



A Member of  MMC Group

NAVIGATING TOMORROW, EMBRACING SUSTAINABILITY

ANNUAL
REPORT
2023

INSIDE THIS REPORT

INTRODUCTION

3 Basis of This Report

OVERVIEW OF GAS MALAYSIA

4 About Us
5 Our Presence
7 Five-Year Financial Summary
9 Investor Relations
12 Corporate Highlights 2023

MESSAGE FROM THE LEADERS

29 Message from the Chairman
33 Message from the Group Chief Executive Officer:
Management Discussion & Analysis

STRATEGIC CONTEXT

43 Managing Our Risks & Opportunities

OUR SUSTAINABILITY JOURNEY

45 Sustainability Statement
75 Bursa Sustainability Performance Report



COVER RATIONALE

At Gas Malaysia, we are committed to a forward-looking stance that places sustainable principles at the forefront of our endeavours. We recognise the significance of ensuring business sustainability while balancing environmental concerns proactively, as we chart a trajectory towards growth and an equitable future. By emphasising the need for sustainability, we acknowledge the necessity for careful planning, adaptation, and collaboration to surmount the challenges ahead. By Navigating Tomorrow, Embracing Sustainability, we aim to instil a sense of responsibility and optimism, while contributing to the nation, communities and individuals to navigate towards a brighter, more sustainable tomorrow.

THE WAY WE ARE GOVERNED



77	Board of Directors
79	Board of Directors' Profile
88	Key Senior Leadership
89	Key Senior Leadership's Profile
91	Organisation Chart
92	Management Team
93	Corporate Governance Overview Statement
102	Statement on Risk Management and Internal Control
108	Nomination & Remuneration Committee Report
114	Audit Committee Report
119	Additional Compliance Information
124	Directors' Responsibility Statement

FINANCIALS



125	Directors' Report
131	Statement by Directors
131	Statutory Declaration
132	Independent Auditors' Report
137	Statements of Comprehensive Income
138	Statements of Financial Position
140	Statements of Changes in Equity
143	Statements of Cash Flows
148	Notes to the Financial Statements

OTHER INFORMATION



199	Corporate Information
200	Shareholding Statistics
204	List of Properties
206	Notice of 33 rd Annual General Meeting
213	Administrative Details

Form of Proxy

OUR NAVIGATION ICON

The following icon are used in this report to indicate where additional information can be found.



This icon tells you where you can find related information in our report.



Scan this QR code
for more information.



Sustainability Statement

45

Basis of This Report



REPORTING STRUCTURE AND FRAMEWORKS

Gas Malaysia Berhad's Annual Report for the financial year ended 31 December 2023 communicates to stakeholders our strategic decisions, approach to creating long-term value and the sustainable practices that we embed in our operations and businesses. Our Report provides a balanced assessment of our activities and is aligned with the best reporting practices.

SCOPE AND BOUNDARY

This Report reflects our financial and non-financial performance from the period 1 January 2023 to 31 December 2023. The reporting boundaries take into account all business operations under Gas Malaysia Berhad, including fully controlled operations, subsidiaries and joint ventures. The scope of reporting discusses internal and external impacts on our business, financial and non-financial performance, and material developments as well as challenges and opportunities in the process of creating value.

FORWARD-LOOKING STATEMENTS

Gas Malaysia Berhad has used forward-looking statements in this Report, which contain forecast information regarding our plans, strategies, objectives, and performance. These statements should not be construed as a guarantee of future operating, financial or other results due to various risks and uncertainties. It is therefore important to note that the statements here do not provide a guarantee that potential results will be achieved.

FEEDBACK

We truly value and welcome all feedback, suggestions, comments and queries from our shareholders and readers. For any queries or feedback, please contact our Corporate Affairs team at:

 corporateaffairs@gasmalaysia.com

About Us

Gas Malaysia Berhad (“Gas Malaysia” or “the Group”) was established on 16 May 1992. The Group’s primary business focus is selling, marketing, and distributing natural gas to residential, commercial, and industrial customers as well as developing, operating, and maintaining the Natural Gas Distribution System (“NGDS”) within Peninsular Malaysia. With the total market liberalisation of the gas industry for the non-power sector initiated in 2022 under the Third-Party Access (“TPA”) framework, the competitive landscape of the gas supply industry saw enhancement. This is a year of learning for Gas Malaysia and other industry players. We further strengthened our position in the industry value chain to prepare ourselves for full market liberalisation by successfully unbundling our business operations into two (2) separate entities.

These two (2) entities, Gas Malaysia Distribution Sdn Bhd (“GMD”) and Gas Malaysia Energy and Services Sdn Bhd (“GMES”), are wholly owned by Gas Malaysia and were awarded a distribution licence and shipping licence, respectively, from the regulator. GMD was granted a 20-year distribution licence, which allows it to take up the role of a gas distributor through its 2,839 kilometres of NGDS in Peninsular Malaysia. GMD also develops, operates and maintains the NGDS to ensure the safe and reliable delivery of gas to customers across Peninsular Malaysia.

GMES, meanwhile, was granted a 10-year shipping and importation licence, and will operate as a gas shipper, since the licences enable GMES to procure gas from gas suppliers and arrange gas delivery per with customer requirements. This allows GMES to arrange a regasification, transportation or distribution licensee for gas to be processed or delivered to consumers’ premises.

Serving as a key driver for the Group’s sustainable growth, we supply natural gas to 1,042 industrial customers. In an effort to broaden our reach, we extend our services by supplying natural gas as well as Liquefied Petroleum Gas (“LPG”) to 1,992 commercial customers and 21,847 residential customers.

The Group also has smaller operations in the simultaneous generation and sale of electricity and steam, the distribution via land transportation of Compressed Natural Gas (“CNG”), and the distribution via land transportation of Bio Compressed Natural Gas (“BioCNG”) derived from Palm Oil Mill Effluent (“POME”). These businesses are represented by our subsidiaries and joint-venture companies, Gas Malaysia Energy Advance Sdn Bhd, Gas Malaysia Green Ventures Sdn Bhd (formerly known as Gas Malaysia Virtual Pipeline Sdn Bhd), and Gas Malaysia Synergy Drive Sdn Bhd. We remain focused on creating new demand for natural gas and fulfilling customers’ energy requirements, ultimately expanding our customer base to ensure sustainable growth.

STATEMENT OF PURPOSE

Delivering Best Energy Solutions for a Better Future

MISSION

We Are Committed to Delivering the Cleanest, Safest, Most Reliable and Cost-Effective Energy Solutions

CORE VALUES



Professionalism



Reliability



Integrity



Teamwork



Innovation

1,042
Industrial Customers

1,992
Commercial Customers

21,847
Residential Customers



Our Presence

Where We Operate

At Gas Malaysia, we have developed a total of 2,839 kilometres of gas pipeline across Peninsular Malaysia, supplying natural gas to 1,042 industrial customers. In addition, we supply natural gas and Liquefied Petroleum Gas (“LPG”) to 1,992 commercial customers and 21,847 residential customers.

- Head Office
- Regional Offices
- Branch Offices



Head Office

No.5, Jalan Serendah 26/17,
Seksyen 26, 40732 Shah Alam,
Selangor Darul Ehsan

Tel : +603-5192 3000
Fax : +603-5192 6766 / 6794

Northern Regional Office

No.12, Jalan Laguna 1,
Laguna Commercial Centre,
13700 Prai, Pulau Pinang

Tel : +604-384 2120 / 2133
Fax : +604-384 2160

Eastern Regional Office

Lot 104, Gebeng Industrial Area,
26080 Kuantan, Pahang Darul Makmur

Tel : +609-583 6340
Fax : +609-583 6339

Southern Regional Office

PL0343, Jalan Emas Tiga,
Kawasan Perindustrian Pasir
Gudang, 81700 Pasir Gudang,
Johor Darul Takzim

Tel : +607-252 2314
Fax : +607-252 2561

Our Presence

CENTRAL REGION

SELANGOR

- Balakong
- Bandar Tasik Selatan
- Bandar Sultan Sulaiman
- Banting
- Bangi
- Batu Caves
- Beranang
- Bestari Jaya
- Bukit Raja
- Cyberjaya
- Damansara
- Dengkil
- Glenmarie
- Ijok
- Jeram
- Kajang
- Kapar
- Kelana Jaya
- Klang
- Kundang
- Meru
- North Port
- Pandamaran
- Petaling Jaya
- Puchong
- Pulau Indah
- Rawang
- Salak Tinggi
- Selayang
- Semenyih
- Sepang
- Serdang
- Seri Kembangan
- Shah Alam
- Subang
- Sungai Buloh
- Telok Gong
- Teluk Panglima Garang

NEGERI SEMBILAN

- Bandar Enstek
- Nilai

FEDERAL TERRITORY OF KUALA LUMPUR

- Bandar Tun Razak
- Kepong
- Segambut

FEDERAL TERRITORY OF PUTRAJAYA

NORTHERN REGION

PERLIS

- Arau
- Chuping
- Kangar

PULAU PINANG

- Bukit Minyak
- Mak Mandin
- Nibong Tebal
- Prai
- Simpang Ampat
- Sungai Bakap

PERAK

- Batu Gajah
- Bemban
- Bidor
- Chemor
- Ipoh
- Kamunting
- Lahat
- Lumut
- Meru
- Parit Buntar
- Seri Manjung
- Sitiawan
- Teluk Intan
- Tronoh

KEDAH

- Bakar Arang
- Kuala Ketil
- Kulim
- Padang Meha
- Padang Terap
- Pokok Sena
- Sungai Petani

EASTERN REGION

PAHANG

- Gambang
- Gebeng
- Kuantan Port

TERENGGANU

- Kerteh
- Teluk Kalong

SOUTHERN REGION

NEGERI SEMBILAN

- Lukut
- Senawang
- Sendayan
- Seremban 2

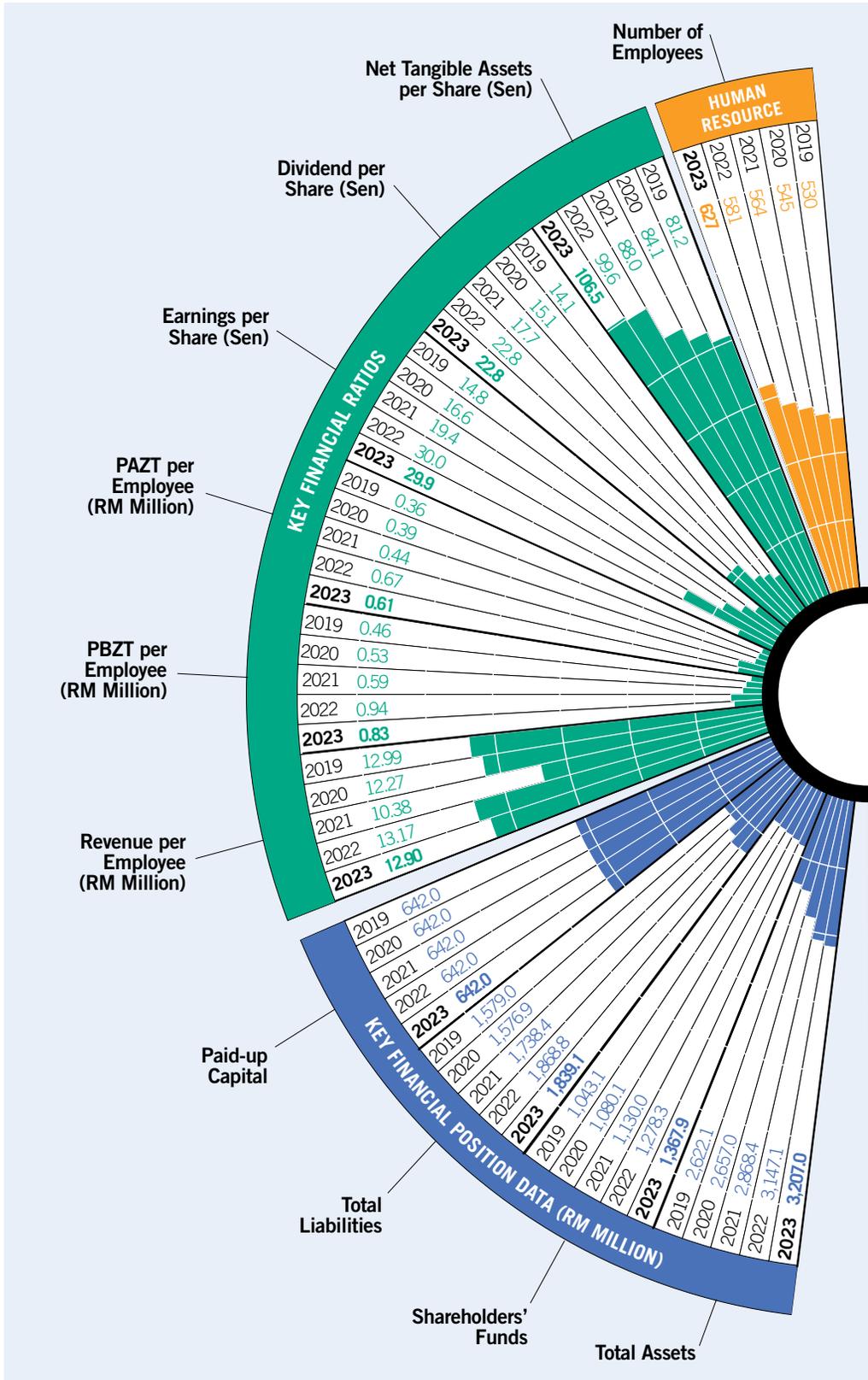
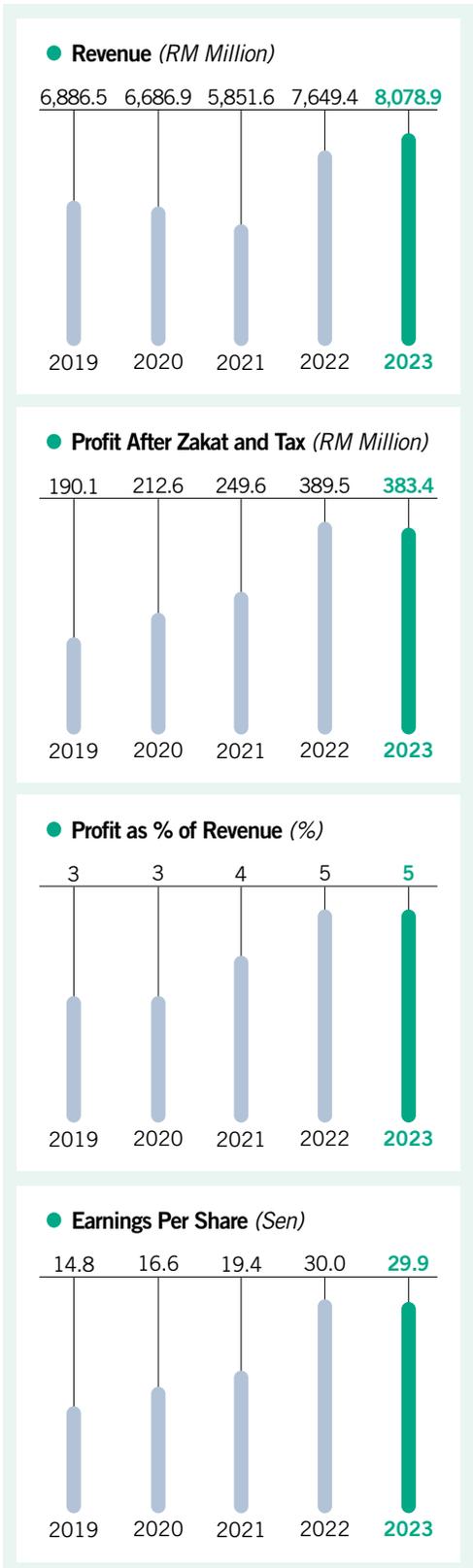
MELAKA

- Alor Gajah
- Ayer Keroh
- Batu Berendam
- Bukit Rambai
- Cheng
- Lipat Kajang
- Pegoh
- Tangga Batu

JOHOR

- Ayer Hitam
- Kempas
- Kluang
- Kulai
- Larkin
- Masai
- Parit Raja
- Pasir Gudang
- Permas Jaya
- Plentong
- Sedenak
- Senai
- Sri Gading
- Tampoi
- Tanjung Langsat
- Tebrau
- Tongkang Pechah
- Yong Peng

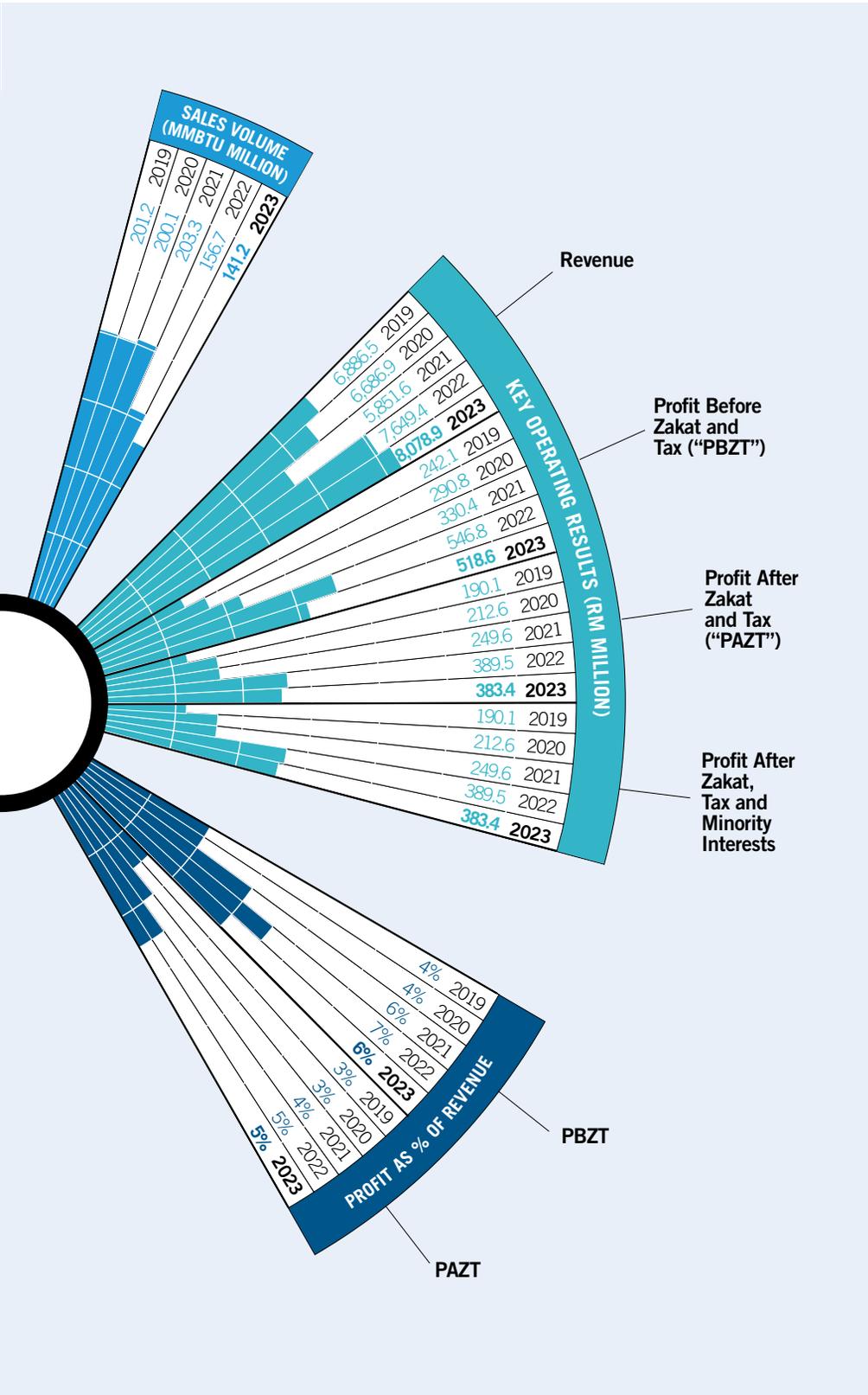
Five-Year Financial Summary



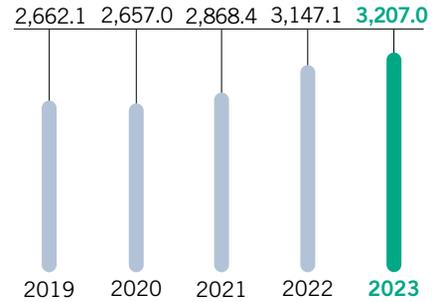
HUMAN RESOURCE



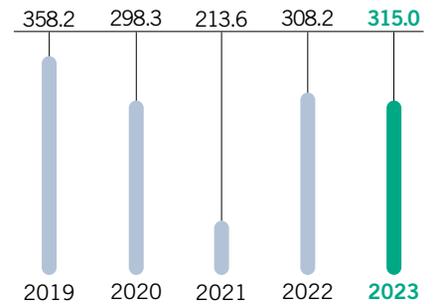
Five-Year Financial Summary



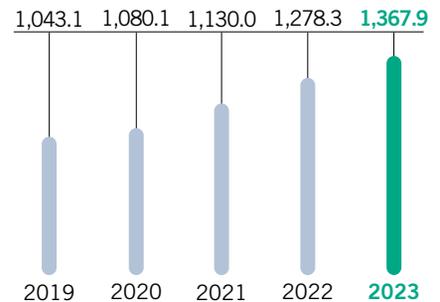
Total Assets (RM Million)



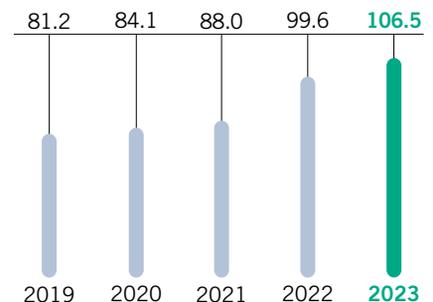
Long-Term Liabilities (RM Million)



Shareholders' Funds (RM Million)



Net Tangible Assets Per Share (Sen)



Investor Relations



A series of impactful local and international events have significantly shaped the trajectory of our gas industry in 2023. The elevated crude oil price environment has helped to bolster our income growth, despite partial offsets in the form of deceleration in the manufacturing sector and weaker external demand.

INVESTOR RELATIONS COMMUNICATION AND ENGAGEMENT WITH STAKEHOLDERS

Our Investor Relations (“IR”) strategy is primarily structured to achieve fair valuation. We are focused on articulating the company’s financial performance, long-term strategic plans and competitive positioning. This includes having an understanding of our audience, specifically institutional shareholders, potential investors, analysts and other stakeholders as well as customising our messaging and outreach accordingly.

Customising our engagement calendar according to our overall strategy. We strived to keep it simple and focused while improving disclosure in an understandable manner to help investors track the execution of the company’s goals, while building credibility and fostering long-lasting relationships with them.

Building and nurturing relationships with both internal and external stakeholders is critical to our IR strategy success, as is clear and regular communication. Internal stakeholders should understand the external expectations of the company’s performance and how their work is tied to achieving the firm’s long-term strategic plan. External stakeholders, especially investors and analysts, should receive clear and transparent communications regularly.

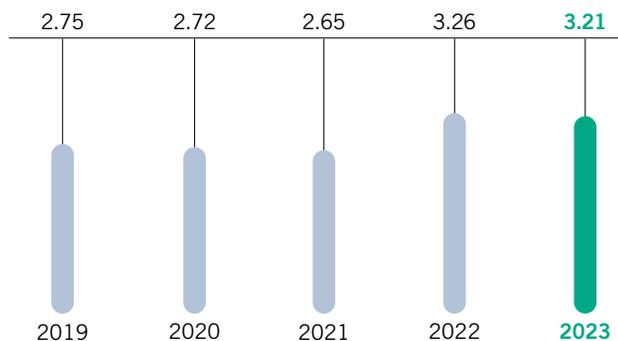
Our active engagements through calls and meetings provide an opportunity to respond to questions and concerns while simultaneously providing an opportunity to seek valuable feedback. This enables the constant monitoring of the investors perceptions of the company.

We continue to adopt the hybrid approach for all our engagements in 2023.

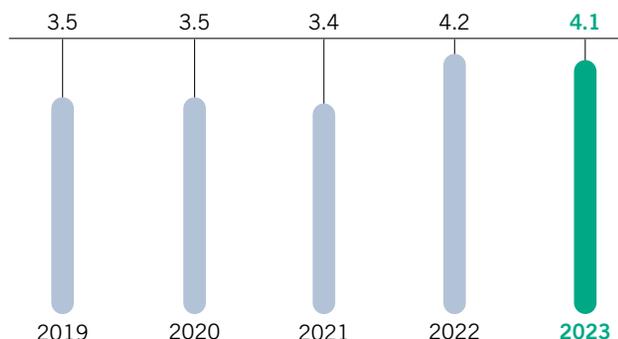
The number of engagements conducted in 2023



Year End Closing Price (RM)



Market Capitalisation (RM Billion)



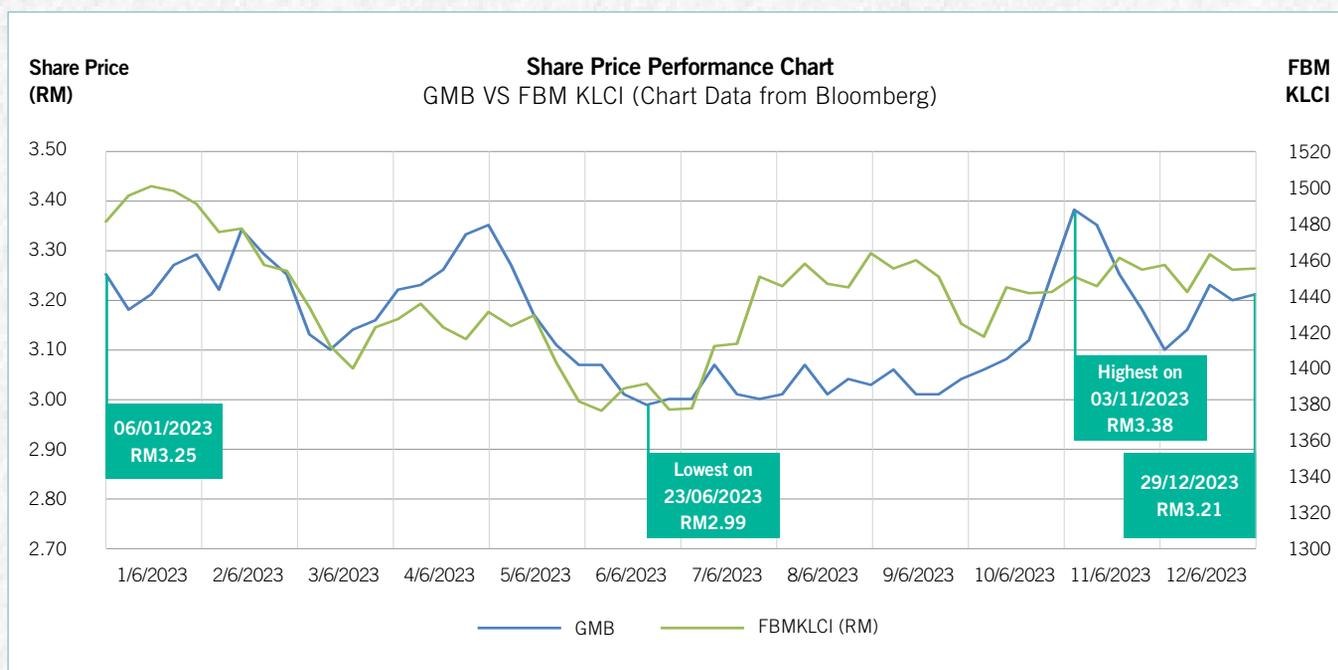
Investor Relations

As at 31 December 2023, nine (9) research houses provided active research coverage on Gas Malaysia as summarised below:

Broker/Analyst	Recommendation	Target Price
Affin Hwang Investment Bank	HOLD	3.10
BIMB Securities	HOLD	3.40
CGS-CIMB Securities	HOLD	3.20
CLSA Securities Malaysia	BUY	3.70
Kenanga Investment Bank	HOLD	3.33
Macquarie Capital Securities (M)	HOLD	3.10
Maybank Investment Bank	HOLD	3.20
MIDF Amanah Investment Bank	BUY	3.71
UOB Kay Hian Securities (M)	HOLD	3.07

Announcement of Results

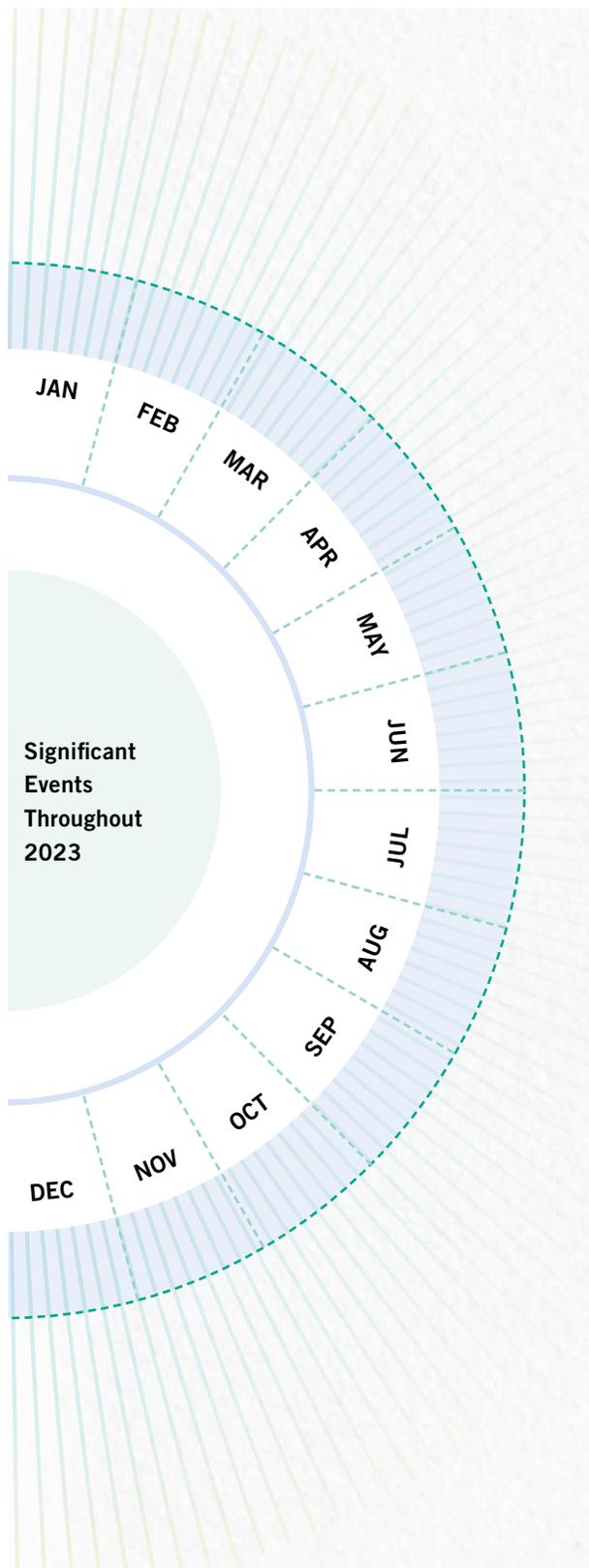
 1st Quarter 18 May 2023	 2nd Quarter 21 August 2023	 3rd Quarter 28 November 2023	 4th Quarter 20 February 2024
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2023 Monthly Average Volume, Highest and Lowest Share Price sourced from Bloomberg

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Average Volume ('000)	886.7	651.4	473.8	506.1	953.4	1,111.7	809.9	642.4	637.8	1,399.9	747.4	826.7
Highest (RM)	3.31	3.34	3.34	3.39	3.38	3.10	3.09	3.08	3.06	3.29	3.41	3.23
Lowest (RM)	3.14	3.22	3.05	3.17	3.10	2.99	3.00	3.00	3.01	3.04	3.06	3.09

Investor Relations



FEBRUARY

- 17 • 4Q 2022 Consolidated Results Announcement
- 2022 2nd Interim Dividend Declaration

MARCH

- 21 • 2022 Final Dividend Declaration

MAY

- 18 • 1Q 2023 Consolidated Results Announcement
- 22 • Annual General Meeting

AUGUST

- 21 • 2Q 2023 Consolidated Results Announcement
- 2023 1st Interim Dividend Declaration

NOVEMBER

- 28 • 3Q 2023 Consolidated Results Announcement

Corporate Highlights 2023

HI-TEA SESSION WITH GAS MALAYSIA CHAIRMAN

5 January, 23 May, 7 September

As part of our engagement programme, we organised a series of hi-tea gatherings for employees to engage with the Chairman of Gas Malaysia, YBhg Tan Sri Wan Zulkiflee Wan Ariffin. Participants were selected based on key positions within the company, underlining the significance of this initiative in line with our comprehensive leadership development programme.



LIGHT & EASY WITH GCEO

18 January, 14 June, 6 September, 7 December

In our commitment to foster engagement, uplift morale and cultivate a healthier working environment, we conducted quarterly employee engagement sessions titled “Light & Easy with GCEO”. These sessions featured our Group Chief Executive Officer (“GCEO”), En. Ahmad Hashimi Abdul Manap, who shared his insights and aspirations with our employees. Serving as a bilateral communication platform, these sessions offered employees an opportunity to exchange views directly with the GCEO, fostering open dialogue and mutual understanding.

Corporate Highlights 2023

● GREEN GAS VENTURE

3 February

Gas Malaysia Green Ventures Sdn Bhd (“GMGV”), formerly known as Gas Malaysia Virtual Pipeline Sdn Bhd, our wholly-owned subsidiary, organised an event at Coronation Palm Oil Mill, Kluang, Johor, to commemorate the injection of biomethane sourced from Palm Oil Mill Effluent (“POME”) into the Natural Gas Distribution System (“NGDS”) network. Notably, this supply is poised to mitigate methane emissions equivalent to approximately 79,000 tonnes of carbon dioxide, underscoring our corporate commitment to environmental stewardship and renewable energy practices.



Corporate Highlights 2023

NEW EMPLOYEE ORIENTATION (“NEO”) PROGRAMME

7 - 8 February, 21 - 22 June

With an aim to familiarise new employees with the company’s operations, procedures and values, while fostering a sense of belonging and inclusivity, we organised and hosted the NEO programme at our Training and Resource Centre located in Sekitar 26, Shah Alam.



GAS MALAYSIA COURTESY VISIT TO TOKYO GAS CO., LTD. (“TOKYO GAS”)

8 February

Led by Gas Malaysia’s Chairman, YBhg Tan Sri Wan Zulkiflee Wan Ariffin, a team of delegates from Gas Malaysia paid a visit to engage with our Japanese shareholders. The team representing Gas Malaysia also took the opportunity to visit Tokyo LNG Receiving Terminal operated by Tokyo Gas. The visit enabled us to oversee with the operations involving the LNG Receiving Terminal. Further to this, our team also visited Tokyo Gas Research & Development plant.



INFORMATION MEETING & LONG SERVICE AWARD CEREMONY

17 February

The annual Information Meeting & Long Service Award ceremony was held to formally recognise the valuable contribution of long-serving employees, while providing insights into the company’s annual performance and future direction.



Corporate Highlights 2023

● ANUGERAH PELAJAR CEMERLANG

22 February, 1 August

We hosted our annual Majlis Anugerah Pelajar Cemerlang at our head office in Shah Alam. This event reflects our commitment towards fostering and celebrating academic excellence among the children of Gas Malaysia's employees, perpetuating a culture of learning and achievement within our corporate family.



● CLSA CORPORATE GROUP LUNCHEON

2 March

CLSA, a leading Asian capital markets and investment group, organised a corporate luncheon session that brought together our GCEO, En. Ahmad Hashimi Abdul Manap alongside key representatives from our management team. Joining them were prominent fund managers and analysts from institutions such as Permodalan Nasional Berhad ("PNB"), Employees Provident Fund ("EPF"), Maybank and AIA, facilitating insightful exchanges and networking opportunities. Participants delved into a wide array of topics, from analysing current market trends and exploring investment strategies to evaluating industry dynamics.



Corporate Highlights 2023



WORKING VISIT BY SURUHANJAYA TENAGA

6 March

We hosted a delegation from Suruhanjaya Tenaga (“ST”) to our head office for a working visit. The delegation included directors and deputy directors from ST, with YBhg. Dato’ Ir. Ts. Abdul Razib Dawood, the Chief Executive Officer of ST, leading the team of delegates. The primary objective of the visit was to familiarise ST with Gas Malaysia’s business operations following the implementation of the Third-Party Access (“TPA”) system.



ECONOMIC TALK BY THE CHIEF ECONOMIST FROM BANK MUAMALAT

7 March

Gas Malaysia facilitated an economic talk for its management team, under the banner “Malaysia’s Economic Outlook 2023, Issues & Challenges”. The session, spearheaded by Dr. Afzanizam, the Chief Economist from Bank Muamalat, was held at our Resource and Training Centre in Shah Alam. This engagement serves as a cornerstone in our commitment to fostering a culture of continuous learning, tailored specifically for our Management team, ensuring they remain abreast of pertinent developments shaping our operating environment.

Corporate Highlights 2023



● HSE MANAGEMENT ENGAGEMENT 2023

10 March

We organised an engagement session with our contractors, titled “HSE Management Engagement 2023” held at our Resource and Training Centre in Shah Alam. The objective of the engagement session was to share the latest regulatory requirements, industry best practices, challenges and related concerns with our contractors. This initiative was designed to cultivate a pervasive culture of safety and health, and also to serve as a collaborative platform for comprehensive information exchange, facilitating resolution of pertinent issues as well as fostering continuous improvement.



● BACK TO SCHOOL PROGRAMME

4 April

As part of our yearly initiative to ease the burden of needy families by providing students with school necessities, we organised a Back to School programme to provide school necessities to 327 needy students from Sekolah Menengah Kebangsaan Bandar Sungai Buaya, in Rawang. In addition, we also donated used computers to the school. This gesture addresses the immediate need of empowering students with access to learning opportunities and digital literacy.



● GAS MALAYSIA COMMEMORATES NUZUL QURAN

7 April

In commemoration of Nuzul Quran, we organised a Yasin recital at our head office. This spiritually enriching congregation witnessed the participation of employees from across the company. In support, employees based in other regions within Peninsular Malaysia also participated in the recital virtually.

Corporate Highlights 2023



RAMADAN ACTIVITIES - BUBUR LAMBUK DISTRIBUTION

13 April

In observance of the sacred month of Ramadan, we organised a “bubur lambuk” distribution for our employees. Additionally, as a gesture of gratitude to our frontliners, we extended our generosity by delivering bubur lambuk to the Fire and Rescue Department of Malaysia (“BOMBA”) and Royal Malaysia Police (“PDRM”) stations situated in close proximity to our head office.



LAUNCH OF GAS MALAYSIA (“GM32”) STRATEGY

2 May

We successfully initiated the launch of GM32, a 10-year growth strategy designed to propel Gas Malaysia to new heights and achieve its growth aspirations. The GM32 strategy encompasses several key objectives, which includes strengthening our core business, moving up the gas value chain, expanding into new gas-related businesses and diversifying into other business portfolios.

Corporate Highlights 2023

31ST ANNIVERSARY CELEBRATION & HARI RAYA AIDILFITRI

18 May

We held Gas Malaysia's 31st anniversary celebration at our head office in Shah Alam. The occasion served as a tribute to the company's strong foothold in the industry for over three decades, highlighting its remarkable journey and accomplishments. Simultaneously, as part of our ongoing tradition in Gas Malaysia, we also organised a Majlis Sambutan Hari Raya Aidilfitri. Employees and the management team were seen dressed in their traditional outfits and enjoyed the various savoury delicacies served to symbolise the celebration.



32ND ANNUAL GENERAL MEETING

22 May

We held our 32nd Annual General Meeting ("AGM") which was broadcasted from Gas Malaysia's Resource and Training Centre in Shah Alam. Present physically at the broadcast venue and chairing the AGM proceedings were members of the Board and the management team. As the AGM was held virtually, shareholders participated remotely by casting their votes online. During the AGM proceedings, comprehensive information pertaining to the company's financial performance and strategic initiatives were shared with shareholders.



MOU BETWEEN GAS MALAYSIA BERHAD & TOKYO GAS NETWORK CO., LTD. ("TOKYO GAS NETWORK")

25 July

Gas Malaysia Berhad and Tokyo Gas Network have taken significant steps towards reinforcing their commitment towards innovative strategies and industry development in the gas distribution sector by signing a Memorandum of Understanding ("MoU"). The MoU solidifies the commitment of both parties to cooperate and collaborate to exchange expertise and information for the purpose of an employee exchange programme. The programme is aimed to facilitate the exchange of technical and non-technical employees between both companies, addressing the business needs and providing an opportunity to actively participate in nation-building.

Corporate Highlights 2023



MMC GAMES 2023 - APPRECIATION CEREMONY FOR GAS MALAYSIA'S CONTINGENT

8 September

We hosted a hi-tea appreciation ceremony at our Learning and Resource Centre in Shah Alam to express our gratitude for the incredible dedication and hard work exhibited by our sports contingent at the MMC Games 2023. The highlight of the ceremony was the presentation of certificates by GCEO, En. Ahmad Hashimi Abdul Manap to our employees. The presentation served as a source of motivation for our contingent to continue preparing and training for the next round of sporting events.



WORKING VISIT TO THE PRODUCTION FACILITY OF IOI OLEOCHEMICAL

11 September

Led by GCEO, En. Ahmad Hashimi Abdul Manap together with the management team, we organised a working visit to the production facility of IOI Oleochemical Group, namely IOI Acidchem Sdn Bhd, located in Prai. This visit was an integral component of our ongoing strategic engagement with key customers in the Northern region, aimed at fostering a strong relationship. The engagement session served as a valuable opportunity for our management team to gain insights into the details of IOI Oleochemical's operations and engage in constructive dialogue to obtain customer feedback.

Corporate Highlights 2023

STAFF EXCHANGE PROGRAMME - VISIT BY DELEGATES FROM TOKYO GAS NETWORK

13-20 September

We welcomed a delegation from Tokyo Gas Network as part of our staff exchange programme. This visit was a result from the MoU inked between Gas Malaysia and Tokyo Gas Network back in July. Both parties agreed to work together on employee exchange for educational purposes, technical and non-technical information exchange, new business development and other mutually agreed areas of business.



BOARD RETREAT

20-22 September

With an aim to foster a constructive dialogue session among our Board members and the management team, we hosted a Board Retreat at Hyatt Regency Kuantan Resort in Pahang. The retreat provided an opportunity for members of the Board and the management team to engage in discussions and work closely towards greater cohesion and a shared sense of purpose for Gas Malaysia's future strategic direction.



GAS MALAYSIA HELPS THE HOMELESS & URBAN POOR

15, 20, 29 September

With a firm commitment to make a meaningful difference in the lives of the underprivileged, Gas Malaysia launched a Corporate Social Responsibility ("CSR") programme in collaboration with Pertubuhan Tindakan Wanita Islam ("PERTIWI") to feed the homeless and urban poor at the Kuala Lumpur Homeless Transit Centre to coincide with the 60th Malaysia Day celebration. This community outreach initiative consists of three (3) separate sessions to broaden its impact and reach wider recipients.

Corporate Highlights 2023

GAS MALAYSIA PAYS A WORKING VISIT TO THE EMPLOYEES PROVIDENT FUND (“EPF”)

12 October

The Senior Management team of Gas Malaysia, led by our GCEO, En. Ahmad Hashimi Abdul Manap, had the opportunity to meet up with one (1) of our institutional shareholders, EPF. The aim of the visit was to facilitate a productive engagement session with representatives from the EPF, specifically its fund managers and investment analysts. During the visit, we highlighted Gas Malaysia’s industry performance, strategic direction and future opportunities.



GAS MALAYSIA PARTICIPATES IN THE SELANGOR INDUSTRIAL PARK EXPO 2023

19-22 October

With an opportunity to build rapport with key stakeholders and industry peers, Gas Malaysia took part in the seventh instalment of the Selangor International Business Summit (“SIBS”). Held at the Kuala Lumpur Convention Centre, the SIBS event comprised six (6) different categories housed under one (1) major event. Through our participation in the Selangor Industrial Park Expo, we were able to establish connections and exchange ideas with service providers, industry professionals and prospective business partners.



NEW CORPORATE VIDEO & COFFEE-TABLE BOOK LAUNCHING CEREMONY

19 October

We launched Gas Malaysia’s new corporate video and coffee-table book at our head office in Shah Alam. The highlight of the ceremony was the premiering of Gas Malaysia’s new corporate video followed by the launching of the coffee-table book by GCEO, En. Ahmad Hashimi Abdul Manap together with the management team. Both the corporate video and coffee-table book are a reflection of Gas Malaysia’s identity in the industry for over three decades.

Corporate Highlights 2023



HANDOVER CEREMONY – CERTIFICATION OF ANTI-BRIBERY MANAGEMENT SYSTEMS (“ABMS”) MS ISO 37001:2016

20 October

Gas Malaysia received an official certification from SIRIM QAS International Sdn Bhd for the Anti-Bribery Management Systems (“ABMS”) MS ISO 37001:2016 at our Resource and Training Centre in Sekitar 26, Shah Alam. In addition to Gas Malaysia Berhad, this certification was also extended to Gas Malaysia Distribution Sdn Bhd, Gas Malaysia Energy and Services Sdn Bhd, and Gas Malaysia Retail Services Sdn Bhd.



THE EDGE BILLION RINGGIT CLUB CORPORATE AWARDS 2023

23 October

Gas Malaysia was conferred with the Highest Return on Equity Over Three Years and Highest Growth in Profit After Tax Over Three Years awards under the energy and utilities category at The Edge Billion Ringgit Club Corporate Awards 2023 ceremony, held at the Mandarin Oriental Kuala Lumpur. The event was graced by Yang Berhormat Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Investment, Trade and Industry. The awards were received by En. Ahmad Hashimi Abdul Manap, Gas Malaysia's GCEO. Interestingly, Gas Malaysia was conferred the Highest Return on Equity Over Three Years award for five (5) consecutive years.

YASIN RECITAL AND SOLAT HAJAT FOR PALESTINE

28 October

In a solemn gesture of solidarity, we convened a Yasin recital dedicated to the people of Palestine. With hearts united in empathy, we reverently recited Surah Yasin, channelling our deepest sentiments into collective prayers for the welfare, safety and enduring peace of those suffering hardship in Gaza.



Corporate Highlights 2023

CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

1 November

We organised a CSR programme with the local community at Kampung Pos Bersih, Behrang, Perak. This CSR programme included a range of activities, such as planting fruit saplings, river cleaning and the distribution of essential household groceries to about 40 underprivileged families, particularly from the Orang Asli community. In addition, Gas Malaysia funded the construction of a surau for the Orang Asli community.



HSEQ DAY 2023

2 November

We organised a Health, Safety, Environment and Quality (“HSEQ”) Day at Gas Malaysia’s Resource and Training Centre, located at Sekitar 26. The event’s theme, “Today Wellness for a Healthier Future”, was chosen to underscore our unwavering dedication to employees’ well-being and safety, and environmental sustainability.

Corporate Highlights 2023

LAUNCH OF GAS MALAYSIA BUSINESS SUSTAINABILITY PLAN

7 November

Gas Malaysia launched its business sustainability plan at the Setia City Convention Centre in Setia Alam. The sustainability strategy was developed in line with Gas Malaysia's 10-year strategic business plan, known as GM32, and demonstrates the company's commitment to supporting the nation's energy transition agenda. The launch event was graced by the presence of YB Tuan Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change, as the guest of honour. Gas Malaysia's comprehensive sustainability plan is also aligned with the National Energy Transition Roadmap ("NETR") and New Industrial Master Plan 2030 ("NIMP 2030").



THE INTERNATIONAL PALM OIL CONGRESS AND EXHIBITION 2023

7-9 November

Gas Malaysia participated in the International Palm Oil Congress and Exhibition 2023 ("PIPOC 2023"), organised by the Malaysian Palm Oil Board ("MPOB"). It provided an opportunity to explore the frontiers of sustainability and innovation within the palm oil industry.

By participating in this event, we aimed to gain valuable insights into the latest developments in sustainable palm oil production and it also showcases our commitment in supporting the industry's transition towards greener and more environmentally friendly practices.



DOCUMENT EXCHANGE BETWEEN GMGV AND JOHOR PLANTATIONS SDN BHD ("JOHOR PLANTATIONS")

13 November

A formal document exchange ceremony was conducted between GMGV and Johor Plantations during the Asia Pacific Climate Week 2023 in Johor Bahru. The ceremony was witnessed by YB Tuan Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change and YAB Datuk Onn Hafiz Ghazi, Menteri Besar of Johor. Under this agreement, GMGV will procure biomethane from Johor Plantations to be injected into Gas Malaysia's NGDS network.

Corporate Highlights 2023



MALAYSIAN GAS SYMPOSIUM ("MYGAS 2023")

16 November

Our Chairman, YBhg Tan Sri Wan Zulkiflee Wan Ariffin, graced the MYGAS 2023 conference as an invited speaker at the KLCC Convention Centre in Kuala Lumpur. Hosted by the MGA, this event served as a focal point for discussions on pivotal themes, notably the national energy transition and the evolving global gas landscape.



TABUNG BANTUAN KEMANUSIAAN PALESTINE

14 November

The ongoing conflict in Palestine has tragically led to a significant loss of lives, leaving Palestinians in need of essential supplies such as medicine, food and other basic necessities. Recognising the urgent need for help, Gas Malaysia has taken a charitable approach by joining in the donation effort for the Palestinians. Gas Malaysia's GCEO, En. Ahmad Hashimi Abdul Manap, officially presented a donation to Mercy Malaysia. This philanthropic commitment has been ongoing for Gas Malaysia, as the company previously made substantial contributions to the Albukhary Foundation and to Global Peace Mission Malaysia to provide relief to Palestinians in Gaza.



GAS MALAYSIA STAKEHOLDERS GOLF ENGAGEMENT 2023

18 November

Gas Malaysia organised its second annual Stakeholders Golf Engagement 2023 at Sungai Long Golf and Country Club. The event was aimed at fostering mutually beneficial relationships between Gas Malaysia and its key stakeholders. The sporting event was attended by representatives from the Ministry of Economy, the Ministry of Natural Resources, Environment and Climate Change ("NRECC"), the East Coast Economic Region Development Council ("ECERDC"), the Northern Corridor Investment Authority ("NCIA"), the Iskandar Regional Development Authority ("IRDA") and various state investment agencies.

Corporate Highlights 2023

WORKING VISIT BY GEELY TECHNOLOGY

29 November

Gas Malaysia was honoured to extend a warm welcome to several delegates from Geely Technology during their working visit to our head office. The visit marked an exciting opportunity for both companies to share insights, foster collaboration and explore potential avenues for partnership. The engagement session served as a testament to the importance of cross-industry partnerships in driving potential progress and innovation.



GCEO ENGAGEMENT WITH MIDDLE MANAGEMENT

4, 7, 13 December

We organised several engagement sessions with our middle management group, fostering a dynamic platform for the exchange of invaluable insights, diverse perspectives and innovative ideas. Facilitated by our GCEO, En. Ahmad Hashimi Abdul Manap, these sessions epitomised collaboration and synergy, as they served as conduits for meaningful dialogue and constructive discourse. Through these sessions, he articulated his visionary aspirations, inspiring a collective commitment to organisational excellence and continuous improvement.



PARTNERSHIP WITH YAYASAN PELAJARAN MARA (“YPM”)

3 December

Recognising that education plays a significant role in our nation’s development, Gas Malaysia has forged a collaborative partnership with YPM to support the education of about 1,000 underprivileged B40 school students via a tuition programme. This initiative aligns with one (1) of Gas Malaysia’s CSR pillar, namely, Education. The tuition programme is tailored to empower B40 students in rural areas to succeed academically.

Corporate Highlights 2023

● LAUNCH OF GAS MALAYSIA'S NEW SURAU

15 December

We proudly inaugurated a new chapter as an achievement with the unveiling of the new surau at our head office in Shah Alam. The launching ceremony was officiated by GCEO, En. Ahmad Hashimi Abdul Manap. The event further included a Yasin recital ceremony and communal prayer, symbolising the values of unity and peace that Gas Malaysia actively fosters among its employees.



● THE GROUNDBREAKING OF AMPANG JAJAR WASTE TRANSFER STATION

19 December

Marking our commitment towards sustainable energy solutions, a groundbreaking ceremony was conducted representing the commencement of construction of the Ampang Jajar Waste Transfer Station in Permatang Pauh. The station which is expected to be completed by 2025, will enable Gas Malaysia's wholly owned subsidiary, GMGV, to procure biomethane generated at the facility and inject it into Gas Malaysia's NGDS.

Message from the Chairman

Charting Paths Towards Greater Progress

“

DEAR VALUED SHAREHOLDERS,

I am honoured to represent the Board in presenting the 2023 Annual Report of Gas Malaysia Berhad (“Gas Malaysia” or “the Group”), covering the period from 1 January to 31 December 2023 (“FYE 2023”). This report highlights our commitment to fostering long-term, sustainable value for our stakeholders.

Throughout 2023, we have demonstrated resilience and continued delivering value, upheld by our dedication to operational excellence, producing world-class reliability, strengthening our core and non-core businesses and improving service excellence to our customers.



TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN
Chairman

OVERVIEW OF 2023

In 2023, the world continued to be impacted by inflationary pressures even as global economies were anticipating a solid recovery in economic growth. The rapid interest rate hikes by the United States of America and other advanced economies to tame inflation slowed global economic growth while geopolitical tensions created further uncertainty.

Domestically, Malaysia’s economy experienced a period of high inflation but has remained resilient overall, although some export-oriented industries were impacted given Malaysia’s status as a trading nation. According to Bank Negara Malaysia, Gross Domestic Product (“GDP”) expanded by 3.7% in 2023, which was lower than forecasts made earlier. Although GDP growth was slower compared to 2022’s performance of 8.7%, the economy continued to be supported by strong domestic demand.

For Gas Malaysia, we experienced some headwinds as demand for gas from the rubber glove sector fell as the global demand for rubber gloves declined in 2023. The Group mitigated this challenge through its flexible pricing mechanism and our commitment to operational and customer service excellence. In addition, government policies such as the National Energy Policy 2022-2040 (“NEP”) and the recently launched National Energy Transition Roadmap (“NETR”), which have indicated the importance of natural gas in transitioning to a low-carbon economy, uplifted industry prospects.

Message from the Chairman

SUSTAINING EXCELLENCE, GUIDED BY A NEW STRATEGY

In 2023, we remained committed to expanding access to natural gas through the growth of our Natural Gas Distribution System ("NGDS") pipeline network and marketing initiatives to bring more customers into our fold. We have also strived to ensure our business continues to deliver the level of service that our customers have come to expect, especially in terms of reliability. Taking this a step further, we have also improved our service culture to ensure that customer-centricity always takes centre stage.

As for our other businesses adjacent the gas value chain, we have made further progress by operationalising a cogeneration plant in support of the low-carbon agenda. Our biogas and biomethane business has also progressed well, with the successful commissioning of two (2) key projects that enabled us to inject biomethane into our NGDS.

Most significantly, we have moved forward this year by introducing Gas Malaysia's new strategic plan, GM32, which aims to strengthen our existing business and guide our foray into new business portfolios within the gas value chain. Through five (5) strategic pillars, this plan will catalyse Gas Malaysia to be a vertically integrated gas player with a regional presence and diversified portfolios. The GM32 strategic plan aligns with our four (4) sustainability pillars — advancing environmental sustainability, strengthening business delivery, fostering a people-centric organisation, and enhancing governance and transparency.

We have taken this approach to our business as we recognise that natural gas is set to continue to grow in importance as the nation transitions to a low-carbon economy. While this plays to our core strength, we must future-proof the organisation. This is particularly evident in the context of market liberalisation, which has spurred greater competition and prompted us to look to other avenues of growth to ensure our business remains sustainable.

CHARTING NEW HEIGHTS IN OUR SUSTAINABILITY JOURNEY

Gas Malaysia is dedicated to integrating sustainable practices across all its operations, aiming to generate a lasting impact and enduring value for our stakeholders. In 2023, Gas Malaysia launched a new Sustainability Framework anchored on four (4) key sustainability pillars and nine (9) strategies. These are further aligned with five (5) key United Nations Sustainable Development Goals ("UNSDGs") and are also aimed at supporting the nation's sustainability agenda and policies.

We also enhanced the Sustainability Governance Structure to ensure that our business operations align seamlessly with our commitments to sustainability. This revised governance structure distinctly defines the responsibilities and duties of the Board and Management, incorporating a more efficient process for disclosures. This refinement in our approach guarantees precise and transparent reporting of our progress in sustainability.

In line with Malaysia's objective of achieving net zero emissions by 2050, Gas Malaysia strives to reach net zero emissions for Scope 1 and 2. We will continue to decarbonise our operations and foster a transition to cleaner energy in alignment with the national agenda and our commitment to a sustainable future.



ELEVATING CORPORATE GOVERNANCE

Our commitment to corporate governance is founded on integrity and ethical conduct. Our Board of Directors and management team have continually reinforced this commitment, ensuring that our strategies, policies and procedures evolve to meet the demands of a dynamic marketplace. This emphasis on ethical governance is about adhering to standards and about fostering a culture of transparency and accountability across the organisation. A key outcome in this area in 2023 was the Group receiving the ISO 37001:2016 Anti-Bribery Management Systems certification, which brings closure to an effort that began in 2022 and underscores our commitment to maintaining high standards of integrity.

Message from the Chairman

EMBEDDING OUR STATEMENT OF PURPOSE INTO OUR STRATEGIC FOCUS

I am pleased to witness how our employees embraced our new Statement of Purpose, Mission Statement and Core Values in 2023. In line with this, we will continue to intensify our engagements with employees to ensure that we are effectively cascading the tenets of our Purpose, which, at its core, is designed to help Gas Malaysia grow.

STATEMENT OF PURPOSE

Delivering Best Energy Solutions for a Better Future

MISSION

We Are Committed to Delivering the Cleanest, Safest, Most Reliable and Cost-Effective Energy Solutions

CORE VALUES

-  Professionalism
-  Teamwork
-  Reliability
-  Innovation
-  Integrity

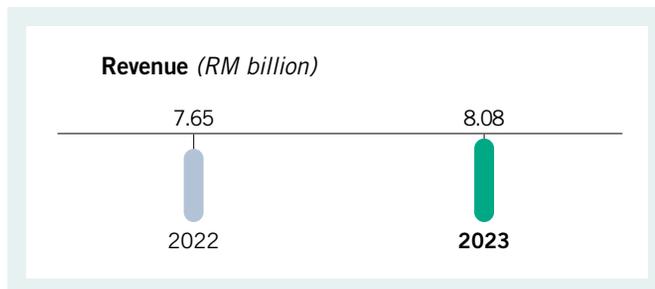
OUR PEOPLE, OUR GREATEST ASSET

As we adapt to a more competitive and liberalised market, we have proactively prepared our personnel to achieve our goals of strengthening our income streams. Recognising the necessity for new skills to achieve our objectives, we embarked on a comprehensive programme that will advance talent development, succession planning and the recruitment of required talents. We have also developed a Culture Activation framework to further align the workforce with our Purpose and to instil a high-performance culture within Gas Malaysia.

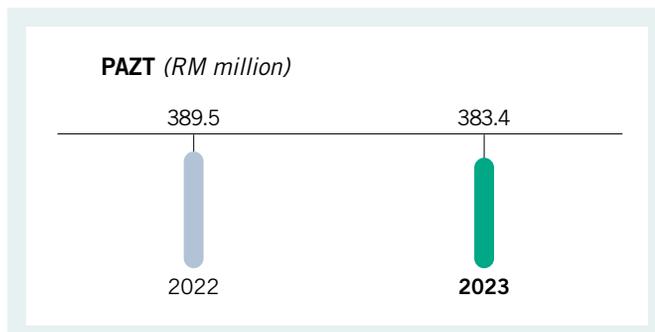


FINANCIAL HIGHLIGHTS

For the FYE 2023, Gas Malaysia's revenue reached RM8.08 billion, marking a 6% increase from the RM7.65 billion recorded in the previous year. This rise was achieved despite a decrease in the volume of natural gas sold, primarily due to the elevated average selling price of natural gas in 2023.



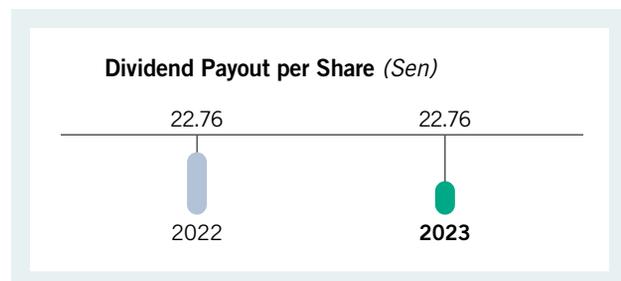
Profit after zakat and taxation for the same period was RM383.4 million, a 2% decrease from RM389.5 million in the previous year. This decline was largely due to the reduced volume of natural gas sold, coupled with increased operating and administrative expenses and declined contributions from joint venture companies. However, this was balanced by a rise in finance income during the year.



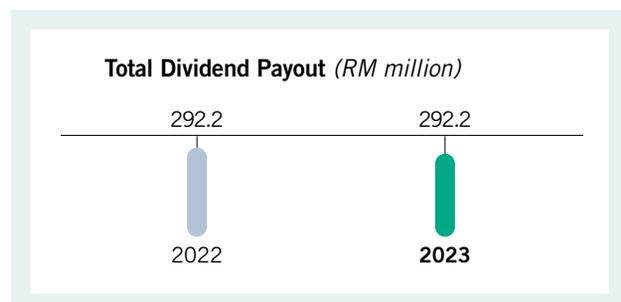
Message from the Chairman

DIVIDEND

For FYE 2023, the Board declared the first interim dividend of 5.72 sen per share on 21 August 2023 while the second interim dividend of 8.42 sen per share was declared on 20 February 2024.



Together with the final dividend of 8.62 sen per share declared on 25 March 2024, the total dividend per share for FYE 2023 amounted to 22.76 sen which is equivalent to a payout of RM292.2 million.



AWARDS & RECOGNITION

Due to our consistently solid financial and operational performance, Gas Malaysia was honoured with multiple awards during the year. We received the Silver Award for Employer of Choice in the Private Sector from the Malaysian Institute of Human Resource Management, showcasing our excellence in human resources practices. Additionally, we were recognised at The BrandLaureate BestBrands Awards 2022-2023 as the Nation's Best in Energy Solutions, reflecting our commitment to innovative energy practices.

At The Edge Billion Ringgit Club Corporate Awards 2023, Gas Malaysia was conferred the Highest Return on Equity Over Three Years award for five (5) consecutive years, demonstrating our sustained financial robustness. This prestigious accolade underscores our company's exceptional ability to generate profits from its equity base, reflecting the efficiency and effectiveness of our management's strategies in navigating the complexities of the energy market. Furthermore, we were also acknowledged with the Highest Growth in Profit After Tax Over Three Years award, highlighting our significant financial growth and stability. This recognition showcases our relentless pursuit of excellence and innovation in operations. It affirms our commitment to delivering superior value to our stakeholders.

ENVISIONING THE FUTURE

Malaysia's economy is expected to expand between 4 to 5% in 2024. The Group remains cautiously optimistic, aware of headwinds such as ongoing inflationary pressures and slower global economic growth. In navigating the market in 2024, we will continue to focus on securing new customers, maintaining operational excellence and delivering excellent service to our existing customers by introducing new customer-centric initiatives. In addition, the sustained expansion of our NGDS network and the solid foundation of our core business will help us drive the growth of our non-core businesses.

Regarding the regulatory environment, the industry has completed the first year of the Regulatory Period 2 ("RP2"). RP2 will be in force from 2023 to 2025 and only applies to the distribution side of the business. This year, Gas Malaysia will continue the expansion of the NGDS in areas such as PROTON City, Tanjung Malim. We look forward to its completion as it is one (1) of our longest expansion projects, spanning over 60 kilometres in total, and is aimed at helping to jumpstart the automotive industry at the Automotive High-Tech Valley.

Subsequently, our focus will remain on harnessing the opportunities we have outlined in our GM32 strategy to deliver value for our stakeholders. Given the importance of gas in Malaysia's transition journey, we are relatively optimistic about our prospects for the future. We will fully support the government's agenda as outlined in the NETR and the National Energy Policy 2022-2040. As highlighted in the NETR, gas is expected to contribute to 56% of the energy mix. In this context, we have made our intention to contribute to the growth of gas over the long term very clear, following our recent announcement to expand the NGDS by an additional 800 kilometres within the next five (5) years (from 2024 to 2028).

ACKNOWLEDGEMENTS

I want to show my appreciation for the unwavering support of our shareholders, customers, regulatory entities, government agencies, authorities, financiers, service providers and the wider business community. My gratitude extends to my fellow directors for their invaluable insights and guidance, which have been instrumental in elevating our organisation.

I would also like to sincerely thank the two (2) Board members who have stepped down, YBhg Datuk Puteh Rukiah binti Abdul Majid and Mr. Tan Lye Chong. Their contributions and insights from the inception of our journey have been invaluable. In addition, I extend a warm welcome to Madam Chow Mei Mei, who has just joined the Board.

Special appreciation is due to Gas Malaysia's management team, led by Group Chief Executive Officer Ahmad Hashimi bin Abdul Manap and his dedicated team, for their commitment and resilience in achieving our objectives and ambitions. As we venture forth to embrace new opportunities and stay resilient, I earnestly request all our stakeholders to continue to lend us their unwavering support as we propel forward to achieve our GM32 business ambitions.

Thank you.

Wan Zul
Chairman

Message from the Group Chief Executive Officer: Management Discussion & Analysis

*Accelerating Growth,
Creating Positive Value*

“

DEAR VALUED SHAREHOLDERS,

The year 2023 began positively in anticipation of a robust economic recovery as the world moved on entirely from the pandemic. Domestically, Malaysia's economic growth was moderate as a result of softer demand for exports. While this impacted demand for gas to some extent, the higher average price of natural gas in 2023, due to the volatility in the oil market from the ongoing geopolitical tensions in Ukraine and the Middle East, mitigated it.



AHMAD HASHIMI BIN ABDUL MANAP
Group Chief Executive Officer

In marking our 31st year in business, we have remained dedicated to driving our business performance and ensuring that we can continue to produce long-term value for our stakeholders. We introduced a new business strategy to bring us to the subsequent growth and business sustainability levels. With pride, I present the Group's efforts to sustain its performance, navigate challenges and deliver returns to our stakeholders.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

FINANCIAL HIGHLIGHTS

▶ Revenue

Gas Malaysia's revenue rose to RM8.08 billion in 2023, a 6% increase from the RM7.65 billion recorded in 2022. The growth was mainly driven by the higher average natural gas selling price mitigated by lower volume of natural gas sold during the year.

▶ Cost and Expenses

Total costs and expenses for the Group increased by 7% in 2023, reaching RM7.58 billion, up from RM7.11 billion in 2022. This was primarily due to the rise in gas costs, which accounted for about 96% of total expenses, in line with higher average natural gas purchase price. Further increase was from additional expenses including depreciation and amortisation, predominantly associated with the NGDS, alongside human capital and maintenance costs to keep the NGDS performance optimal.

▶ Earnings Before Interest Income, Taxes, Zakat, Depreciation and Amortisation ("EBITZDA")

EBITZDA saw a decrease to RM603.4 million in 2023, a drop from RM636.9 million recorded the previous year. This decline was primarily due to a lower gross profit and higher administrative expenses. The reduced gross profit was in line with an increase in operating expenses.

▶ Finance Costs

The Group incurred finance costs of RM11.1 million in 2023, attributed to Islamic Medium-Term Notes ("IMTN") and Islamic Commercial Papers ("ICP"). These instruments were primarily used for financing capital expenditure projects.

▶ Taxation

For the FYE 2023, the Group's tax expenses totalled RM131.7 million, lower than RM153.7 million in 2022. This decrease was in line with a lower pre-tax profit for the year and the impact of the Cukai Makmur in 2022.

▶ Profit After Zakat and Tax ("PAZT")

The Group's PAZT declined slightly to RM383.4 million in 2023, compared to RM389.5 million in 2022. This decrease aligned with the lower EBITZDA recorded for the year, partially offset by higher finance income and reduced taxation.

▶ Gearing Ratio

The gross gearing ratio rose to 20%, compared to 16% in the previous year, due to net issuance of RM89 million from the Sukuk programme to partly finance capital expenditure projects, in line with the Group's ongoing commitment to expand the NGDS network.

▶ Capital Expenditure

Capital expenditure for the year was RM218.9 million, primarily for construction projects to expand the NGDS network and various non-NGDS projects. NGDS projects were specifically focused on constructing gas pipelines and metering stations, while non-NGDS projects included purchasing gas and office equipment, digitalisation efforts and motor vehicles.

▶ Future Commitment

In the next 12 months of Regulatory Period 2 ("RP2") in 2024, the Group has committed to a future financial outlay of approximately RM358.3 million. This investment will be channelled into developing the Group's NGDS network with a planned expansion of 110 kilometres of NGDS pipelines and for other non-NGDS activities.

Message from the Group Chief Executive Officer: Management Discussion & Analysis



BUSINESS PERFORMANCE REVIEW

In the year under review, we have steadfastly pursued our business priorities. We capitalised on our competitive edge to foster and deliver genuine value, consistently placing our resources and customers at the core of our operations through our wholly-owned subsidiaries, Gas Malaysia Distribution Sdn Bhd (“GMD”) and Gas Malaysia Energy and Services Sdn Bhd (“GMES”).

Through GMD, we focused on expanding the NGDS, prioritising operational excellence and advancing digitalisation initiatives to improve efficiency. With GMES, we explored new avenues to enhance the customer experience and increase efficiency. As a result of our strategic marketing efforts in 2023, we continued to enlarge our industrial customer base, which comprises most of our customers. Through our subsidiary, Gas Malaysia Retail Services Sdn Bhd (“GMRS”), we commissioned the new connection to the nucleus of Kuala Lumpur’s new international financial district, Tun Razak Exchange, in Kuala Lumpur. GMRS also further enhanced its mobile application to better serve our residential and commercial customers.

As for our non-core businesses, both Gas Malaysia Energy Advance Sdn Bhd (“GMEA”) and Gas Malaysia Synergy Drive Sdn Bhd (“GMSD”) have continued to advance our cogeneration business. Additionally, to meet our long-term business objectives, Gas Malaysia Virtual Pipeline Sdn Bhd (“GMVP”) has been renamed as Gas Malaysia Green Ventures Sdn Bhd (“GMGV”) to oversee the biomethane business.

GAS MALAYSIA DISTRIBUTION SDN BHD

Gas Malaysia Distribution Sdn Bhd (“GMD”), our wholly-owned subsidiary, holds a distribution licence from Suruhanjaya Tenaga, enabling us to develop, own, operate and maintain the NGDS for the secure and dependable delivery of gas to consumers.

Network Expansion

We continued to expand the NGDS in 2023, growing it to 2,839 kilometres compared to 2,786 kilometres in 2022 and commissioning 42 new stations.

Driven by our commitment to enhance NGDS accessibility, we commenced the construction of over 60 kilometres NGDS network in November 2023 aimed at providing natural gas to PROTON City. This project is designed to serve PROTON City and foster socio-economic growth in Tanjung Malim, positioning it as Malaysia’s Automotive High-Tech Valley.

During the year under review, several shippers have expressed a keen interest to utilise the NGDS. We anticipate these potential shippers to commence the utilisation of the NGDS in 2024.

Elevating Operational Excellence and Operational Risk Management

For the year under review, we continued enhancing operational excellence and managing risks by implementing innovative strategies, optimising processes, and fostering a culture of continuous improvement. We focused on improving efficiency, ensuring employee safety, and maintaining a reliable gas supply across various sectors. Our dedication to managing the NGDS network led to maintaining approximately 99% gas supply reliability, with Internal Gas Consumption levels remaining commendably low.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

Moreover, we notably reduced the System Average Interruption Duration Index (“SAIDI”) from 0.0786 in 2022 to 0.0040 in 2023, indicating enhanced network reliability and responsiveness to disruptions. Our proactive approach to operational risk management, through regular inspections and preventive maintenance, played a crucial role in minimising disruptions and maintaining service quality. In addition, our emergency response team excelled in minimising operational disruptions, with an average response time of 23.87 minutes in 2023, an improvement from the 25.78 minutes recorded in 2022 and well below the targeted time of 90 minutes.

PERFORMANCE INDICATORS

SAIDI
(Average Minutes of Interruption per Customer)



Response Time
(Average Minutes Taken to Dispatch Response Team)



We also focused on managing the expanded NGDS network and increasing the number of assets, ensuring systematic risk management. This involved diligent daily inspections, systematic troubleshooting and a dedicated on-call emergency response team across all operating offices. Our meticulous approach enhanced performance levels and effectively mitigated incremental risk exposure.

**MAJOR
DIGITALISATION
INITIATIVES
IN 2023**

We have implemented an Automated Meter Reading (“AMR”) system that replaces traditional manual meter reading by capturing and transmitting data in real-time for billing and monitoring purposes.

We have continued to improve our service quality through the adoption of a Project Management System (“PMS”). The PMS enhances our project management capabilities with features such as project portfolio management, scheduling, risk analysis and resource management, which are specifically used for monitoring and reporting on NGDS projects.

We have implemented a Business Intelligence (“BI”) system designed to collect, integrate, analyse and present business information. By leveraging on data-driven insights, we can make informed decisions to optimise performance and stimulate growth.

We are currently piloting a Smart Camera system to enhance our safety and operations. This system allows for real-time monitoring to quickly identify areas that need improvement, significantly enhancing our safety and operational standards.

We have implemented several cybersecurity initiatives to strengthen our defences and uphold the security of our digital infrastructure against emerging threats.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

GAS MALAYSIA ENERGY AND SERVICES SDN BHD

Gas Malaysia Energy and Services Sdn Bhd (“GMES”), a wholly-owned subsidiary of Gas Malaysia, is licensed to ship and import Liquefied Natural Gas (“LNG”). The principal role of GMES is to source gas from various suppliers and ensure its delivery meets the specific needs of our customers.

Enhancing Service Excellence

In 2023, GMES marked a significant year in business growth and customer relations. The company successfully expanded its industrial client base by securing 38 new customers, showcasing its ability to attract and engage with new segments in the market. The Group now has a total customer base of 24,881, of which 11,674 are natural gas users, and 13,207 are Liquefied Petroleum Gas (“LPG”) users. This achievement highlights GMES’s strong market presence and commitment to growth.

NUMBER OF CUSTOMERS REPRESENTING THE GROUP (AS OF 31 DECEMBER 2023)

NATURAL GAS (“GMES”)	LPG (“GMRS”)	SECTOR TOTAL
Industrial		
1,042	0	1,042
Commercial		
879	1,113	1,992
Residential		
9,743	12,094	21,847
TOTAL		
11,674	13,207	24,881

GAS VOLUME SALES BY CUSTOMER SEGMENT

In terms of volume, the industrial sector continued to be the most significant growth driver for the group, accounting for over 99% of total gas volume sales.

NATURAL GAS (“GMES”)	LPG (“GMRS”)	SECTOR TOTAL
Industrial		
147,714,782	0	147,714,782
Commercial		
909,413	241,667	1,171,080
Residential		
20,745	22,137	42,882
TOTAL		
148,664,940 GJ	263,804 GJ	148,928,744 GJ

Message from the Group Chief Executive Officer: Management Discussion & Analysis

The largest proportion of our customers, about 49%, are located in the central region, specifically in Selangor and Wilayah Persekutuan. Following this, 25% of our customer base resides in the southern region, encompassing Johor, Melaka and Negeri Sembilan. The northern states, including Penang, Kedah and Perlis, comprise 22% of our clientele. The remaining 4% are in the eastern region, particularly Pahang and Terengganu.

Regarding gas volume sold, the rubber gloves sector led the way, accounting for 20% followed by consumer products and the oleo-chemical industries. These figures highlight the significant role of the rubber gloves industry in the company's gas distribution network.



* Including Automotive, Ceramics, Electrical & Electronics, Machinery & Equipment, Paper Products, Printing & Publishing, Plastic, Textiles, etc.

Our Success in Customer Service

In 2023, GMES focused on enhancing customer relations and ensuring competitive pricing. Regular interactions with key customers allowed GMES to address any significant issues related to natural gas supply while strengthening trust and efficiency.

A critical factor in this success was implementing a tailored customer engagement strategy. GMES appointed dedicated account managers for each client, ensuring personalised service. This approach strengthened relationships with existing clients and played a crucial role in attracting new ones. The account managers focused on understanding each customer's unique needs, enabling GMES to offer customised solutions and foster stronger, long-lasting business relationships.

Additionally, GMES conducted assessments of its pricing to maintain competitiveness in the market. Establishing a market intelligence unit provided deeper insights into industry trends, aiding strategic decision-making.

We were also committed to continuously improving our services, particularly in technical support and e-services, such as automated meter reading, to enhance the overall customer experience. We have also upgraded our sales force platform to consolidate reports for our clients more effectively.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

PRIORITISING THE LOW-CARBON AGENDA

Amid escalating concerns about climate change, renewable energy has become essential for reducing carbon emissions, aligning with Malaysia's Renewable Energy Roadmap ("MyRER") and the country's goals of attaining 31% renewable energy capacity by 2025 and 40% by 2035.

Gas Malaysia has actively pursued opportunities within the gas industry's value chain to support this low-carbon objective. The Group's initiatives have led to the development of businesses in cogeneration plants, biogas, biomethane production and virtual pipelines for delivering compressed natural gas to remote areas, all contributing to cleaner energy sources.

COGENERATION PLANTS



Gas Malaysia continues to expand its Combined Heat and Power ("CHP") portfolio, enhancing our role as a provider of innovative energy solutions. Also known as cogeneration, this process involves simultaneously generating electricity and usable heat from natural gas combustion, leading to improved system efficiency. We own cogeneration plants in the Northern and Central regions through GMEA.

In December 2023, GMEA commenced operations of a gas turbine cogeneration plant for Fatty Chemical (Malaysia) Sdn Bhd in the Prai Industrial Area, Penang. With a capacity to

generate 6.7 MW of electricity and 35 tph of steam, the plant is expected to reduce carbon dioxide emissions significantly.

In addition, operations for a cogeneration plant for Sime Darby Plantation Berhad in Selangor, constructed by GMSD, started in February 2023. This plant generates 2.3 MW of electricity and 20 tph of steam, contributing to a notable reduction in carbon dioxide emissions.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

GREEN VENTURES



Amid escalating concerns regarding climate change, the imperative for renewable energy sources and sustainability has become increasingly apparent as a key component in the energy mix playing a crucial role in reducing carbon emissions. In reflection of our efforts, our wholly-owned subsidiary GMGV, has successfully commissioned two (2) Biomethane Entry Stations off-taking biomethane from Coronation and Sedenak plant with a total volume of 47,000 MMBtu injected into our NGDS in 2023.

We are also actively exploring the upgrading of scrubbed biogas derived from Palm Oil Mill Effluent (“POME”) and organic waste into biomethane. This initiative marks a significant step towards enhancing our portfolio and commitment towards sustainable practices. As we surge forward, we anticipate increased participation in achieving

net zero emissions by the mills and landfill owners to supply either the scrubbed biogas or biomethane.

In our virtual pipeline business segment, we continued to focus on the transportation of compressed biomethane sourced from biogas plants situated at palm oil mills and landfills. This transportation serves a dual purpose: firstly, to facilitate the injection of biomethane into our centralised injection station for integration into the NGDS, and secondly, to directly transport and supply biomethane to our customers’ business premises. This dual-pronged approach shows our commitment to sustainability by harnessing biomethane as a renewable energy source to help mitigate greenhouse gas emissions and promote the efficient utilisation of organic waste resources.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

NURTURING AND SAFEGUARDING OUR EMPLOYEES

EMPLOYEES

We are dedicated to fostering a sustainable and long-lasting business. Our future success is grounded in our commitment to developing and utilising our talent pool. This focus is key to ensuring the continued growth and sustainability of both our existing and new business ventures.

In 2023, Gas Malaysia emphasised enhancing employee skills through continuous learning programmes, focusing on capability and leadership development to meet the industry and new business demands. Talent development programmes and succession planning initiatives are central to our human resource strategy. We invest in comprehensive development programmes to enhance the skills and capabilities of our team, preparing them for future leadership roles. This approach fosters a culture of continuous learning. It ensures a seamless transition in leadership, vital for the company's long-term success.

Emphasising the building of human capabilities, Gas Malaysia has implemented robust Human Resources ("HR") policies designed to nurture and develop our workforce. These policies create an environment where employees can thrive, innovate and align with our business objectives.

We focus on offering competitive remuneration packages to retain our skilled workforce and continuously foster a supportive work environment. We also understand the importance of acknowledging and rewarding our team's hard work and dedication, which drives their commitment, productivity and loyalty to the company.

HEALTH, SAFETY AND ENVIRONMENT ("HSE")

At Gas Malaysia, ensuring a safe and positive work environment for our employees is essential. The lessons learned over the past two (2) years have underscored the significance of our team's health and safety. The overall well-being of our staff is a cornerstone for our business' continuous growth and success.

In 2023, Gas Malaysia achieved zero Lost-Time Injuries ("LTI") across 1,750,121 million man-hours, highlighting the company's focus on the welfare of both employees and non-employees alike. Gas Malaysia Mission ZERO was launched to reinforce this commitment, emphasising safety and environmental stewardship through robust protocols, training and stakeholder engagement.

Gas Malaysia also engaged with relevant authorities, ensuring compliance and transparency. This included strategic engagements and visits to the Department of Occupational Safety and Health ("DOSH") across various regions. Internally, Gas Malaysia conducted numerous HSE inspections, audits and comprehensive HSE training programmes to enhance awareness and preparedness for emergencies.

Furthermore, Gas Malaysia maintained its accreditation in key international management system standards, encompassing quality, environmental, occupational health and safety, and information security. Collectively, these efforts underscore the company's dedication to creating a safe, healthy and compliant working environment.

UPHOLDING GOOD GOVERNANCE AND INTEGRITY PRACTICES

*Back in 2022,
Gas Malaysia
embarked
on being ISO
37001:2016
Anti-Bribery
Management
Systems
certified.*

Following the completion of the requisite audits, I am pleased to share that we received the certification from SIRIM QAS International Sdn Bhd in July 2023. This prestigious certification was conferred upon Gas Malaysia Berhad and extends to our subsidiaries: Gas Malaysia Distribution Sdn Bhd, Gas Malaysia Energy and Services Sdn Bhd, and Gas Malaysia Retail Services Sdn Bhd. This collective achievement exemplifies our commitment to maintaining high standards of integrity and ethical conduct across our entire corporate family.

Message from the Group Chief Executive Officer: Management Discussion & Analysis



OUTLOOK AND PROSPECTS

At Gas Malaysia, we recognise the importance of natural gas as a fuel for the energy transition. More importantly, according to the National Energy Transition Roadmap (“NETR”), natural gas is set to constitute up to 56% of the energy mix by 2050, from 43%. Against this backdrop, the long-term prospects for Gas Malaysia remain positive, and we are well-positioned to continue growing our core business to meet the needs of Malaysia’s economy.

To demonstrate our commitment to supporting Malaysia’s needs, we recently announced plans to expand our NGDS network to 4,000 kilometres by 2030, backed by a substantial increase in capital expenditure. Over the next five (5) years, we plan to construct 800 kilometres of pipelines, with an investment of RM1.2 to RM1.4 billion. In 2024, GMD has outlined plans to build an additional 110 kilometres of the NGDS network. This expansion will further our strategic growth and service provision, primarily focusing on several regions, including Tanjung Malim in Perak, Chembong in Negeri Sembilan, Rasa in Selangor, and Tangkak in Johor.

In addition, we will continue to adopt a customer-centric approach as competition increases under a liberalised market. Gas Malaysia aims to satisfy, attract and retain customers by offering value-added customised services and a dynamic pricing strategy, solidifying its position as the preferred energy partner.

In strengthening our market presence in CHP, we seek strategic collaborations with industrial park developers to be industries’ main power solution provider. We aim to position ourselves as the energy efficient solution provider for industries. As for our biomethane business, we actively partnered with palm oil millers, landfill owners and municipal waste operators. This will allow us to explore the synergies between palm oil production residues and biomethane generation.

Additionally, the ongoing shift prompted by the energy transition, coupled with the increasing demand for clean energy and green certified products, creates numerous business opportunities for us. By adopting this forward-looking approach, we plan to play a pivotal role in the evolving energy landscape and reinforce our dedication to providing reliable and innovative energy solutions.

The initiatives above are all encapsulated within the GM32 strategy, which aims to extend the business’ longevity and set us down a more sustainable path. Backed by over 30 years of experience, we will further strengthen our core and non-core business and leverage it to push into new businesses along the gas value chain.

Finally, as part of our commitment to sustainable practices in our operations, Gas Malaysia is also pioneering a pilot project to integrate electric vehicles (“EV”) to integrate

them into our operational fleet. This initiative is currently under evaluation for commercial and practical feasibility. Alongside this, we are progressing with the installation of rooftop solar panels at our head office, aiming for completion at the end of 2024.

ACKNOWLEDGEMENTS

I would like to express our gratitude to our Chairman, Tan Sri Wan Zulkiflee bin Wan Ariffin, and the Board of Directors for their continued wisdom and support.

In addition, I wish to convey my deepest appreciation for the steadfast support received from our shareholders, customers, regulatory entities, government agencies, authorities, financiers, service providers and the broader corporate community.

I would also like to show my appreciation to our management team and the entire *Warga Kerja* Gas Malaysia for their unstinting support, dedication and spirit of commitment. You have been our source of strength in navigating these challenging times, displaying incredible resilience and adaptability.

To each member of our *Warga Kerja*, your sacrifices over the past year have not gone unnoticed. Your collective efforts have been pivotal to our journey towards a stronger and more competitive Gas Malaysia. As we face future challenges, we do so with the utmost confidence, knowing that together, we can continue to create value for all our stakeholders.

Thank you.

Ahmad Hashimi bin Abdul Manap
Group Chief Executive Officer

Managing Our Risks & Opportunities

Gas Malaysia Berhad (“Gas Malaysia”) and its subsidiaries (“the Group”) recognises the importance of sound risk management practices and internal controls to safeguard shareholders’ investments and our assets.

We constantly undertake risk assessments as it is vital for the Group to manage its risk management process. Therefore, the respective risk owners are responsible for developing and reviewing the appropriate response strategies to mitigate all key risks within the Group.



A summary of our key priorities and mitigating measures are tabled below:

REGULATORY RISK

<p>▶ RISK</p>	<p>▶ CAUSE(S) OF THE RISK</p>	<p>▶ CONSEQUENCE(S) OF THE RISK</p>	<p>▶ MITIGATION STRATEGIES</p>
<ul style="list-style-type: none"> This risk describes the various regulatory risks that can impact the Group’s operations. This includes the potential loss of licences needed to purchase and operate or changes to government or regulatory policies. 	<ul style="list-style-type: none"> Non-compliance to or breach of licence conditions. Changes to the base tariff by Suruhanjaya Tenaga. Government intervention in retail gas pricing. 	<ul style="list-style-type: none"> The loss of our licences would mean the inability to continue business operations, and reputational loss. Adverse changes to policies or regulations will negatively impact the profitability of the Group. 	<ul style="list-style-type: none"> Ensure that the Distribution and Shipping Licence conditions are always met. Maintaining a good relationship with the Government and stakeholders enables the Group to anticipate changes and to manage and minimise the impact of such changes.

Managing Our Risks & Opportunities

OPERATIONAL RISK

▶ RISK

- This describes the risk of workplace accidents that could cause injury, loss of life, damage to property and the environment. This risk is also concerned with the unauthorised entry or access to gas facilities, with an intention to provoke and/or create a state of terror.

▶ CAUSE(S) OF THE RISK

- Not conducting hazard identification, risk assessment and risk control.
- Lack of compliance with health, safety, and environment guidelines and rules.
- Lack of information, awareness, and knowledge.
- Procedures not updated to reflect current work practices.
- Inadequate or poor maintenance of security measures at gas facilities.
- Potential existence of terror groups in the supply area.

▶ CONSEQUENCE(S) OF THE RISK

- Bodily injury or loss of life that can lead to a payout of compensation and medical bills.
- Legal action such as summonses, penalties or imprisonment, and stop-work orders.
- Reputational impact with damage and loss of revenue.
- Supply interruption with damage to gas facilities.
- Incur cost overrun to restore supply.

▶ MITIGATION STRATEGIES

- Ensure that the approved Hazard Identification, Risk Assessment and Risk Control (“HIRARC”)/Job Safety Analysis (“JSA”) is available at the site.
- Competent personnel, e.g. SHO/SSS to conduct site safety and toolbox briefing on a daily basis.
- Conduct continuous education programme for all site personnel.
- Approved procedures to be made available at worksite.
- Installation of appropriate security measures, i.e., installation of CCTV and anti-climb fencing.
- Periodic facilities inspection to detect any abnormalities at the facilities.

BUSINESS & STRATEGIC RISK

▶ RISK

- This risk describes the potential loss of key talent and personnel that could impact the Group's business operations.

▶ CAUSE(S) OF THE RISK

- Employees moving to peer companies for a more lucrative remuneration package and career path.

▶ CONSEQUENCE(S) OF THE RISK

- Disruption to daily business operations and incurring investment loss with regards to its human capital development.

▶ MITIGATION STRATEGIES

- Ensuring that the Group's remuneration package is competitive with industry standards.
- Establishing a competent talent pool with appropriate succession planning programmes to develop successors for key positions within the Group.
- Ensuring a healthy, harmonious, and conducive working environment that promotes work-life balance, which incorporates elements of professionalism, recreation, and team spirit.

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

Sustainability Statement

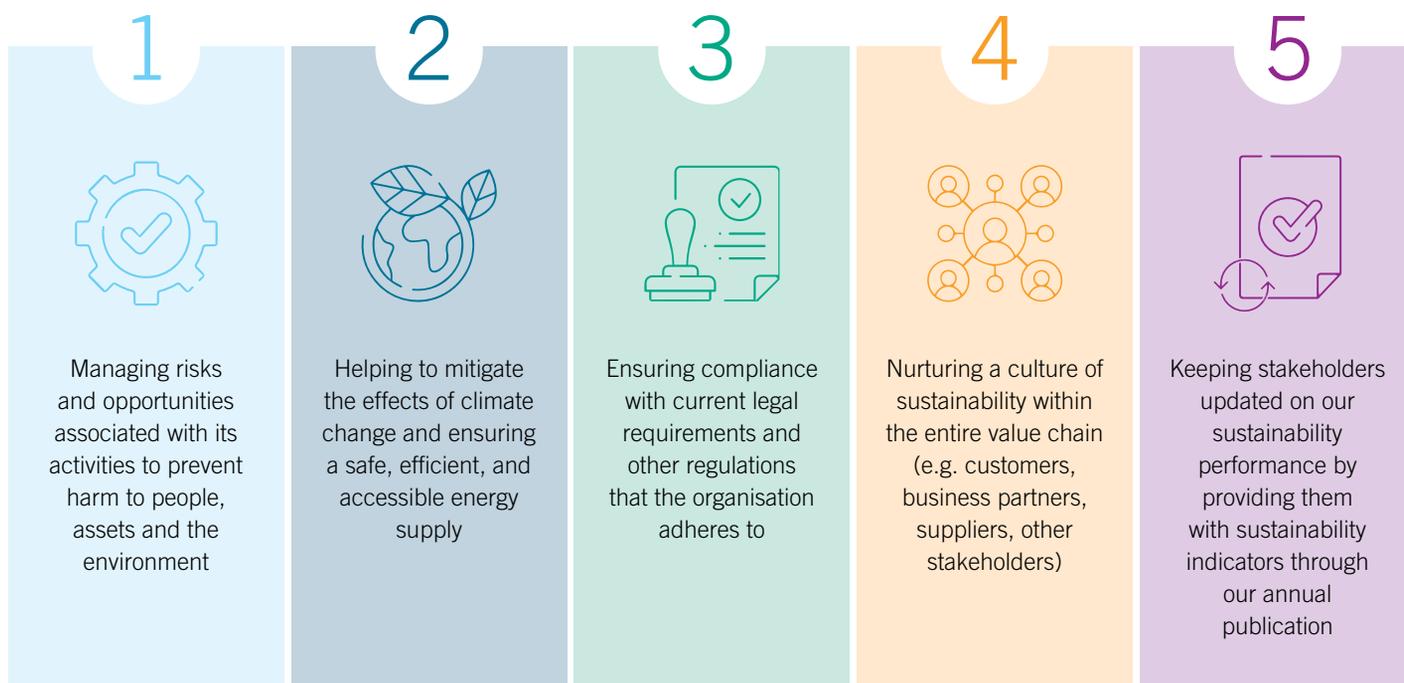
OUR ASPIRATIONS

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.

Sustainability Statement

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.

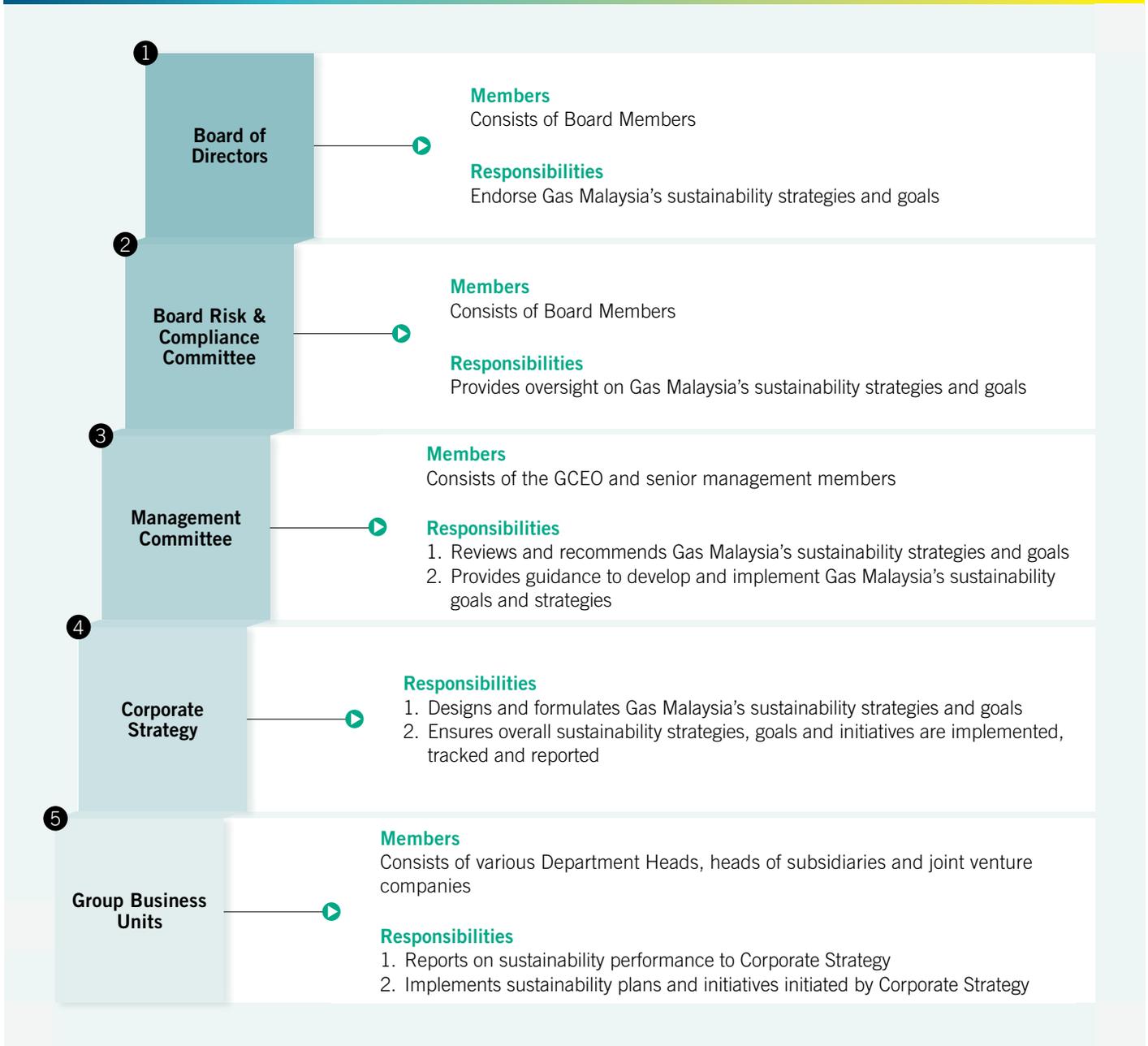
Below the RCC, is the Management Committee ("MC"), comprising the Group Chief Executive Officer ("GCEO") and senior management members of the company, is responsible for providing guidance to developing and implementing Gas Malaysia's sustainability goals and strategies. The MC reviews and recommends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

Sustainability Statement

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.

Sustainability Statement

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.

Sustainability Statement

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.

Sustainability Statement

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.

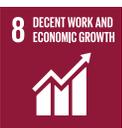
Sustainability Statement

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 	
				

Sustainability Statement

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:

 <p>Goal 3 Good Health and Well-Being</p>	 <p>Goal 7 Affordable and Clean Energy</p>	 <p>Goal 8 Decent Work and Economic Growth</p>	 <p>Goal 13 Climate Action</p>	 <p>Goal 16 Peace, Justice and Strong Institutions</p>
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Sustainability Statement

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.

Sustainability Statement



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.

Sustainability Statement



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

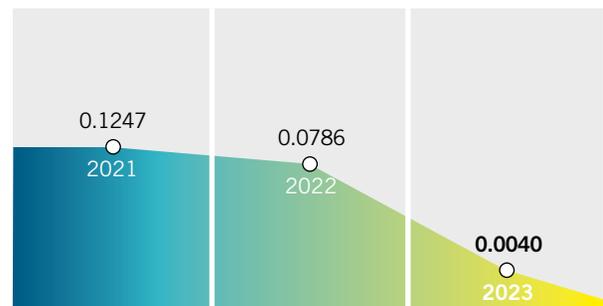
At our gas facilities, any third-party related works are approved and monitored through daily pipeline inspections by our Operations & Maintenance team in line with our standard operating procedures (“SOPs”). Additionally, these inspections also help us in identifying irregularities and avoiding any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

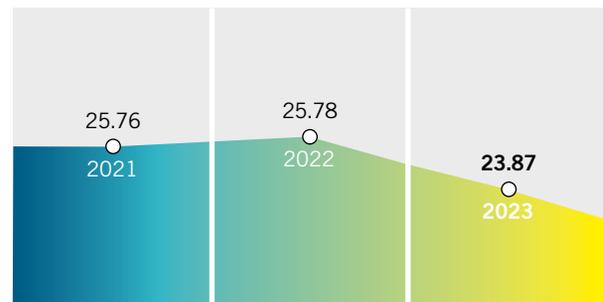
In 2023, we have recorded an improvement in our System Average Interruption Duration Index (“SAIDI”), achieving 0.0040 minutes of interruption per customer as compared to 0.0786 minutes of interruption per customer last year. Our average response time also improved from 25.78 minutes in 2022 to 23.87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

SAIDI Results by Year

SAIDI
(Average Minutes of Interruption per Customer)



Response Time
(Average Minutes Taken to Dispatch Response Team)



Sustainability Statement

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 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.

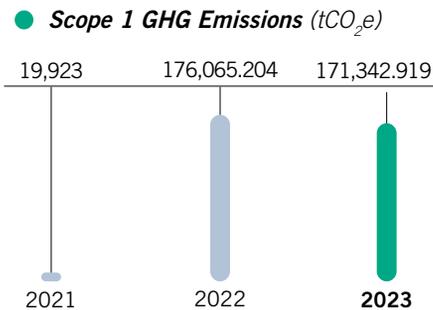
Sustainability Statement

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.

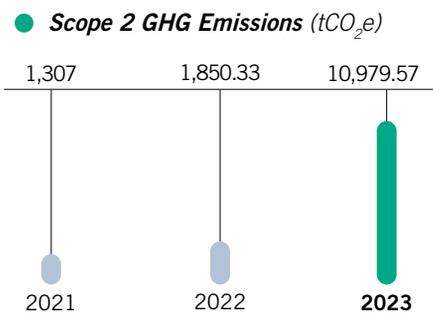
Our Scope 1 GHG emissions encompass direct emissions from sources under the control or ownership of Gas Malaysia, while Scope 2 accounts for indirect GHG emissions linked to the acquisition of heat, steam, electricity, or cooling. We have applied the operational control approach for the calculation of 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.

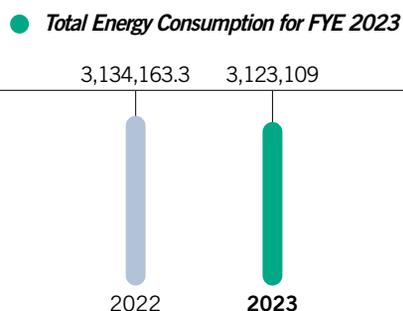


The increase in Scope 2 emissions from 2021 to 2022 is due to the increase in electricity usage as more staff members started working from the office resulting in more office space and facilities being utilised instead of working from home (due to COVID-19), and because our manpower increased from 2021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



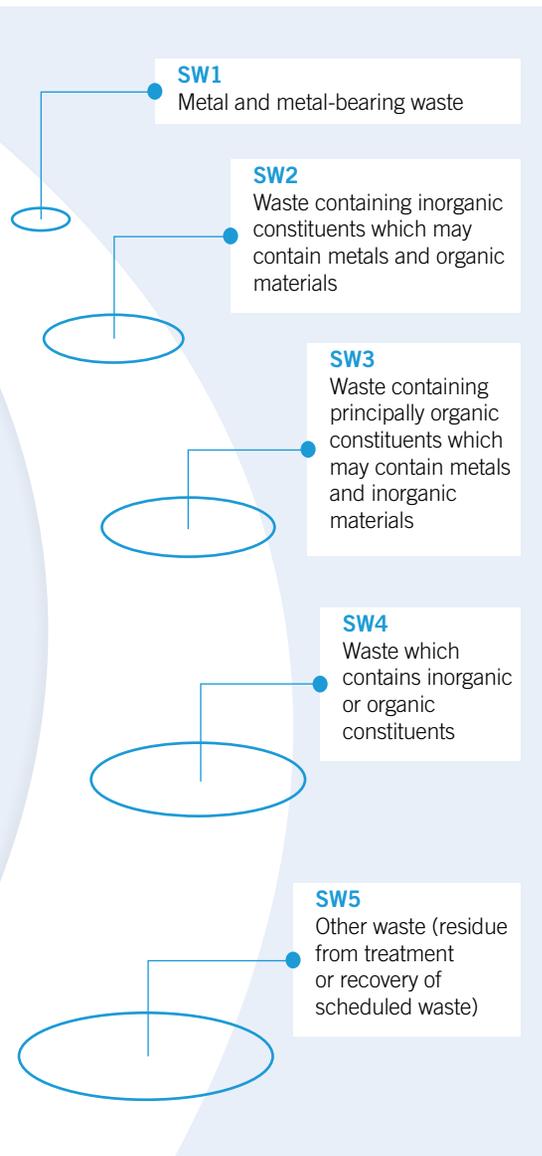
Sustainability Statement

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.

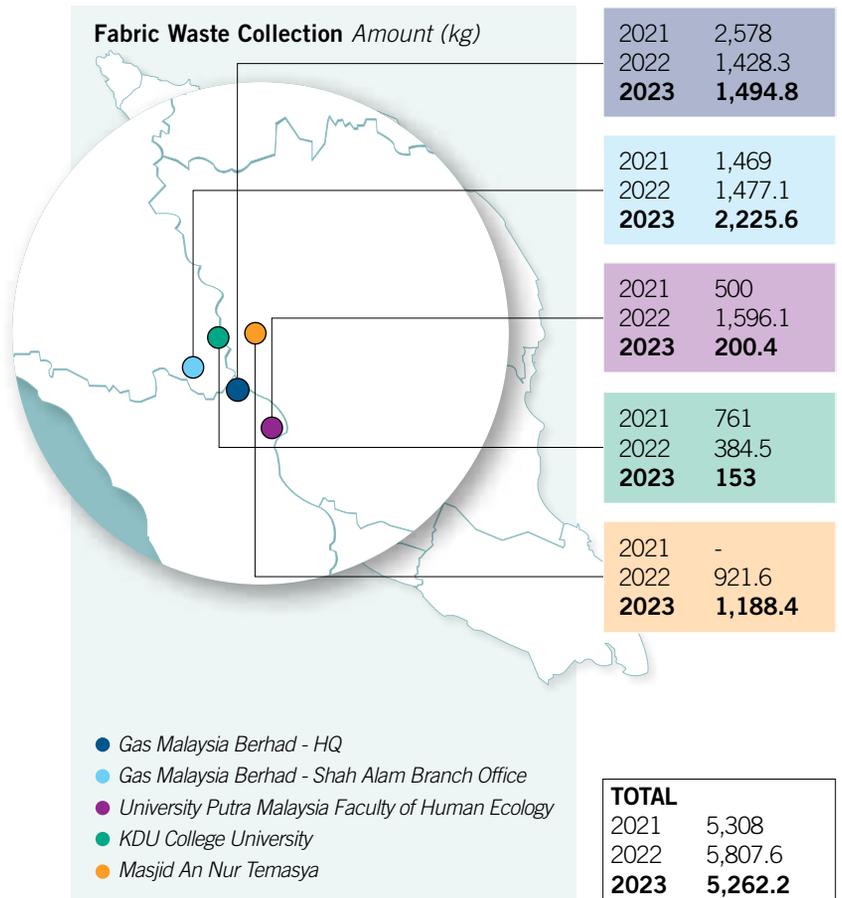
HOW WE MANAGE THE MATTER

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

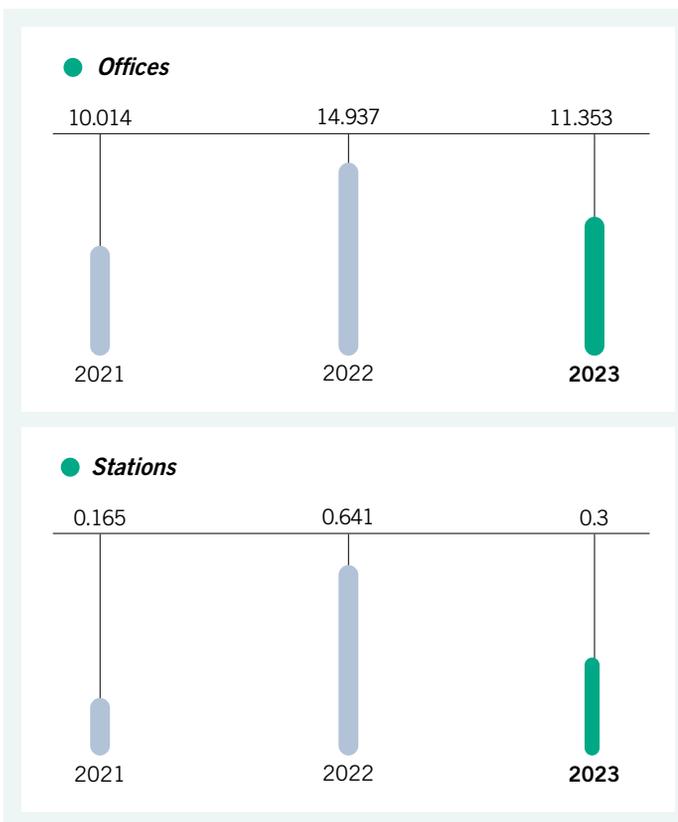
WATER CONSUMPTION

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



Economic

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



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

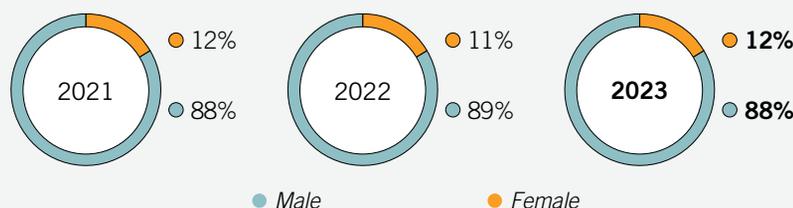
We recognise that employees at all levels may encounter problems and differences related to various aspects of their employment. As such, there may be instances where employees choose to address their individual concerns through formal channels or express their views and opinions to the management. Gas 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.

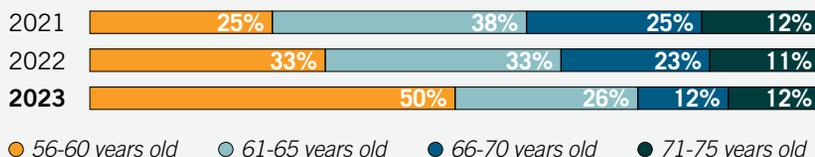
EMPLOYEE DIVERSITY

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

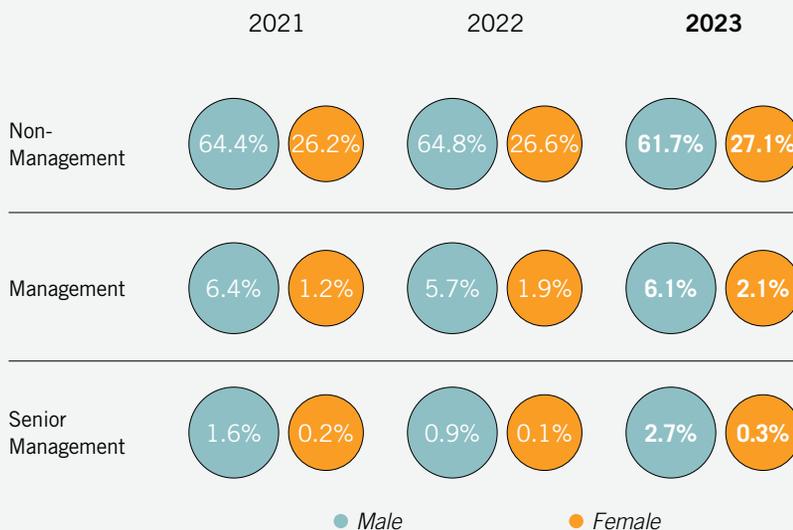
Percentage of Gas Malaysia's Board by Gender



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



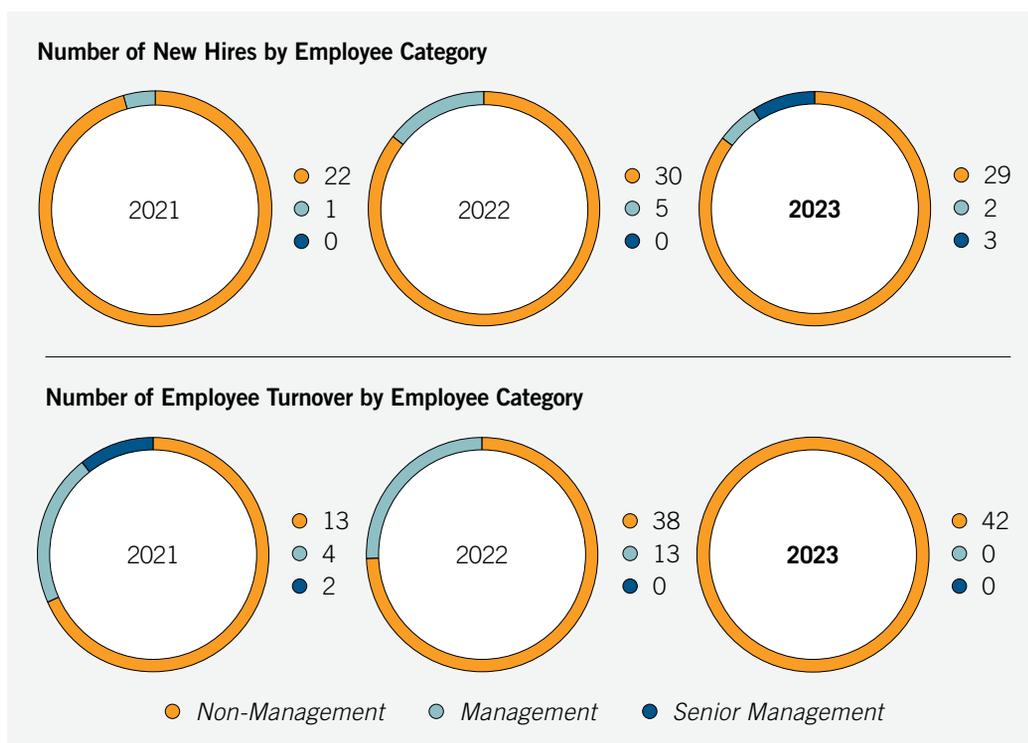
● Permanent Staff ● Contract Staff

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

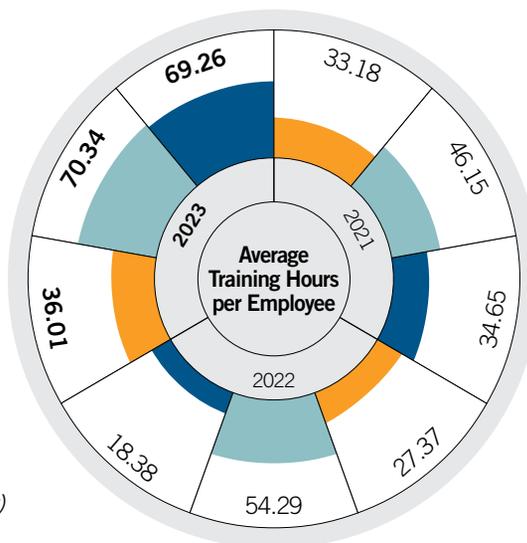
TRAINING, DEVELOPMENT & UPSKILLING PROGRAMMES

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%

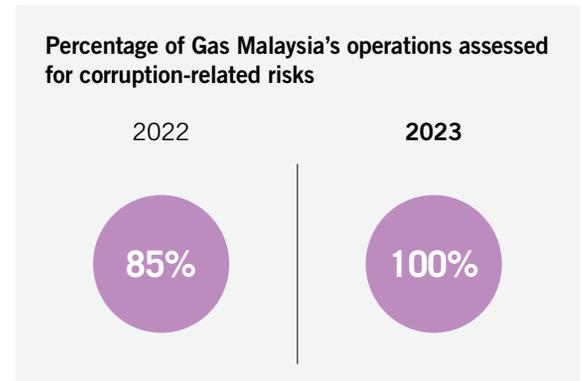
We also formulated our Gifts Guideline which clarifies our stance, categorises types of gifts, and sets forth the process for declaring gifts. Approval in accordance with the Gas Malaysia's Limits of Authority ("LOA") is required for accepting and offering gifts among employees, customers, vendors, contractors 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.

Internal assurance External assurance No assurance (*)Restated