional customers, together with customers seeking to expand.

NGDS (kilometres)

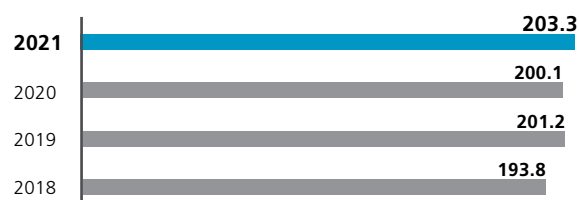
Industrial



The volume of gas sold, as well as the number of industrial customers we have been able to secure has also increased steadily over the years. In 2021, the volume of gas sold was 203.3 million MMBtu.

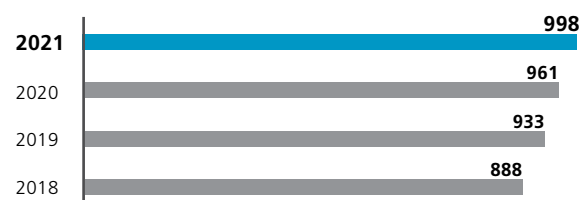
In terms of the volume of gas sold, the industrial segment accounted for over 99.7% of total gas volume sold. As of 31 December 2021, the number of our industrial customers stood at 998, which represents a steady increase over the years as shown in the table below.

Volume of Gas Sold for NG & LPG (mil MMBtu)



No. of Customers

Industrial



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The Kinta Valley project, which started in 2018 in collaboration with the Ministry of International Trade and Industry and the Perak state government has been completed in 2021.

Looking ahead, Gas Malaysia plans to construct an additional 120 kilometres (to be commissioned in 2022) of NGDS in 2022 in areas among others are Chuping Valley, Kedah Rubber City and Padang Meha. This will ensure that we will be able to continue supplying gas reliably and as extensively as possible to enable greater access to this cleaner energy source.

Transparent and Fair Procurement Practices

At Gas Malaysia, we are strong advocates of a sustainable supply chain as we believe it will help to develop better and stronger business partners and reduce potential risks to our business. The Group conducts its procurement affairs in a fair and transparent manner through a number of ways, including by confirming a vendors' interest before inviting them to participate in a tender. We firmly believe that ethical practices are crucial to the sustainable growth of our business and are in the midst of formulating a Vendors Code of Conduct.

To enable greater procurement efficiency, the Group has undertaken the implementation of an e-Procurement system which is expected to be operational by this year. The system will shorten the procurement cycle, digitise procurement content and processes, simplify engagements with vendors and utilise less paper overall.

In the year under review, the Group have 153 total vendors.



Inculcating a Culture of Integrity

One of the key components for ensuring good corporate governance practices is a culture of integrity. In this respect, the Group is committed to inculcating a strong culture of integrity through our Integrity and Governance Department, which was established in 2021. The Department is responsible for managing complaints, the detection and verification of incidences of non-compliance, and the enhancement of integrity and governance within the organisation.

The Group's efforts to drive integrity is further supported by an Anti-Bribery and Anti-Corruption ("ABAC") Policy and Framework that emphasises our zero-tolerance approach to all forms of bribery and corruption.

In the year under review, the Group continued to organise training sessions for all employees to raise awareness about bribery and corruption. We also conducted a corruption risk assessment, updated the ABAC policy to be in line with amendments made by the Malaysian Anti-Corruption Commission, and are in the midst of establishing a Gift Policy.

The Group also has in place a Whistleblower Policy that facilitates the reporting of any suspected breaches in laws or regulations by employees or third parties. In the year under review, we received zero whistleblowing complaints.

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ENVIRONMENT

ENVIRONMENT HIGHLIGHTS

**Agreement
signing**
to purchase bio-methane



Total fabric recycled
5,308kg



Total Fuel Consumption
374,398 litres



Total Water Consumption
10,179m³



Total Electric Consumption
1,884,086 kWh



Our Approach

Gas Malaysia is fully aware of the impact that we have on the environment through the use of natural resources to support our operations. We are mindful that we need to strive to preserve the environment as we diligently monitor our electricity, water and fuel consumption. In the year under review, we have also made significant progress in our environmental reporting with the introduction of our baseline Greenhouse Gas emissions numbers which will be presented in the next section.

We are guided by the ISO 14001:2015 Environmental Management Systems Standard, which underlines our commitment towards minimising any adverse environmental impact that may arise from our operations. The certification also guides us in identifying, managing, monitoring and controlling environmental matters as we achieve incremental improvements in embedding sustainability in our business operations.

With countries now pushing ahead with the low-carbon transition, Gas Malaysia is also well-positioned to assist in this area with our ready infrastructure as well as expertise gained from our presence in the industry.

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Carbon Emissions Management

Climate change continues to impact lives and business operations with extreme weather events. In December 2021, Malaysia was not spared from the negative effects of climate change when it was hit by one of the worst floods in decades, causing major losses of properties and even loss of lives. Climate change is the result of global warming, which is due to the increasing concentration of Greenhouse Gases (GHG) in the atmosphere caused by human activities.

At Gas Malaysia, we have an important role to play in contributing to the nation’s journey towards a low-carbon future. This is because natural gas has been identified as the main transition fuel as countries switch to greater proportions of renewable energy in their generation mix. Natural gas is among the cleanest forms of fossil fuels and emits up to 50% less CO₂ than coal.

The Group also promotes energy and emissions efficiency through the use of combined heat and power (“CHP”) systems. We participated via our joint ventures entities to generate electricity through gas-powered CHPs which are highly efficient and produces less emissions. On average, compared to conventional electricity generation, CHP systems only use 32% less fuel and have 50% less annual carbon emissions than coal*. Therefore, a CHP system can boost operational efficiency by approximately 85% through the simultaneous production of electricity and steam.

(*<https://chpalliance.org/chp-is-a-low-carbon-reliable-alternative-to-new-central-gas-plants/>)

The Group is also further exploring the use of methane released from palm oil mill effluents (“POME”) to augment our gas supplies. POME is the organic liquid waste generated during palm oil production, and by using waste-to-energy technology, we are able to capture the methane that is released, convert it to bio-methane and inject it into our pipelines. Methane is a dangerous greenhouse gas which is 20 times more potent than carbon dioxide.

In the year under review, the Group has signed an agreement with Kulim Greenergy Sdn Bhd to purchase 350,000 MMBtu of bio-methane per annum from their palm oil mills. In addition, the Group is in discussions with other landfill owners to explore the possibility of waste-to-energy solutions.



Our Emissions Performance

This year, we are disclosing our GHG emissions for the first time according to Scope 1 and 2 and will serve as our baseline number going forward. As an environmentally conscious organisation, we believe that the measurement of GHG emissions across our value chain will be able to help us identify and prioritise areas for improvement in the future.

↓ Scope 1	↓ Scope 2
Direct GHG emissions that occur from sources that are controlled or owned by Gas Malaysia	Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling
Total Amount: 19,923 tCO₂e	Total Amount: 1,307 tCO₂e

Note: Source of definitions: <https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance>

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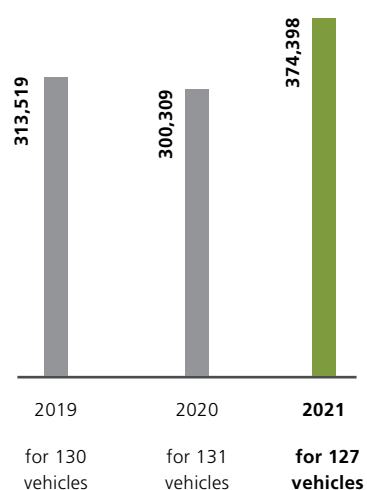
Energy Consumption

Fuel Consumption

In 2021, our fuel consumption comprising both diesel and petrol consumption amounted to 374,398 litres.

FUEL CONSUMPTION

(Litres of diesel and petrol)

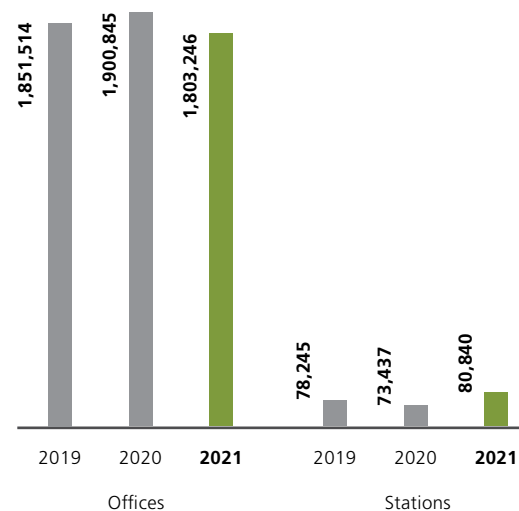


Electricity Consumption

Electricity consumption in our offices and stations totaled 1,884,086 kWh in 2021.

ELECTRICITY CONSUMPTION

(kWh)



Waste Management

The Group manages its waste responsibly with the overall aim of reducing the amount of waste headed to landfills. To accomplish this, we recycle our waste and handle our scheduled waste responsibly, in compliance with the Environmental Quality Act 1974. We categorised our scheduled waste generation into four categories:

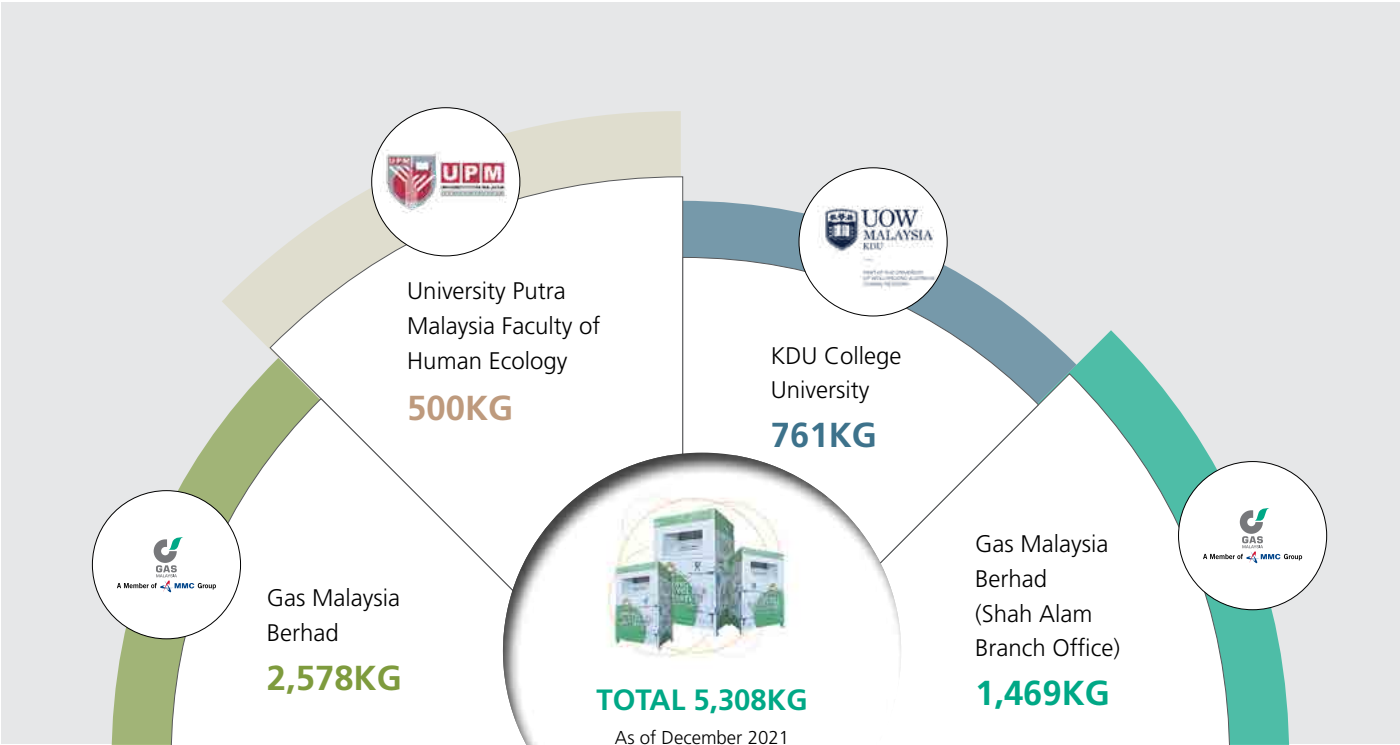
- SW109: Waste containing mercury or its compound
- SW110 (e-Waste): Waste from electrical and electronic assemblies containing components such as accumulators, mercury-switches, glass from cathode-ray tubes and other activated glass polychlorinated biphenyl-capacitors, or contaminated with cadmium, mercury, lead, nickel, chromium, copper, lithium, silver, manganese or polychlorinated biphenyl
- SW103: Waste of batteries containing cadmium and nickel or mercury or lithium
- SW418: Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent

In the year under review, we discarded 0.080MT of fluorescent lamp bulbs (SW109).

Through an ongoing collaboration with a social enterprise, we have adopted five bins to collect fabric for recycling placed in various locations such as our head office, education institutions and mosque.

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In 2021, we prevented 5,308kg of fabric from ending up in landfill.



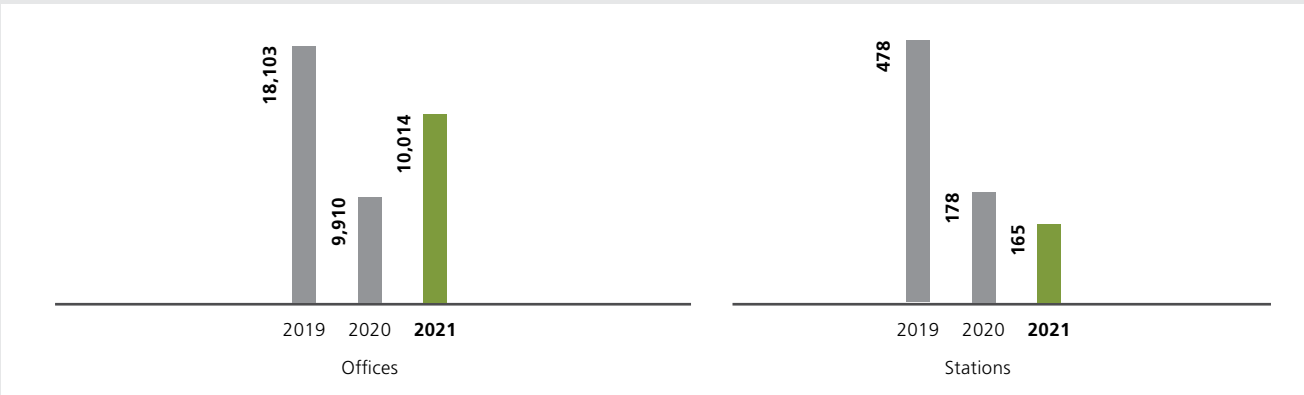
Water management

Water is essential to sustaining our business operations and we take great care in conserving our water usage.

Water Consumption

Water consumption in 2021 was 10,179m³, about the same with the consumption of 10,088m³ in 2020. The consumption for both 2020 and 2021 were lower compared to 2019 because of the pandemic which led to work from home arrangements during movement restrictions.

WATER CONSUMPTION (m³)



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SOCIAL

SOCIAL HIGHLIGHTS

23.8
training hours
on average per employee



94.12%
customer complaints
addressed within 3-day
threshold target



Safe man-hours
1,958,823



About 98.65%
of industrial & large
commercial customers
registered on E- Services Portal



33
safety training
programmes



Our Approach

At Gas Malaysia, we are aware of our responsibility to safeguarding the wellbeing of our employees, customers and communities we operate in. The social pillar is of particular importance to us as it is people who matter the most in our business. As such, we continue to invest in the safety and health of our people, strive to give our customers excellence in our every interaction and work to uplift the communities we care deeply about.

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Safety and health

Ensuring the safety and health of our people is of paramount importance to the Group. We have in place a Health, Safety, Environment and Quality (HSEQ) Policy that supports our actions to prevent and eliminate any risk of occupational injury and illness to personnel, as well as limiting damage to the environment.

We strive to achieve full compliance with the Occupational Safety & Health Act 1994, zero lost workdays and to ensure our HSEQ management systems are effectively implemented and continually improved.

In the year under review, we are proud to report that we achieved a Lost Workday Incident of zero, indicating that there zero work-related injuries in 2021. This has enabled our total safe man-hours to increase to 1,958,823 hours as of 31 December 2021. The Group will continue to strive to maintain this record through strict adherence to our occupational safety and health policies and procedures.

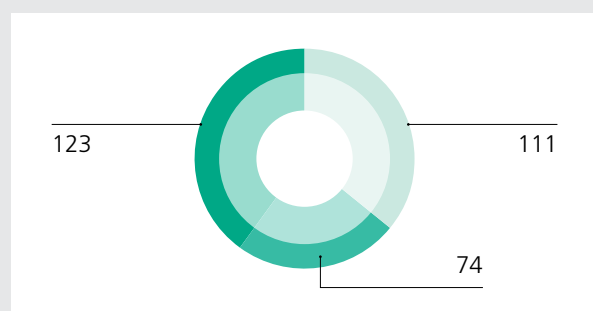
We believe that beyond the internal communications and reminders about adhering to safety rules, training is also critical to ensuring a strong safety culture. In 2021, we conducted 33 safety and health training sessions that covered subjects such as:

- Defensive Driving Training
- Building Evacuation Drill
- Accident Reporting & Investigation for HSE Committee
- Hazards Recognition & Workplace Inspection

In relation to the above-mentioned performance, we conducted 123 inspections at our work sites to ensure that health and safety rules were being observed.

NO. OF INSPECTIONS CONDUCTED

2019 2020 2021



Management Systems

The Group adheres to internationally-recognised management system standards that helps us improve operational efficiency, while also providing a strong platform to help us comply with the statutory and regulatory requirements relevant to our services and industry.

In the year under review, the Group has retained the following certifications following the annual audit by SIRIM, Malaysia's leading certification body:

ISO 9001:
2015

Quality Management Systems

ISO 14001:
2015

Environmental Management Systems

ISO 45001:
2018

Occupational Health & Safety Management Systems

ISO/IEC
27001:2013

Information Security Management Systems



Sustainability Statement

Managing the health-impact of Covid-19

The past two years have been unprecedented in the scale of what organisations needed to do to adapt with the Covid-19 pandemic while ensuring business could operate normally. For Gas Malaysia, we have prioritised the safety of our people from the beginning and continue to do so until this day.

Besides providing options for Work-From-Home arrangements, we also strengthened the Group's digital workplace resources to ensure a more seamless working from home experience. Employees were regularly tested and our office premises were regularly sanitised. We also barred all international business trips to further break the chain of potential infections. In addition, we have rolled out these precautionary measures at all our premises throughout Peninsular Malaysia:



- Conducting body temperature check for all employees and visitors
- Encouraging sick or unwell employees to stay at home
- Installing hand sanitisers at our head office, regional and branch offices
- Conducting disinfection treatment at our head office, regional and branch offices
- Temporarily suspending overseas business trip and discontinuing non-essential travel
- Encouraging virtual meetings
- Providing employees with up-to-date information on Covid-19 risk factors and protection etiquette
- Providing resources and a work environment that promotes personal hygiene
- Providing a Covid-19 self-test kit for employees every month
- Surgical mask distribution to all employees on a weekly basis

Upskilling our Human Capital

Gas Malaysia believes that our people are our greatest assets and as a responsible employer, we must help to develop and empower our employees in order to continue being efficient and competitive. A workforce that feels they are engaged and empowered will also lead to greater retention, and motivate them to be more productive.

Workforce Profile

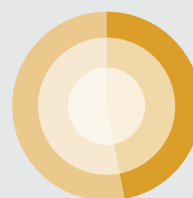
There are a total of 564 Gas Malaysia employees as at the end of 2021, of which the majority are in the 30 to 50 year old age group, with an almost even split between technical and non-technical staff.



Number of employees:

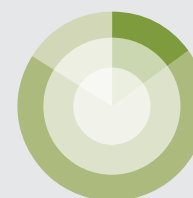
564

Workforce
by category



- Technical - 47%
- Non-technical - 53%

Workforce
by age group



- Under 30 – 15%
- 30-50 – 69%
- Above 50 – 16%

Learning and Development

Throughout the year, we have organised a series of training programmes to enhance the mindsets of our employees in preparation for the gas industry's liberalisation. For example, one of our programmes was aimed at infusing a sense of entrepreneurialism among employees, and to encourage greater ownership of the initiatives they are responsible for to achieve the organisation's goals.

Average training hours:
23.8 training hours
on average per employee

Number of training programmes
78

Sustainability Statement

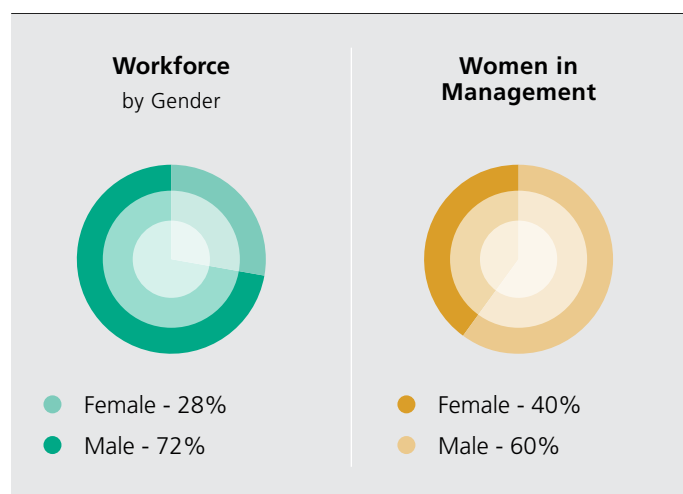
Succession Planning

In the context of succession planning, we organised three leadership programmes to equip middle and senior management that the Group is grooming with better management and strategic thinking skills.

- ▶ Leading Organisations and Change
- ▶ Managing Teams for High Performance
- ▶ Strategic Management

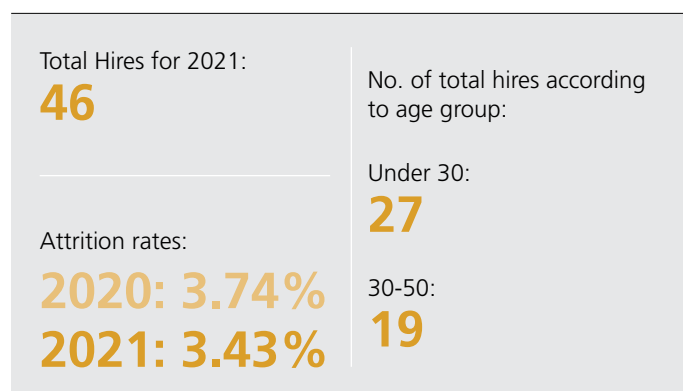
Diversity and Inclusion

At Gas Malaysia, we value diversity where 40% of employees at the management level are women. Overall, 28% of our workforce are female.



Recruitment

In 2021, Gas Malaysia hired a total of 46 employees of which 27 were under the age of 30. In 2021, our attrition rate was 3.43%.



Employee Engagement Survey

In 2021, we conducted an employee engagement survey to gauge the engagement level of our employees and assessed their thoughts regarding career advancement, recognition, pay & benefits, training & development opportunities, leadership and the overall work environment.

Employee Wellness

Gas Malaysia organised a number of employee wellness programmes in 2021, demonstrating our commitment to safeguarding the physical and mental health of our employees. These included:

Health Talk: The Importance of Covid-19

- To educate the employees on the importance of vaccination
- To highlight the consequences of avoiding vaccinations
- To ensure Gas Malaysia promotes a safe working environment

Health Talk: Employee's Mental Health During Covid-19 Pandemic

- To educate employees on mental health issues
- Promote help-seeking behaviours and emotional well-being practices
- Educate employees on the right measures in dealing with mental health
- To advise the appropriate venues to obtain help

Health Talk: Ergonomics in the Workplace

- To educate employees on good working posture, including tips, corrective behaviour and prevention of injury

Sexual Harassment Awareness Programme

- To create awareness about what constitutes sexual harassment behaviours
- To explain the importance of harassment prevention in the workplace
- To share who or where harassment complaints can be channelled to
- Understanding the implications of harassment in the workplace
- Understanding the laws that protect against sexual harassment

Sustainability Statement

Product responsibility

Public Safety

Gas Malaysia prioritises public safety above all. We have in place comprehensive safety measures and quality control across all our operations and adhere to stringent policies and procedures. The safe and reliable delivery of natural gas is our overarching goal.'

(i) Safety Measures at Gas Networks Infrastructure

During planning, we carefully select pipeline routes and locations of isolation valves with future expansion in mind. At the engineering stage, we ensure that design and material specifications adhere to local regulations and internationally accepted codes and standards to avoid potential failures of equipment.

At the construction stage, we select competent contractors to design, engineer, procure, construct and commission our gas pipelines. In addition, we source our steel pipes from manufacturers licensed by the American Petroleum Institute ("API"). These pipes are manufactured based on verified specifications and are quality-assured by a third-party agency.

(ii) Safety Measures at Operations & Maintenance

We ensure our gas facilities are well-maintained through periodic preventive maintenance and systematic troubleshooting. Example of this include gas station inspections, monitoring of underground steel gas pipeline conditions via cathodic protection inspection, valve inspection, pipeline leakage survey, pipeline integrity inspection and odorant intensity level check.

We also conduct pipeline inspections daily to detect abnormalities and to monitor unauthorised third-party work within the vicinity of our gas facilities. As part of our standard operating procedure, all third-party work in the immediate vicinity of our gas facilities' requires approval and is further supervised by our Operations & Maintenance team to prevent damage.

There are also dedicated on-call emergency response teams on standby to physically respond to emergencies within 90 minutes of notification to minimise the risk to the public and limit the potential damage to property and the environment. In 2021, our SAIDI improved to 0.1247 minutes of interruption per customer, while our average response time increased slightly to 25.76 minutes.

Performance Indicator	2018	2019	2020	2021
SAIDI (Average Minutes of Interruption per Customer)	0.3299	0.1780	0.3286	0.1247
Response Time (Average Minutes Taken to Respond at Site)	26.82	23.25	22.51	25.76

Enhancing Customer Satisfaction

At Gas Malaysia, our customers always come first. We prioritise their needs and have improved our capabilities to serve them better. In the year under review, our E-services portal was expanded to include our residential customers, thereby enabling our customers to view their account details, billing, payment information and gas consumption. The portal also allows customers to receive the latest updates from Gas Malaysia and to leave their feedback or enquiries with our sales personnel.

We further support our customers with a Customer Care Unit ("CCU"), that operates from Monday to Friday between 8.30 am and 5.30 pm, to help customers resolve issues related to billing, account registration and service activation.

Customer Care Unit	E-Services
<p>In 2021, our CCU team addressed 94.12% of all customer complaints within the three-day threshold target. This was a 7.62% increase compared to 2020.</p> <p>Moving forward, we are working on resolving this gap with our technical services team who is currently restructuring and strategising to improve our service delivery to address customers' complaints or enquiries.</p> <p>Customer Complaints Addressed Within 3-day Threshold Target (%):</p> <p>2019: 100% 2020: 86.5% 2021: 94.12%</p>	<p>As of 31 December 2021, 98.65% of our industrial and large commercial customers had registered on our E-Services portal.</p>

Sustainability Statement

Corporate Social Responsibility (“CSR”)

We continue to find opportunities to contribute to society in a variety of ways guided by the four pillars of Community, Environment, Education and Sports which are aligned with our CSR theme of ‘Energising the Community’.

Despite the pandemic, we managed to carry out a few meaningful initiatives inspired by these pillars to uplift the communities we serve, to help those affected by the floods and support the frontliners involved in the fight against the pandemic.

The following are some of the initiatives in the past which we have continued to support over the years:

PILLAR	ENGAGEMENT	RESULTS
Community	Provision of health equipment to An-Nur Dialysis Centre	In 2016, we purchased a dialysis to help the centre cope with the increasing number of patients with renal disease. Since then, the centre has been able to accommodate more patients. This year, the centre conducted 864 dialysis sessions, benefitting about 93 patients.
Environment	Donation to Department of Wildlife and National Parks, Peninsular Malaysia (“PERHILITAN”)	For several years, we have been involved in the conservation of river terrapins. This year, we welcomed a total of 123 river terrapins and 63 hatchlings via incubator machine.
	Fabric Recycling Initiative	Gas Malaysia collected 5,308 kg of fabrics from the recycle bins.
	Mangrove Tree Planting	Gas Malaysia continued to monitor the growth of 300 mangrove plants, in collaboration with Kuala Selangor Nature Park.
Education	Provision of financial assistance for MARA Education Foundation	We provided financial assistance to approximately 1,100 school students from ten MARA learning centres throughout the nation, sitting for their SPM examinations.
Sports	Football Association Of Selangor (“FAS”) – Local Giant Programme	We provided sponsorship to the FAS under their ‘Local Giants Programme’, in line with our commitment to supporting local football talent development.

This year, we took the opportunity to participate in several new initiatives to increase our CSR efforts. We contributed our support in the following initiatives:

Assistance to Flood Victims

We aided about 85 families living in Kluang, Johor who were affected by the flood with our contribution of household items in January 2021.

In December 2021, the Management team paid a visit to Masjid Al-Faizin, the nearest flood relief center in Shah Alam, and donated crucial items that enabled about 87 families to temporarily take shelter at the mosque.

We also conducted a post-flood clean up activity at employees’ homes which have been adversely impacted by the flood. About 40 volunteers from Gas Malaysia participated in this activity, where they were divided into several groups and provided with the necessary cleaning materials to help our affected employees.



Sustainability Statement

School Necessities Donation to the Needy

School necessities were donated to Sekolah Kebangsaan Shah Alam, Seksyen 16 to help children with families who were directly impacted by the Covid-19 pandemic due to unemployment and financial difficulties. We donated school shoes, uniforms, stationaries, school bags, water bottles and reusable face masks.



Our Covid-19 Response

In doing our part to assist the government in its fight against Covid-19, we carried out the following initiatives to lend a hand to those affected:

a) Medical Equipment Donation to Hospitals

We donated essential medical equipment to 3 hospitals, Hospital Shah Alam, Hospital Selayang and Hospital Serdang to help our frontliners in their fight against Covid-19.

b) Donation of Household Essentials to the Needy

- We distributed household items to about 200 qualified families living in PPR Lembah Subang flats in Petaling Jaya and Pangsapuri Nervillia in Kota Kemuning
- We also contributed groceries to about 500 affected traders and hawkers

c) Motorcycle Refueling Campaign to Assist the Needy

We subsidised the petrol refill cost for motorcycles below 170cc to aid motorcyclists from lower income groups



We also provide assistance to recipients from various groups such as underprivileged individuals, Tahfiz schools and Islamic establishments through our Wakalah Agihan Zakat fund.

Floods Assistance to Affected Staff

Gas Malaysia responded by providing financial assistance to 37 adversely affected employees.



Moving Forward

The Group remains resolute in improving its sustainability efforts as we strive to create value responsibly. We will continue to pursue initiatives that will benefit all our stakeholders with a strong focus on economic, environmental and social considerations, as we are committed to achieving sustainable growth and development.

As we move forward, we will continue to advocate a more sustainable way of conducting business and in the process become a more successful, socially responsible and sustainable organisation.