

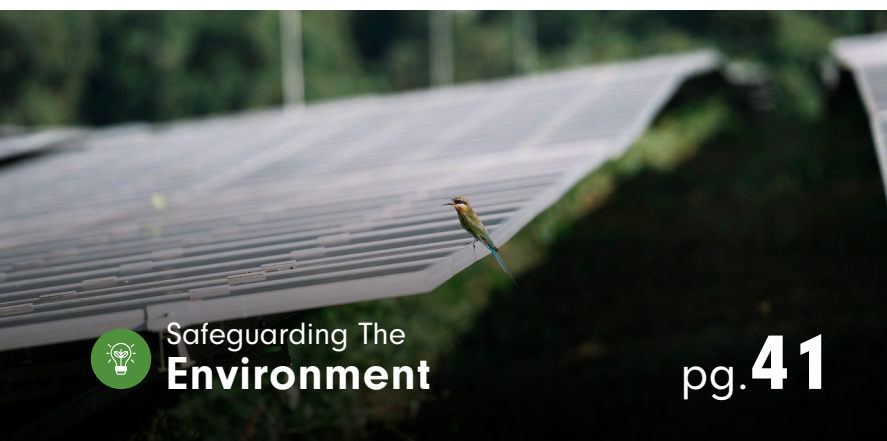


Leader Energy

LEADING THE FUTURE WITH RENEWABLE ENERGY

Sustainability Report 2023





Safeguarding The Environment

pg. **41**



Enriching Communities

pg. **55**



Upholding Good Governance

pg. **78**

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Cover Rationale

At Leader Energy, we draw inspiration from the graceful flight of a paper plane, embodying simplicity, efficiency, and minimal impact on our environment. This symbolises our commitment to harnessing the power of nature through solar, wind, and hydroelectric energy, propelling us towards a sustainable future.

Just as a paper plane soars effortlessly through the air, we endeavour to push the boundaries of innovation in the renewable energy sector. Our goal is to make clean energy as accessible and straightforward as launching a paper plane, aiming for a world where our clean energy solutions not only respect the planet but also safeguard it for generations to come.

Championing Responsible and Sustainable Practices

Welcome to Leader Energy Holding Berhad's (Leader Energy) inaugural Sustainability Report (Report) which underscores our efforts to champion the agenda of sustainability across our organisation. This Report serves as a tool to provide our stakeholders and other interested parties with a clear, comprehensive and balanced account of Leader Energy's value-creation efforts and Environmental, Social and Governance (ESG) performance in 2023.

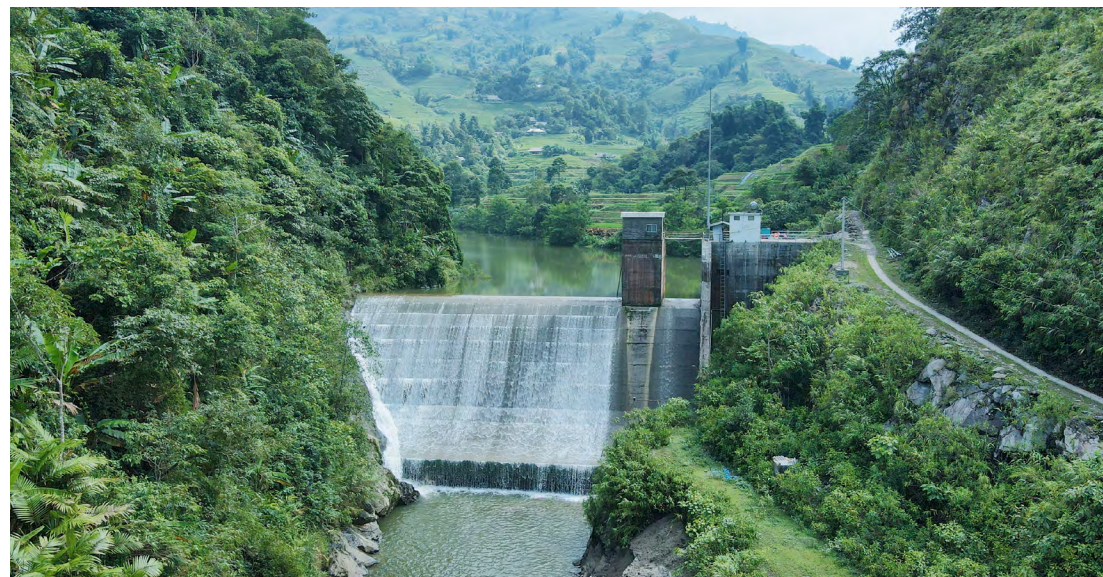
About This Report

Reporting Period, Scope and Boundary

Covering information and data for the period 1 January 2023 until 31 December 2023 (i.e., financial year 2023 or FY2023), this Report is published on an annual basis. It also includes any material events that occurred after this period right up to the publication of this Report.

The Report aims to provide a formal account of the sustainability action plans, achievements, and forward-looking commitments of Leader Energy as well as our subsidiary companies (the Group). Today, the Group is primarily engaged in the development, ownership, operation and maintenance of power assets and projects, while our portfolio consists of utility-scale power assets as well as commercial and industrial solar projects. This Report covers the material aspects of the Group's independent power-producing operations and power assets in Malaysia, Cambodia, Vietnam, Singapore, Indonesia, Thailand and Taiwan.

The data presented in this Report has been derived from various internal and external data collection methods which include, but are not limited to surveys, workshops, and other methods. We prioritise matters deemed most material or most important to the business and our stakeholders according to a materiality analysis that was undertaken in 2023.



This Report discloses our sustainability achievements in a concise, transparent and objective manner in line with the disclosure guidelines upheld by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures among other guidelines.

Holistic Reporting via Stakeholder Engagement

In our endeavours to produce a holistic report, we engaged with and consulted diverse stakeholder groups over the course of the year. Feedback from both external and internal stakeholders were compiled during engagement sessions. This entailed surveys undertaken with key customers, key banks and financial institutions, as well as our Board of Directors, Key Senior Management and heads of departments, advisors and managers. This did much to heighten our understanding of what is important to our stakeholders and strengthened the manner in which we responded to them.

Our Initial Steps Towards Independent Assurance

To strengthen the credibility of Leader Energy's 2023 Report, we have subjected it to independent assurance in specific areas in accordance with recognised assurance standards.


About This Report

STATEMENT OF ASSURANCE

Subject Matter	Scope	Conclusion
<p>Scope 1, 2 and 3 GHG Emissions in line with the ISO 14064-1 Standard¹</p>	<p>All Business Units over which Leader Energy has operational control.</p> <p>Our Scope 3 emissions data only includes indirect emissions from transportation (i.e., emissions from employee commuting and business travel).</p>	<p>Based on the process and procedures conducted, the GHG statement contained in the GHG Report produced by Leader Energy Holding Berhad (LEHB):</p> <ul style="list-style-type: none"> Is accurate, materially correct and is a fair representation of GHG data and information. Has been prepared in accordance with ISO14064-1:2018 and LEHB Greenhouse Gas Inventory Quality Management Procedure 2024; Doc. ID # LEHB/COR/GHGP; Rev. # 3; Effective Date: 19 January 2024 as the criteria used by BSI to verify the GHG Organizational Statement.

Note:

¹The International Organization for Standardisation or ISO 14064-1 standard covers GHG emissions inventories and verification.



Please refer to our website or scan the QR code for the assurance report provided by BSI Malaysia.

The Group’s internal teams are diligently monitoring and updating our reporting processes to ensure their accuracy and reliability. By continuously adhering to rigorous standards, we are aiming to ensure reinstatement in subsequent reports, demonstrating our commitment to maintaining high levels of reliable and uninterrupted disclosures. For future reporting cycles, we will endeavor to expand the scope of our assurance by subscribing to additional third-party assurance providers.

Data Measurement Techniques and Assumptions

The information provided in this Report regarding past events and future projections is based on the data and assumptions that were available at the time of its compilation. While some of the information may have been derived from public domain sources beyond our Group’s direct influence, our internal teams have endeavoured to conduct the necessary due diligence. This process ensures the accuracy of the information collected and confirms that its publication adheres to a reliable and methodical approach.



For the finer details of the data accounting principles, measurement techniques and assumptions that we have leveraged, please refer to our website or scan the QR code.

Statement of Responsibility by Our Leadership

Leader Energy’s Board of Directors, which has oversight for the Group’s sustainability endeavours as well as for sustainability leadership and governance, affirms its responsibility for ensuring the integrity of this Report. Together with the Board Sustainability Committee, Executive Management Committee and Sustainability Working Committee, among other committees, the Board works to determine and resolve sustainability-related matters throughout the length and breadth of the Group.

Acknowledging that a strong sustainability strategy is integral to the Group’s success as it has a material impact on the Group’s business strategy and performance as well as our ability to create long-term value and bolster stakeholder confidence, the Board is deeply committed to reinforcing the Group’s business framework with focused sustainable practices and initiatives. At the same time, the Board remains committed to ensuring that the Group’s sustainability strategies, priorities and targets, and performance against these targets, are communicated to internal and external stakeholders in a timely, transparent and objective manner.

We Welcome Your Feedback

In keeping with the spirit of being open, transparent and accountable, we welcome all queries and feedback on our sustainability disclosures. You may send your comments to:

Sustainability Department
Leader Energy Holding Berhad
Penthouse @ 26, The Pinnacle
Persiaran Lagoon, Bandar Sunway
46150 Petaling Jaya
Selangor, Malaysia

sustainability@leaderenergy.com

AN OVERVIEW OF OUR BUSINESS

Leader Energy is an independent power producer (IPP) that specialises in the development, ownership, operation and maintenance of power generation and transmission assets. Committed to sustainable, innovative, and socially responsible growth, the Leader Energy Group aims to be a leading provider of renewable, reliable, and affordable electrical energy that powers the economic growth of the Asia-Pacific region. To this end, we are cultivating an organisation that creates good stakeholder value, champions environmental sustainability, and prioritises employee health, safety, and empowerment, all for the long-term.

About Leader Energy

The Group operates within four distinct yet complementary business segments, which are vital to our comprehensive energy strategy and have their own distinct operational models and customer bases:

1 The Utility-Scale Business

2 The Commercial and Industrial (C&I) Solar Business

3 Battery Energy Storage System (BESS)

4 Consumer & Green Mobility Business

Our **Utility-Scale Business** focuses on large-scale power projects with a Gross Installed Capacity (GIC) of 10 Megawatts (MW) or above, which are connected to national power grids. Primarily catering to national grids, this segment delivers large power generation capacities, ensuring reliable electricity supply and maintaining crucial transmission lines to communities. This approach reinforces national energy infrastructures and aligns with governmental energy strategies.

The **C&I Solar Business** targets projects with a GIC of less than 10 MW, signifying Leader Energy's venture into the burgeoning solar rooftop energy market. This segment addresses the commercial and industrial sectors, offering tailor-made solar energy solutions.












Our **Battery Energy Storage System (BESS)** and **Customer & Green Mobility Business** will offer solutions to cater for evolving needs of our customers and energy transition.

The Group's involvement in BESS addresses the integration challenges of Renewable Energy (RE) sources into the grid, ensuring energy storage during surplus production and stabilising supply during peak demand or intermittent disruptions. Our first BESS facility, within our solar farm in Kedah, exemplifies its commitment to RE, with plans for further expansion.

The Group has expanded its operations into the retail energy sector, championing the accessibility of renewable energy sources for consumers. Its initial venture into retail focuses on the green mobility sector, where the Group is establishing and managing electric vehicle charging stations across Malaysia. This initiative underlines the Group's commitment in the green mobility industry, as it seamlessly integrates renewable energy sources into the charging infrastructure, contributing to the transformation of Malaysia's mobility landscape.

About Leader Energy













The Group currently operates in six Southeast Asian countries, namely Malaysia, Cambodia, Vietnam, Singapore, Indonesia and Thailand, as well as in Taiwan.

	Utility-Scale Business			C&I Solar Business							
Principle activities	Developing, owning and operating power generation assets		Power transmission	Developing, owning and operating power generation assets		Rental, Operations and Maintenance (O&M) service		Engineering, Procurement and Commissioning (EPC) services			
Energy source	Non-RE			RE			RE				
Location	COAL	SOLAR		HYDRO ¹		SOLAR					
	Cambodia	Malaysia	Vietnam	Vietnam	Malaysia	Vietnam	Singapore	Indonesia	Cambodia	Thailand	Taiwan
											

Note:

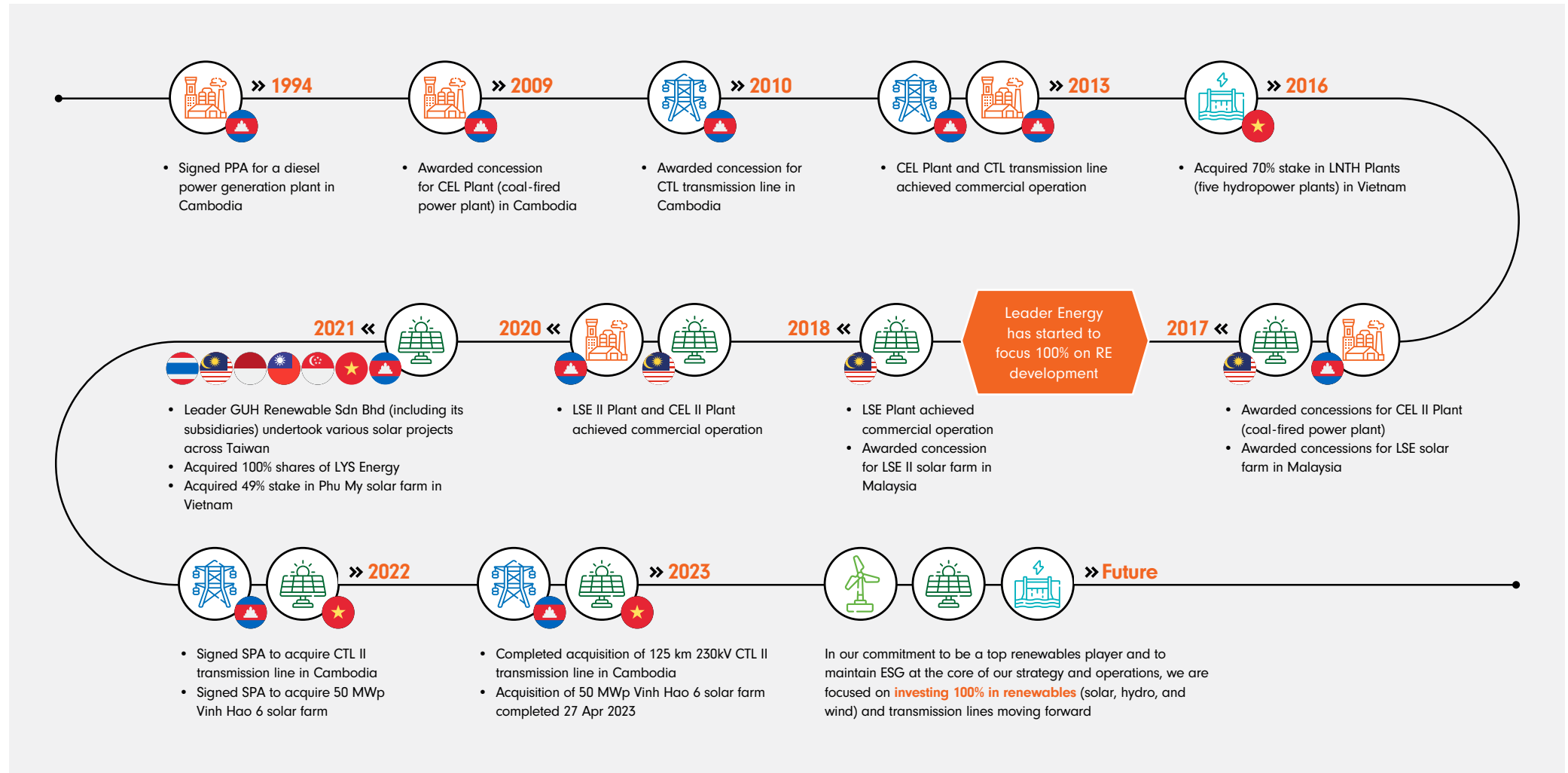
¹ 5 units of Small run-of-river hydropower.

Our Competitive Advantages

<p>An established industry player with a diverse portfolio of power assets across Southeast Asia and Taiwan</p> <p> 29 years of power industry experience and best-in-class in-house capabilities</p> <p> Operates across seven countries with a total GIC of 825.9 MW</p> <p> Strategically positioned to capture growth in renewables</p>	<p>Majority of revenues are backed by long-term PPA agreements with high quality counterparties</p> <p> >90% of revenues underpinned by long-term concession agreements (20-30 years) with government-linked entities</p> <p> Steady stream of income from diversified renewable assets</p> <p> Predictable and stable cash flows to undertake new financing for new RE projects</p>	<p>Committed to being a top renewables player and maintaining ESG at the core of its business</p> <p> Large RE development pipeline of ~330 MW</p> <p> A clear commitment to achieve long-term climate goal of Net Zero Greenhouse Gas (GHG) emissions by 2050</p> <p> Transitioned to RE in 2016 and since 2018 has pledged to only develop or acquire RE assets</p>	<p>Experienced management team and employees with a proven track record and deep industry expertise</p> <p> >100 years of combined experience in the power sector</p> <p> Demonstrated track record in scaling the renewables business</p> <p> Leveraging the experience and expertise of its people to continue growing the business</p>

About Leader Energy

Our Milestones



Notes:

CEL : Cambodian Energy Limited
 CEL II : Cambodian Energy Limited II
 CTL : Cambodian Transmission Limited
 CTL II : Cambodian Transmission Limited II

LNTH : Leader Nam Tien Hydropower Joint Stock Company
 PPA : Power Purchase Agreement
 SPA : Sales and Purchase Agreement

About Leader Energy

Our Renewable Energy (RE) and Non-RE Assets

RE Business

Leader Energy's transition to RE began in 2016 with the Group's acquisition of a majority stake in Leader Nam Tien Hydropower Joint Stock Company (LNTH) Plants in Vietnam, which consist of five small hydropower plants. Since then, we have continued to develop and incorporate more sustainable approaches into our future planning and business strategies which are focused exclusively on RE power projects.

Our goal to expand our RE power assets has seen the Group acquire the following assets since our first entry into the RE market. These acquisitions are in line with our pledge to only develop RE generation assets moving forward. To date, Leader Energy owns and operates the following RE power assets:

- **LNTH Plants**

Located in Lao Cai Province, Vietnam, the LNTH Plants consist of five small hydropower facilities with a combined GIC of 51.7 MW. These run-of-river plants, acquired by Leader Energy Vietnam Private Limited (LEPVL), our subsidiary, in July 2016, feature dams and water conveyance systems that utilise the natural flow of the river.

- **Phu My Plants**

In South-Central Vietnam's Phu My district, we own three ground-mounted solar PV power plants with a total GIC of 330 Megawatt peak (MWp), which we acquired via a 49% stake in Clean Energy Vision Development Joint Stock Company (CEVD), the owning entity, by LEVPL in December 2021.

- **Vinh Hao 6 Plant**

Located in Tuy Phong district, Vietnam, this ground-mounted solar PV plant has a GIC of 50 MWp. LEVPL fully acquired Vinh Hao Joint Stock Company (VHJSC), the owning entity, in April 2023.

- **LSE Plant and LSE II Plant**

In Malaysia, we own two solar farms with a total GIC of 67.4 MWp. These plants are currently operating under a 21-year Build-Operate-Own (BOO) concession which began in October 2018.

- **Commercial and Industrial (C&I) Solar Projects**

This business segment oversees the installation of on-site solar PV systems for commercial and industrial sector clients in the countries we operate in.

- **CTL and CTL II Transmission Line**

Comprising the CTL and CTL II Transmission Line Assets, these lines are part of our Cambodian RE portfolio and help to transmit electricity from hydropower plants. The CTL II was acquired in March 2023.

Non-RE Business

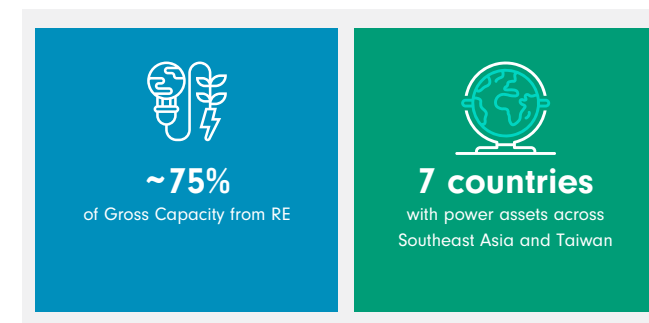
Leader Energy owns and operates two coal-fired power plants in Cambodia – the CEL Plant and the CEL II Plant which offer a combined GIC of 270 MW.

- The CEL Plant, a pioneer among Cambodian coal-fired plants, started operations in December 2013 under a 30-year BOO concession granted in 2009. The concession is set to expire in December 2043.

- The CEL II Plant entered into an agreement with the Government of Cambodia (acting through the Cambodian Ministry of Mines and Energy (MME)) in March 2017, to construct an additional coal-fired power plant with a GIC of 150 MW with a net dependable capacity of 135 MW. The CEL II Plant began operating under a 30-year BOO concession in April 2020 which will conclude in April 2050.

Both plants, located in Cambodia and managed through wholly-owned subsidiaries CEL and CEL II, represent Leader Energy's sole non-RE assets.

Leader Energy at A Glance



Further details on Leader Energy can be found on our website or scan the QR code.

Group Chairman Statement



The Group is deeply committed to upholding the agenda of sustainability across our organisation and throughout the markets we operate in.

Dear Valued Stakeholders,

We bid you a warm welcome to Leader Energy Holding Berhad's (Leader Energy or the Group's) inaugural Sustainability Report which underscores our efforts to champion the agenda of sustainability across our organisation. As we reflect on the year 2023 which was pivotal to shaping our sustainable journey, we are pleased to share with you the strong strides made by Leader Energy in advancing our sustainability commitments.

The Group is deeply committed to upholding the agenda of sustainability across our organisation and throughout the markets we operate in. Sustainability has become an integral aspect of our corporate philosophy, influencing every facet of our operations. While our focus on sustainable economic growth is vital to our long-term vision, we are dedicated to balancing this out with good environmental stewardship, impactful social responsibility and ethical governance practices.

The importance of sustainability within the Group is underscored by the Board's commitment to ensuring significant oversight of sustainability-related matters via the establishment of the Board Sustainability Committee (BSC). Together with the Management, the BSC has implemented a strong sustainability-focused foundation by establishing a robust Sustainability Strategy and related policies that reinforce the Group's Vision, Mission, and strategic focus. We have strengthened these elements by aligning them with global best practices and emerging sustainability trends.

In carrying out a business in the dynamic energy sector, the Board recognises our responsibility for addressing the challenge of climate change, an issue with global implications. To this end, we have charted a comprehensive Decarbonisation Pathway, targeting substantial reductions in our carbon footprint. Our commitment to achieving Net Zero GHG Emissions by 2050 underscores our dedication to being part of the solution to mitigating climate change.

Social responsibility too remains a core pillar of our sustainability strategy. In 2023, we forged impactful partnerships with non-governmental and community organisations to make a positive and lasting impact on the

communities we serve. Reflecting on the year, the Group invested USD143,185 in a diverse range of Corporate Social Responsibility (CSR) initiatives, marking a 116% increase over the previous year's total CSR investment. This enhanced financial commitment represents a significant intensification of our CSR efforts, underscoring our deepening commitment to community engagement, social responsibility and environmental stewardship in the markets the Group operates in.

Acknowledging that good governance is essential for good business, we are championing effective corporate governance principles and ethical business practices across all our operations in every market we serve. Responsible business conduct is key to building trust among our many stakeholders and as such we are ensuring our compliance and business ethics initiatives are deeply embedded within our corporate culture and operational framework.

Many parties have been instrumental in our sustainability journey. We extend our heartfelt gratitude to our colleagues on the Board, the Management of Leader Energy and our dedicated employees for their unwavering support and determination to spearhead the Group's sustainability agenda. To our customers, business partners and the many governments we work with, a big thank you for your steadfast cooperation and confidence in us.

As we venture forth, Leader Energy is determined to create a sustainable future that benefits not only our company but the communities in the markets we operate in and our planet. Thank you for your unstinting support in making this a reality.

Sincerely,

DATO' N SADASIVAN A/L N.N.PILLAY
Chairman of the Board

Group Chief Executive Officer Statement



Dear Valued Stakeholders,

We are pleased to present the 2023 Sustainability Report of Leader Energy, a testament to the Group's unwavering commitment to championing sustainability and responsible business practices. This dedication empowered us to adeptly navigate the complexities of our operational environment in 2023, ensuring resilience and the delivery of substantial value to all our stakeholders. This Report highlights our efforts to embed sustainability throughout our organisation and provides a comprehensive overview of our initiatives and achievements in this critical area.

The increasing importance of sustainability in business is undeniable, with heightened scrutiny on how companies impact the economy, environment, and society. Ignoring sustainability can lead to operational difficulties and harm a company's reputation. However, embracing sustainability enhances operational efficiency, reduces supply chain costs, and provides a competitive edge through innovation, market expansion, and a stronger brand.

In our interconnected world, Leader Energy is committed to leading the charge towards a sustainable future, addressing critical challenges such as climate change and the energy transition. Renewable energy (RE) stands at the heart of this transition, heralding

a shift to a more sustainable, resilient, and inclusive energy landscape. With advancements in technology and policies, RE's role in global energy systems is set to become more pivotal.

Since 2016, when we began our renewable journey by acquiring a majority stake in hydropower plants in Vietnam, Leader Energy has been at the forefront of the energy transition. Our unwavering commitment to exclusively developing RE assets underscores our dedication to sustainability. This commitment is not only evident in our strategic focus on RE projects but also in our ambitious long-term goal to achieve Net Zero GHG Emissions by 2050. Our clear roadmap mandates the cessation of non-RE asset development or acquisition and the phasing out of our existing coal-fired power plants the latest by 2050, aligning our operations with global sustainability objectives.

Building on this foundation, we have also established a concrete pathway to meet our short and medium-term transition targets, aiming for a 50% reduction in GHG intensity by 2030 and a 40% total GHG reduction by 2041, using 2021 as the base year. The next critical phase in our journey is the effective execution of these strategic plans.

For us, sustainability is not just a checkbox or a response to external pressures; it is a guiding principle embedded in every facet of our operations, a genuine reflection of our values, and recognition of the profound impact businesses can have on the world.

As we focus on minimising our environmental footprint, upholding social equity, and fostering economic resilience, we are proud of the many milestones we have achieved thus far. In 2023, we strengthened our sustainability foundation by developing additional sustainability-related policies encompassing Biodiversity, Human Rights, Diversity, Equality and Inclusion and Sustainable Procurement.

On the social front, we continued to engage and invest in our communities in areas we operate, through our various community investment projects. The year saw us stepping up our game by committing to five-year-long CSR programmes on mangrove conservation in Kedah, Malaysia and river cleanups in Phnom Penh, Cambodia. We believe partnering with local NGOs will bring more impact to these community projects in efforts to support climate action and contribute to a clean environment.

We also paid close attention to nurturing our talent pool and have been diligently managing the career growth of our talent as well as bolstering our workforce by adding new talent. We will continue to foster a work culture that is inclusive and respects the diversity we have.

On the governance front, we made progress by establishing Board Committees to support our leadership. The rollout of policies and procedures related to Data Privacy and Gifts and Hospitality complements our existing Anti-Bribery and Anti-Corruption Policy and procedures which further strengthens our commitment to good governance and business ethics.

These are but some of the many initiatives that we implemented in 2023 to strengthen our sustainability efforts. Recognising that the road ahead is long and arduous and the challenges complex, we are committed to fostering a culture of innovation and collaboration, within our organisation and throughout our value chain. By working hand in hand with our stakeholders, we aim to find innovative solutions, set new benchmarks, and create a sustainable future.

As we venture forth to secure the future of Leader Energy by ensuring sustainable growth and creating long-term shared value, our stakeholders can rest assured that we will continue to strengthen the building blocks that are in place through responsible practices and good ESG performance. As we work to enhance our sustainability initiatives and our sustainability disclosure, we call upon all our stakeholders to continue lending us their unwavering support.

As you browse through this Sustainability Report, we are confident that you will find it an informative and interesting read. It is not merely a compliance document; it is a testament to our dedication to transparency and accountability. We invite our shareholders, customers, employees, and the wider community to explore the details of our sustainability efforts, to hold us accountable, and to join us on this transformative path. Thank you for your support.

Sincerely,

GAN BOON HEAN
Group Chief Executive Officer

Chief Sustainability Officer Statement



Dear Valued Stakeholders,

For Leader Energy, 2023 was the year in which we focused our efforts on establishing a strong sustainability foundation for the Group anchored on a robust sustainability framework encompassing effective strategies, policies and targets that permeated every facet of our organisation.

During the year, climate change was a topic of material significance for our organisation. To address climate change head-on and to proactively manage our own emissions across our footprint, we established our Decarbonisation Pathway related to CO₂ emissions reductions, with the ultimate goal of achieving Net Zero GHG Emissions by 2050.

To kickstart efforts in this area, we began exploring pilot programmes for carbon capture technologies and biomass co-firing. In addition, we continued to set energy reduction targets and address our energy consumption levels. We also initiated the development of our Scope 3 inventory with the aim of completing full disclosure of this inventory by 2024 together with a transparent climate action management strategy.

In 2023, recognising the need to ensure a sustainable impact through our community investment programmes, we went on to establish two signature long-term CSR programme with our partner NGOs – the Mangrove Conservation Programme with Global Environment Centre at the Kuala Muda Forest Reserve in Kedah, Malaysia and the River Clean-Up Programme with River Ocean Cleanup in Phnom Penh, Cambodia.

To make a meaningful difference in the markets we operate in, our teams dedicated themselves to a total of 54 CSR initiatives and invested 4,143 volunteer hours, of which 1,672 and 2,471 hours were devoted to environmental and social activities respectively.

Throughout our markets, we complied with the requisite regulations that prioritised the health and well-being of our employees while also being responsive to our customers' needs. Efforts to bolster our corporate governance framework and business ethics culture also continued to gain traction, demonstrating their intrinsic value in preserving Leader Energy's reputation, safeguarding our stakeholders' interests and ensuring our ability to create sustainable value.

Over the course of the year, the Group's businesses continued to make substantial progress aligning more closely with the Group's Sustainability Strategy that was launched in September 2023. We also went on to develop ESG targets for our material matters and initiated comprehensive sustainability awareness training programmes throughout the Group, targeting our Board, Senior Management, employees, and key suppliers. These training initiatives were designed to deepen our people's understanding of the critical role they each play in effectively implementing our sustainability strategies.

As we move forward into 2024, we remain committed to evolving our approach to corporate sustainability. We will also continue to engage with all our stakeholders across our value chain to gauge their feedback and perspectives to enrich our sustainability endeavours.

We welcome interested parties to read our report and support us in our transformational journey towards a future powered by RE. Your support is invaluable. Thank you.

Yours sincerely,

EVELYN CHEE
Chief Sustainability Officer

OUR

SUSTAINABILITY

APPROACH



FOCUS AREAS

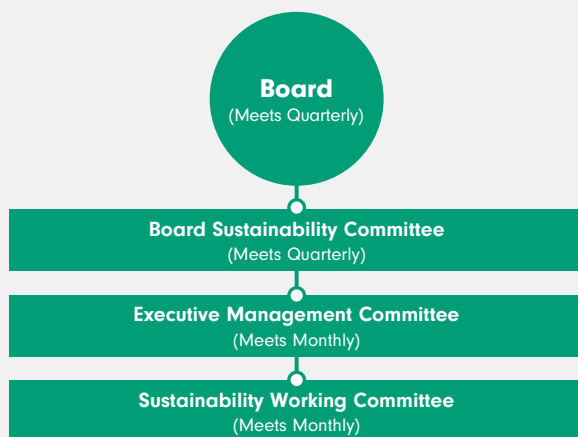
- Sustainability Governance
- Stakeholder Engagement
- Material Matters
- Sustainability Strategy

Sustainability Governance

Our Board of Directors and Senior Management (our leadership) are responsible for Leader Energy's sustainability agenda as well as for sustainability leadership and governance. One of their key mandates is to ensure that the Group's strategic plan supports long-term value creation and includes strategies on ESG considerations.¹

To ensure this responsibility for sustainability oversight is implemented and upheld effectively, our leadership has set in place a robust sustainability governance structure and strategy. These elements are integral to the Group's business success as they have a material impact on our business strategy and performance as well as our ability to create long-term value and strengthen stakeholder confidence. Our leadership team in turn is supported by various sustainability-related committees tasked with reinforcing the sustainability governance structure and strategy by ensuring focused sustainable practices and initiatives are embedded throughout the length and breadth of the Group's operations.

Our Sustainability Governance Structure



Note:

¹ Adapted from 'Roles & Responsibilities of the Board' (Item 4.1.1 c), pg. 7 of the Leader Energy Holding Berhad (LEHB) Board Charter.

ROLES AND RESPONSIBILITIES

Group Leadership

Our Board and Senior Management diligently observe the recommendations under the Malaysian Code on Corporate Governance (MCCG) which advocates that boards and management teams take responsibility for sustainability governance including setting sustainability strategies, priorities and targets. Our leadership is also mandated with ensuring that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to internal and external stakeholders in a timely and transparent manner. They are also called to keep abreast of and understand the material sustainability issues, including climate-related risks and opportunities, relevant to Leader Energy and its businesses.

Board

The Board takes responsibility for the governance and the implementation of the Group's sustainability strategies and plans assisted by the Board Sustainability Committee to ensure the Group's business resilience and to create long-term value for its shareholders and other key stakeholders.

Board Sustainability Committee

The Board Sustainability Committee (SC) assumes responsibility for and on behalf of the Board in overseeing the successful implementation of our sustainability strategy. Every quarter, the Sustainability Committee conducts thorough reviews, assessments, reports and provides relevant recommendations to the Board pertaining to various sustainability matters.



Sustainability Governance

Executive Management Committee

The Executive Management Committee (EMC), chaired by the Executive Deputy Chairman and comprising the Group Chief Executive Officer (CEO) and selected Key Senior Management, plays a pivotal role in advancing sustainability within our organisation. EMC meetings held monthly serve as a platform for in-depth discussions on sustainability performance and related matters. Through these dedicated sessions, we ensure that sustainability remains at the forefront of our strategic decision-making and that our actions align with our sustainability goals.

Sustainability Working Committee

The Sustainability Working Committee (SWC), chaired by our Chief Sustainability Officer (CSO), was established with the purpose of effectively managing and driving the implementation of our sustainability programmes. This committee is entrusted with the responsibility for making informed recommendations to the EMC, SC, and/or Board on all matters that necessitate management, board decision-making and approval relating to sustainability. Through the SWC's diligent efforts, we ensure that sustainability initiatives are effectively executed, and strategic decisions align with our commitment to sustainability across our Group.

The SWC comprises the Group CEO, Group Chief Operating Officer (COO), CSO and Business CEOs, with representation from all appointed Sustainability Champions as well as the Human Resources, Group Governance, Risk Management and Compliance, and Procurement Departments.

The SWC meets on a monthly basis and has the following roles and responsibilities:

- ➔ Developing and reviewing sustainability-related policies, strategies, procedures, and guidelines;
- ➔ Reviewing sustainability performance and trend analysis;
- ➔ Reviewing ESG risks and setting action plans to mitigate these risks accordingly;
- ➔ Discussing independent audits and assurance reports; as well as
- ➔ Discussing and reviewing sustainability communications plans, disclosures and activities.

To ensure the seamless integration of sustainability throughout our organisation, we have designated Sustainability Champions for each business division and the relevant corporate departments. These individuals play vital roles in fostering a sustainability culture within the Leader Energy Group.



Stakeholder Engagement

The Importance of Stakeholder Engagement

Stakeholder engagement activities are indispensable to Leader Energy as our stakeholders can influence our business activities, business outcomes, and value-creation abilities over time. Recognising how important effective stakeholder engagement activities are to our long-term, sustainable growth, we remain committed to remaining an inclusive organisation that is discerning of our diverse stakeholders' needs.

Defining Our Stakeholders

In defining our stakeholders, we consider the individuals or interest groups who are most impacted or influenced by Leader Energy's business activities and/or presence and vice versa. We view them as valued resources that are able to help us establish what is most material or important on the value creation and ESG fronts. Through systematic and regular engagement with our diverse stakeholder groups, we have gathered valuable insights into their perspectives and have a better understanding of their needs. The results of these engagement activities are essential as they influence our leadership's decision-making processes, business outcomes, and the Group's ability to deliver value.

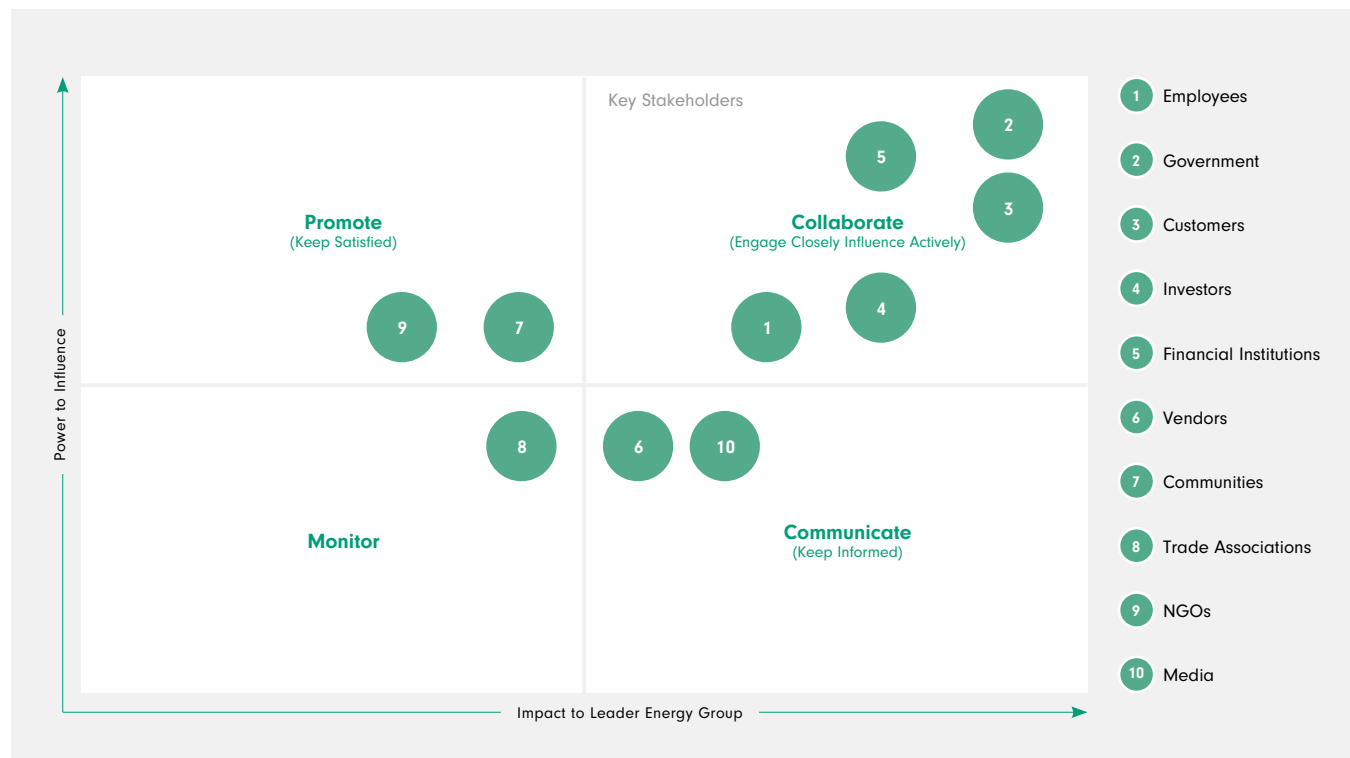
Analysing Our Stakeholders

The following Stakeholder Analysis Map portrays the level of influence that we have on certain stakeholder groups and the impact that each stakeholder group has on Leader Energy. The Stakeholder Analysis Map on the right portrays the 10 key stakeholder groups we have identified and prioritised according to the level of influence we have over them and the power they have to impact us.

We have then divided the map into four groups to signify the manner by which we are to engage with each of these stakeholder groups:

- **Collaborate** – stakeholders whom we need to engage closely and influence actively on our sustainability agenda;
- **Communicate** – stakeholders whom we need to keep well informed of our sustainability agenda;
- **Promote** – stakeholders whom we need to keep satisfied on our sustainability agenda; and
- **Monitor** – stakeholders whom we need to keep abreast of to ensure alignment with our sustainability agenda.






Leader Energy Group - Stakeholder Analysis Map







Stakeholder Engagement

Upon segmenting our diverse stakeholder groups, we have gone on to actively engage with them via a range of face-to-face activities and online communication channels. The following table reflects Leader Energy's diverse stakeholder groups, the relevant value propositions, the material matter of concern, our strategic response and the manner and frequency by which we engage with them:

Our Stakeholder Engagement Activities

Stakeholder Group	Stakeholder Value Proposition	Our Value Proposition	Material Matter of Concern	Our Strategic Response	How We Engage with Our Stakeholders	Frequency
Employees 	<ul style="list-style-type: none"> Career development and growth in a sustainable organisation 	<ul style="list-style-type: none"> Competent and engaged workforce 	<ul style="list-style-type: none"> Human Capital Health and Safety Business Knowledge and Financial Performance Diversity and Inclusion 	<ul style="list-style-type: none"> Nurturing talent Talent attraction and retention programmes Employee engagement programmes Diversity and inclusion initiatives 	<ul style="list-style-type: none"> Townhalls Employee Corporate Social Responsibility (CSR)/volunteer programmes Feedback surveys 	<ul style="list-style-type: none"> Annually Quarterly Annually
Government 	<ul style="list-style-type: none"> Increase in RE mix and economic growth Provision of job opportunities and development of local talent 	<ul style="list-style-type: none"> Business development and financial growth 	<ul style="list-style-type: none"> Reliable and Sustainable Energy Climate Change Waste Management Non-greenhouse gas (GHG) Emissions Water Management Land Use and Biodiversity Human Capital 	<ul style="list-style-type: none"> Promote sustainable reliable energy Decarbonise towards Net Zero Promote circular economy Biodiversity conservation Environment Management Plan (EMP) implementation Local talent hiring 	<ul style="list-style-type: none"> Conferences/seminars Meetings/forums Site visits 	<ul style="list-style-type: none"> As and when required
Customers 	<ul style="list-style-type: none"> Sustainable reliable energy Increase in RE mix 	<ul style="list-style-type: none"> Increased market share 	<ul style="list-style-type: none"> Business Knowledge and Financial Performance Asset Integrity Data Privacy and Cybersecurity Human Rights 	<ul style="list-style-type: none"> EMP implementation Local talent hiring Human rights management plan Cybersecurity programme 	<ul style="list-style-type: none"> Site visits Meetings Satisfaction surveys 	<ul style="list-style-type: none"> As and when required
Financial Institutions 	<ul style="list-style-type: none"> Increased financial portfolio confidence 	<ul style="list-style-type: none"> Better access to financing 	<ul style="list-style-type: none"> Climate Change Business Knowledge and Financial Performance Ethics and Integrity Human Rights 	<ul style="list-style-type: none"> Promote sustainable reliable energy Decarbonise towards Net Zero Compliance and business ethics programme Human rights management plan 	<ul style="list-style-type: none"> Meetings Briefing sessions 	<ul style="list-style-type: none"> As and when required
Investors 	<ul style="list-style-type: none"> Increased shareholder/investor confidence 	<ul style="list-style-type: none"> Better access to financing 	<ul style="list-style-type: none"> Business Knowledge and Financial Performance Climate Change Ethics and Integrity Human Rights 	<ul style="list-style-type: none"> Decarbonise towards Net Zero Compliance and business ethics programme Human rights management plan 	<ul style="list-style-type: none"> Roadshows 	<ul style="list-style-type: none"> As and when required

Stakeholder Engagement

Stakeholder Group	Stakeholder Value Proposition	Our Value Proposition	Material Matter of Concern	Our Strategic Response	How We Engage with Our Stakeholders	Frequency
Vendors 	<ul style="list-style-type: none"> Increased business growth 	<ul style="list-style-type: none"> Reputation benefits associated with sustainable vendors 	<ul style="list-style-type: none"> Business Knowledge and Financial Performance Climate Change Ethics and Integrity Human Rights 	<ul style="list-style-type: none"> Sustainable supply chain programme Compliance and business ethics programme Human rights management plan 	<ul style="list-style-type: none"> Vendor briefings Due diligence Self-assessment survey 	<ul style="list-style-type: none"> Annually
Communities 	<ul style="list-style-type: none"> Improved livelihood 	<ul style="list-style-type: none"> Good relationship with local communities 	<ul style="list-style-type: none"> Land Use and Biodiversity Non-GHG Emissions Water Management 	<ul style="list-style-type: none"> Community investment CSR strategy and programmes 	<ul style="list-style-type: none"> Community consultations CSR programmes 	<ul style="list-style-type: none"> Annually Quarterly
Trade Associations 	<ul style="list-style-type: none"> Advancement in RE 	<ul style="list-style-type: none"> Obtain insights into new and emerging technologies and strategies 	<ul style="list-style-type: none"> Climate Change Asset Integrity 	<ul style="list-style-type: none"> Decarbonise towards Net Zero Involvement in promoting RE and climate action 	<ul style="list-style-type: none"> Conferences/seminars Meetings/forums 	<ul style="list-style-type: none"> As and when required
Non-Governmental Organisations (NGOs) 	<ul style="list-style-type: none"> Combat climate change and conserve natural resources 	<ul style="list-style-type: none"> Reputational benefits to continue to operate without business interruption 	<ul style="list-style-type: none"> Climate Change Land Use and Biodiversity 	<ul style="list-style-type: none"> Biodiversity conservation Community investment 	<ul style="list-style-type: none"> Conferences/seminars/webinar/forums 	<ul style="list-style-type: none"> As and when required

Ongoing Engagement

It is imperative that we hear and understand the perspectives of our many stakeholders. To this end, we are continually improving our engagement methods and practices to ensure better quality and more effective engagement opportunities.



For the finer details of how Leader Energy served and engaged with its diverse stakeholders throughout FY2023, please turn to the 'Valued Partnerships' section of this Report.

Material Matters

Determining What is Material to Us

As we focus our efforts on conducting the Group’s business in a sustainable manner, we are guided by our material matters. Material matters are defined as those significant topics, aspects, and disclosures that have a direct or indirect impact on our ability to create, preserve, or erode value for the Group, our stakeholders, and the environment we operate in. We determine our materiality topics via a thorough assessment that combines our understanding of our value creation and ESG impacts, the market landscape our businesses operate in, and the data and insights garnered from our stakeholders.

Materiality Assessment Methodology

In 2023, we conducted a materiality assessment among internal and external stakeholders to garner feedback on the matters they deemed most important. The exercise entailed the following methodology:

IDENTIFICATION:



By referring to global sustainability standards, researching current and emerging sustainability trends, as well as undertaking industry and peer benchmarking, we identified and categorised the Group’s significant ESG impacts into common material topics relevant to our business. A total of 18 material topics were identified.

01

ENVIRONMENT



- Climate Change
- Waste Management
- Reliable and Sustainable Energy
- Land Use and Biodiversity
- Non-GHG Emissions
- Water Management
- Energy Management
- Asset Integrity

SOCIAL



- Health and Safety
- Human Capital
- Diversity and Inclusion
- Human Rights
- Community Investment

GOVERNANCE



- Board Leadership and Effectiveness
- Ethics and Integrity
- Business Knowledge and Financial Performance
- Data Privacy and Cybersecurity
- Supply Chain Management

PRIORITISATION:



We then conducted an online Material Sustainability Matters Survey with internal and external stakeholders to help us better understand their perspective on how important it was for us to manage each of the identified material topics.

02

As part of the materiality survey’s stakeholder identification and prioritisation process, we identified and weighed internal and external stakeholders based on the level of influence we have over them and the power they have to impact us. We engaged with the following stakeholders in our materiality survey:

STAKEHOLDER CATEGORY

Key Customers

Key Banks/
Financial Institutions

Board of Directors

Key Senior Management

Heads of Department/
Advisor/Managers

Material Matters

DEVELOPMENT:

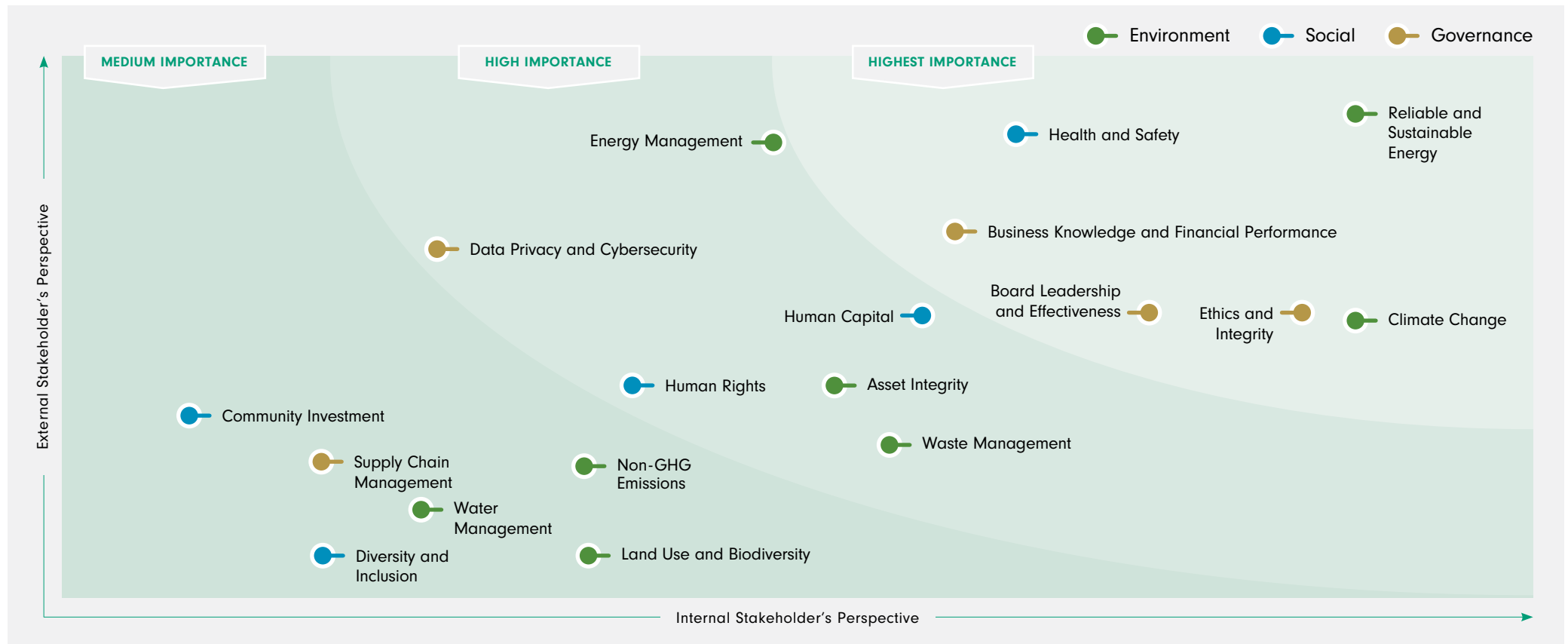


Leveraging the feedback from the survey, we derived a total of 18 material matters that the Group deemed sufficiently important to be managed and reported. This included the emergence of a new material matter, namely 'Board Leadership and Effectiveness'. We then went on to develop the Group Sustainability Materiality Matrix to map stakeholders' perceptions. The materiality matrix was endorsed by the Executive Management Committee and presented to the Sustainability Committee and Board for approval.

03

The internal and external responses from the survey were analysed and placed into three different categories, namely the matters deemed to have 'Medium Importance', 'High Importance', or 'Highest Importance'. These material matters were subsequently mapped out in the following Materiality Matrix. The mapping of our ESG materiality matters on a matrix enables us to identify the elements that influence the Group's delivery of value and helps trigger thoughts on how we can respond to them.











Group Sustainability Materiality Matrix



Material Matters











Theme: **ENVIRONMENT**

Material Topic	Why it is Material for Leader Energy	Related Policies	Strategic Theme	Targets/Indicators	UN SDG
Reliable and Sustainable Energy 	<ul style="list-style-type: none"> Leader Energy is an independent power producer and is responsible for supplying reliable energy to our customers as per the Power Purchase Agreements. We are focused on expanding RE which would enhance our contribution to sustainable energy. 	<ul style="list-style-type: none"> The Group's investment policy mandates that we do not develop or acquire any non-RE power assets. We are continuously expanding our portfolio in RE power generation assets to increase avoided emissions within our portfolio. 	Promote Sustainable Energy	<ul style="list-style-type: none"> To achieve installed capacity of 70% RE vs 30% non-RE business by 2026. 	
Climate Change 	<ul style="list-style-type: none"> GHG emissions from our coal-fired power plants have an impact on climate change. Climate change can impact Leader Energy in the form of climate risks and opportunities, both physical and transitional. 	<ul style="list-style-type: none"> Decarbonisation Pathway. Climate Risks and Opportunities Policy. 	Decarbonise Towards Net Zero	<ul style="list-style-type: none"> Net Zero GHG emissions target by 2050 (long-term target). 50% reduction in GHG intensity by 2030 (base year - 2021). 40% reduction in total GHG emissions by 2041 (base year - 2021). 	
Waste Management 	<ul style="list-style-type: none"> We generate waste as part of our coal-fired power generation generation. Other relevant wastes are hazardous waste and domestic waste. 	<ul style="list-style-type: none"> Group Health, Safety, Security and Environment Policy. Environmental Management Plan. 	Promote Circular Economy	<ul style="list-style-type: none"> 100% fly and bottom ash recycled by 2023. 	
Energy Management 	<ul style="list-style-type: none"> Leader Energy's operations consume energy mainly in the form of purchased electricity and other fuel types. 	<ul style="list-style-type: none"> Decarbonisation Pathway. 	Decarbonise Towards Net Zero	<ul style="list-style-type: none"> 10% reduction in total purchased electricity by 2026 (base year - 2022). 	
Asset Integrity 	<ul style="list-style-type: none"> By maintaining the asset integrity of our power plants and rooftop solar systems, we are ensuring their ability to perform their functions effectively and efficiently. It is imperative that these assets are managed effectively and that the people, systems, processes and resources that ensure these assets function efficiently are in place over the life cycle of each asset. At the same time, these assets must ensure compliance with health, safety and environmental legislation. 	<ul style="list-style-type: none"> Environmental Impact Assessment. Environmental Management Plan. HSE Clauses in Power Purchase Agreements. Group Biodiversity Commitment. 	Promote Sustainable Energy	<ul style="list-style-type: none"> 90.4% equivalent availability factor (EAF) – performance for wholly and majority owned power plants within the Group. 99.7% system availability – performance for all power transmission operations within the Group in 2023. 	

Material Matters













Theme: **SOCIAL**

Material Topic	Why it is Material for Leader Energy	Related Policies	Strategic Theme	Targets/Indicators	UN SDG
Health and Safety 	<ul style="list-style-type: none"> Leader Energy employs more than 500 employees within the Group working at our operations in high electricity power generation plants, rooftop solar and highly energised transmission line maintenance. The health and safety of our employees and contractors remains a priority throughout our operations. 	<ul style="list-style-type: none"> Group Health, Safety, Security and Environment Policy. 	Workplace Health and Safety	<ul style="list-style-type: none"> Zero loss-time injury rate (LTIR). Monthly safety inspections at Utility Scale operations and at the construction phase for the C&I rooftop business. 	 
Human Capital 	<ul style="list-style-type: none"> Leader Energy is in the renewable and non-renewable power generation and transmission line businesses which require skilled workers with specialised competencies. Human capital is a material topic for us as we grow our business. 	<ul style="list-style-type: none"> Human Resource Policy. Group Diversity, Equality and Inclusion Commitment. 	Nurturing Talent	<ul style="list-style-type: none"> 90% talent retention rate. Critical position succession planning ratio of 1:2. 8 hours of training manhours per employee per year. 	
Human Rights 	<ul style="list-style-type: none"> Our operations span across Southeast Asia and Taiwan and are mostly in developing countries. It is vital that we respect the human rights of our employees and our vendors/contractors. Ensuring that respect for human rights in the renewable and non-RE sector is part of our climate change advocacy. 	<ul style="list-style-type: none"> Group Human Rights Commitment. Human Rights Due Diligence Procedure. Grievance Mechanism Procedure. 	Nurturing Talent Sustainable Supply Chain	<ul style="list-style-type: none"> 25% of human rights due diligence completed in 2023. 80% of employees trained in human rights in 2023. 	 

Material Matters



Theme: **GOVERNANCE**

Material Topic	Why it is Material for Leader Energy	Related Policies	Strategic Theme	Targets/Indicators	UN SDG
Board Leadership and Effectiveness 	<ul style="list-style-type: none"> Our Board is responsible for the long-term success of our Company and the delivery of sustainable value to its stakeholders. 	<ul style="list-style-type: none"> In line with the Malaysian Code on Corporate Governance and our commitment to gender equality, Leader Energy's Board adheres to the standard of ensuring at least 30% of our Directors are women. 	Compliance and Business Ethics	<ul style="list-style-type: none"> 30% of Board members are women. 	 
Ethics and Integrity 	<ul style="list-style-type: none"> Conducting ourselves with the highest standard of integrity is a key priority to achieve excellent financial and operating results. 	<ul style="list-style-type: none"> Group Anti-Bribery and Anti-Corruption (ABC) Policy and Procedure. Group Code of Conduct and Business Ethics Policy and Procedure. Group Whistleblowing Policy and Procedure. 	Compliance and Business Ethics	<ul style="list-style-type: none"> Zero non-compliance on regulatory requirements. 100% of employees attend the Leader Energy Group's ABC awareness training in 2023. 	 
Business Knowledge and Financial Performance 	<ul style="list-style-type: none"> Our robust business strategy is essential for maximising asset utilisation, securing large scale project revenues and providing sustainable financial returns for our shareholders. 	<ul style="list-style-type: none"> Group Treasury Policy. Financial Accounting and Reporting Policy. Related Party Transaction Policy. 	Compliance and Business Ethics	<ul style="list-style-type: none"> Financial KPIs. 	
Data Privacy and Cybersecurity 	<ul style="list-style-type: none"> Safeguarding the digital information on our power generation activities as well as the related data of our customers or employees is critical to ensure the integrity of our businesses. 	<ul style="list-style-type: none"> Group Data Privacy Policy. Information Technology Policy (includes cybersecurity). 	Cybersecurity	<ul style="list-style-type: none"> Zero major cybersecurity breaches. > 80% of employees undergo cybersecurity awareness training in 2023. 	

Sustainability Strategy



Mapping A Pathway to Sustainable Success

Leader Energy's material matters have been clearly mapped with our strategic themes and the relevant United Nations' Sustainability Development Goals (UN SDGs). We have set clear targets for each material matter and monitor status on quarterly basis on our progress to the EMC, SC and Board. By mapping out a focused pathway for our sustainability efforts, we are better able to strategically manage our ESG impacts and move closer towards becoming a key role model for sustainability performance in the energy industry.

As we focus our efforts on upholding the agenda of sustainability, we are leveraging a robust Sustainability Strategy that reinforces the Leader Energy Group's Vision, Mission, and strategic themes. In developing this strategy we took into consideration the Group's positioning, business direction and activities, our offerings, our value creation and ESG impacts, as well as our material sustainability matters. The following Sustainability Strategy stems from the extensive work undertaken by the diverse cross-border teams across our organisation.

Sustainability Strategy

LEADER ENERGY GROUP'S SUSTAINABILITY STRATEGY

LEADING THE FUTURE WITH RENEWABLE ENERGY

Vision

To be a leading provider of renewable, reliable and affordable electrical energy to power the economic growth of Asia Pacific in a sustainable, innovative and socially responsible manner.

Mission

Leader Energy Holding Berhad (collectively referred to as "LEHB" or "the Group") is driven by the commitment to create stakeholder value while being recognised as a responsible corporate citizen, contributing to society, in the markets and communities we serve; to grow our business in an environmentally sustainable way; and to maintain a workplace that prioritises the health and safety of our employees and promotes a corporate culture that emphasises respect and empowerment for our staff at all levels.

STRATEGIC THEMES

RESPECTING THE ENVIRONMENT

Sustainable operations with reduced environmental footprint

We recognise the importance of protecting the environment and are actively seeking ways to reduce our carbon emissions, energy and water consumption, releases and waste generation, as well as improve energy efficiency, conserve natural resources and biodiversity, while mitigating other environmental impacts resulting from our operations.

- Promote Sustainable Energy
- Decarbonise Towards Net Zero
- Promote Circular Economy
- Biodiversity Conservation



CARE FOR OUR PEOPLE

Sustainable talent, safe working environment and community well-being

We prioritise the well-being and safety of our employees, customers, and the communities in which we operate. By promoting a diverse and inclusive work environment, we are dedicated to nurturing and developing our people. We engage with local communities, support social initiatives, and contribute positively to their well-being.

- Workplace Health and Safety
- Nurturing Talent
- Care for Community



STRONG BUSINESS GOVERNANCE

Sustainable returns based on strong business governance

We uphold the highest standards of ethical conduct, transparency, and accountability in all aspects of our operations.

- Compliance and Business Ethics
- Sustainable Supply Chain
- Valued Partnerships



Alignment with the UN SDGs

Our three Strategic Themes in turn are aligned with 11 of the 17 UN SDGs. These SDGs, often referred to as a blueprint for a more sustainable future for all by 2030, are integral to our commitment to support the global sustainability agenda. By ensuring a focused alignment with the SDGs most relevant to the Group's business, we are also sharpening our collaborative efforts with our diverse stakeholders, so that together, we can deliver sustainable outcomes that are precise, impactful, and in harmony with global sustainability aspirations.

Sustainability Strategy

Climate Commitments

Leader Energy commits to Net Zero GHG Emissions latest by 2050

In line with the planned Group's investment policy, we commit to:

- Not develop or acquire any non-RE power asset in the future; and
- Continuously expand our portfolio in RE power generation assets to increase avoided emissions within our portfolio.

Long-Term Climate Goal: Net Zero GHG Emissions by 2050



1 Scope 1 (Direct GHG Emissions) Reduction Strategy

- Energy efficiency improvements
- Electrification of plant equipment and mobile vehicles
- Exploring commercially viable technologies to reduce GHG
- Retirement of our 2 coal-fired power plants latest by 2043 and 2050

2 Scope 2 (Indirect Purchased Electricity) Reduction Strategy

- Installation of rooftop solar panels at operational sites
- Generation of Renewable Energy Certificates (RECs) from our RE power generation assets

3 Scope 3 (Indirect GHG Emissions) Reduction Strategy

- Reduction in sources coming from the Group's value chain

4 Residual Emissions Reduction Strategy

- Explore and invest in nature-based GHG sinks

As part of our transitional plan, we have also set short- and medium-term climate targets as follows:

Short-term:

50% GHG intensity reduction by 2030
(base year - 2021)



Medium-term:

40% Total (Absolute) GHG reduction by 2041 (base year - 2021)



Please refer to the 'Decarbonise Towards Net Zero' section in this Sustainability Report for more information on our climate commitments and decarbonisation pathway.

STRATEGIC THEMES AND KEY PERFORMANCE FOR 2023

Sustainability Strategy	Target(s)	2023 Performance
Respecting the Environment		
Decarbonise Towards Net Zero	<ul style="list-style-type: none"> • Net Zero GHG emissions target by 2050 (long-term target). • 50% GHG intensity reduction by 2030 (base year - 2021). • 40% Total (Absolute) GHG reduction by 2041 (base year - 2021). 	<ul style="list-style-type: none"> • 0.61 tCO₂e/MWh GHG intensity (6% reduction compared to 2021). • 696,520 tCO₂e (21% reduction compared to 2021).
	<ul style="list-style-type: none"> • 10% reduction in total purchased electricity by 2026 (base year - 2022). 	<ul style="list-style-type: none"> • 8,029 MWh of purchased electricity (0.6% increase compared to 2022).
Promote Sustainable Energy	<ul style="list-style-type: none"> • To achieve installed capacity of 70% RE vs 30% non-RE business by 2026. 	<ul style="list-style-type: none"> • Achieved installed capacity of 67% for RE and 33% for non-RE business.
	<ul style="list-style-type: none"> • 90.4% equivalent availability factor (EAF) – performance for wholly and majority owned power plants within the Group. 	<ul style="list-style-type: none"> • Achieved 95% EAF.
Promote Circular Economy	<ul style="list-style-type: none"> • 99.7% system availability – performance for all power transmission operations within the Group. 	<ul style="list-style-type: none"> • Achieved 100% system availability for transmission operations.
	<ul style="list-style-type: none"> • 100% fly and bottom ash recycled by 2023. 	<ul style="list-style-type: none"> • 100% fly and bottom ash recycled.

Sustainability Strategy

Sustainability Strategy	Target(s)	2023 Performance
Care for Our People		
Workplace Health and Safety	• Zero loss-time injury rate (LTIR).	• Attained Zero LTIR.
	• Monthly safety inspection at Utility Scale operations at the construction phase for the C&I rooftop business.	• All operations completed 100% of the planned monthly safety inspections.
Nurturing Talent	• 90% of talent retention rate.	• 88.6% talent retention rate.
	• Critical position succession planning ratio of 1:2.	• Critical position succession planning ratio of 1:1.7.
	• 8 hours of training manhours per employee per year.	• Average training hour of 15 hours per employee per year.
	• 25% human rights due diligence completed in 2023.	• 25% human rights due diligence completed.
	• 80% employees trained on human rights in 2023.	• 99.5% of employees trained on human rights.
	• 30% of women in key senior management roles.	• 50% of women in key senior management roles.
	• 80% of employees trained on unconscious biasness by 2023.	• 99.5% of employees trained on unconscious biasness.
	• 30% of Board members are women.	• 33% of Board members are women.
Care for Community	• 1,000 trees planted in 2023.	• 1,424 trees planted.
	• 400 hours of employee volunteering hours in 2023.	• 4,143 hours of employee volunteering hours achieved.

Sustainability Strategy	Target(s)	2023 Performance
Strong Business Governance		
Compliance and Business Ethics	• Zero non-compliance on regulatory requirements.	• Zero non-compliance on regulatory requirements.
	• 100% of employees attended the Leader Energy Group's ABC awareness training in 2023.	• 99.5% of employees attended the Leader Energy Group's ABC awareness training.
	• Zero major cybersecurity breaches.	• Zero major cybersecurity breaches.
	• 80% of employees underwent cybersecurity awareness training in 2023.	• 99.5% of employees underwent cybersecurity awareness training.
Sustainable Supply Chain	• >80% of key suppliers engaged on ESG in 2023.	• 95% of key suppliers engaged on ESG.
	• >50% of key suppliers completed ESG Self-Assessment Programme in 2023.	• 50% of key suppliers completed ESG Self-Assessment Programme.

Ongoing Sustainability Efforts

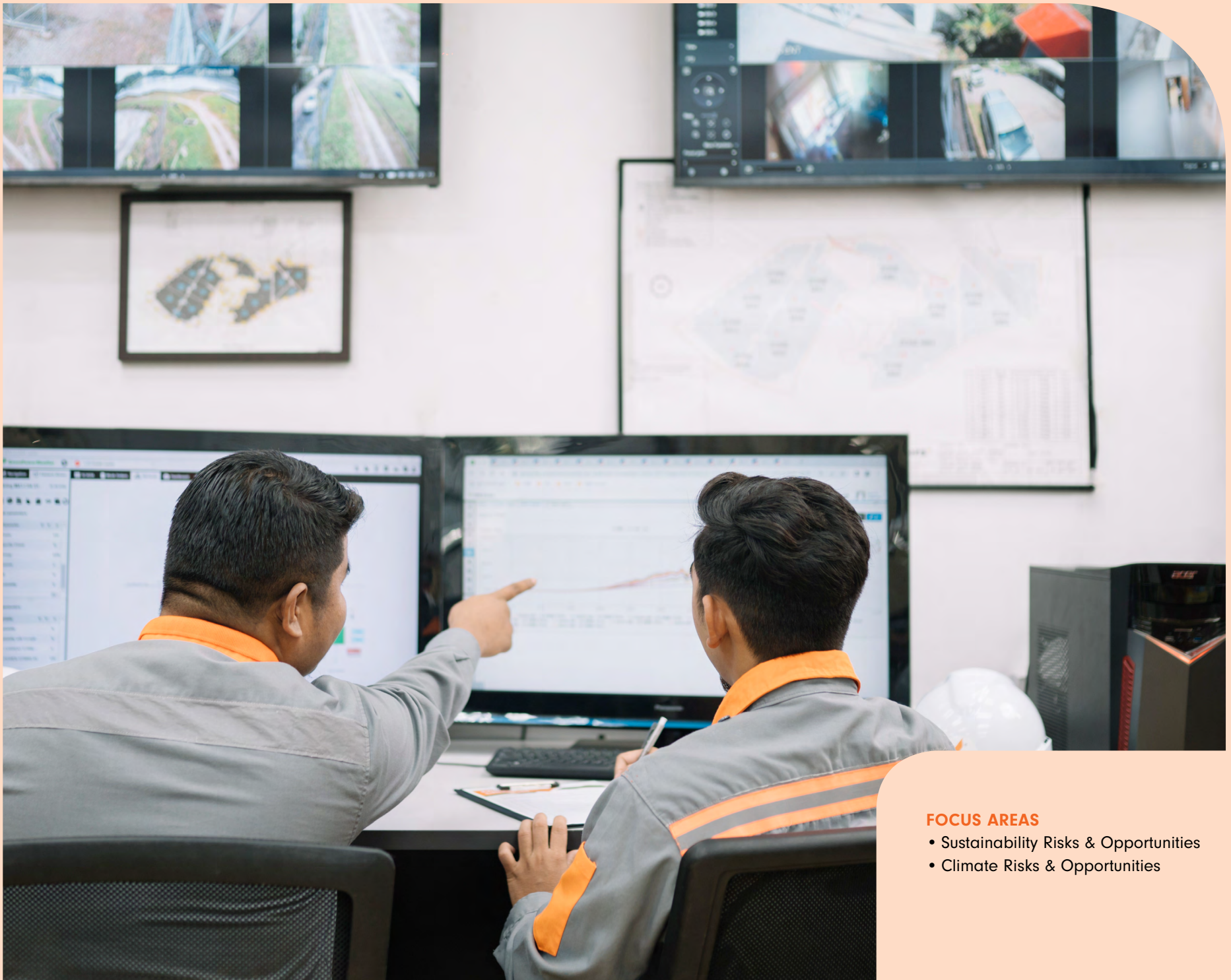
As we carry out our daily business in the markets that we operate in, we are focused on implementing the relevant management systems, raising sustainability awareness, as well as consistently monitoring and assessing our sustainability performance to ensure continual improvement.

Our commitment includes engaging with our diverse stakeholders and valuing their input and perspectives. We recognise the significance of collaboration and understand that forging strong partnerships is crucial if we are to effectively realise our sustainability agenda.

We remain deeply committed to working together with our stakeholders as we pursue a shared vision of a Net Zero future, where sustainability is at the forefront of our operations.

THE WAY WE

CREATE VALUE
















FOCUS AREAS

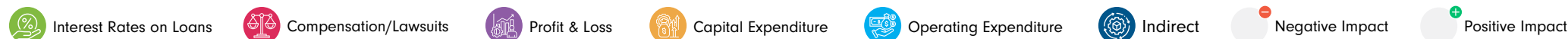
- Sustainability Risks & Opportunities
- Climate Risks & Opportunities

Sustainability Risks & Opportunities











As Leader Energy navigates the competitive and unpredictable energy sector, we are aware of various sustainability-related risks that could significantly affect our operations, performance, financial health, and liquidity. To address these challenges, we have adopted a comprehensive risk management strategy. This approach includes identifying key risks, assessing their potential impact, and implementing tailored mitigation measures. By proactively managing these risks, we aim to minimise their influence on our business activities, ensuring stability and continuity in our operations. We have disclosed a summary of the sustainability-related risks most pertinent to our business along with our mitigative responses in the following table:

No	Threat	Sustainability-related Risks	Opportunity	Financial Implications	Sustainability-related Mitigation Strategies	Metrics and Targets
E1	Climate Change 	The changing trend of investors and financial institutions opting not to finance non-RE assets increases the risk of not being able to secure financing	Increased RE business opportunities	 	The Group will focus on promoting RE businesses. As such, we will not pursue any new non-RE businesses or undertake non-RE business expansion. Instead, we will focus on RE and new complimentary portfolio expansion into BESS and green mobility business. Our Decarbonise Towards Net Zero strategy calls for us to look into technological options to reduce our GHG emissions as well as explore option for early retirement of our coal-fired power plants.	<ul style="list-style-type: none"> To achieve installed capacity of 70% RE vs 30% non-RE business by 2026 Net Zero GHG Emissions Commitment by 2050 50% reduction in Group GHG intensity by 2030 (base year - 2021) 40% total GHG (absolute) reduction by 2041 (base year - 2021)
E2	Climate Change 	Extreme weather may impact operations	Nil	  	To mitigate the impact of climate change on the Group's operations, we will focus on strengthening our Business Continuity Plan and Asset Integrity Plan as well as enhance our preventive maintenance programme activities.	<ul style="list-style-type: none"> CAPEX and OPEX related to repairs
E3	Increasingly Stringent Environmental Regulations 	Increased CAPEX in new technology to ensure compliance with stringent regulations	Increased RE business opportunities	  	To counter any possibility of non-compliance with regulations, we will continue to monitor our performance against the Environmental Management Plan (EMP) and upcoming legal requirements, as well as enhance compliance management activities.	<ul style="list-style-type: none"> CAPEX and OPEX related to GHG reduction/environmental compliance technologies Legal compliance
S1	Health and Safety 	Poor health and safety performance resulting in loss of lives and negative reputation	Nil		To ensure superior health and safety performance, the Group will continue to implement a robust Health and Safety Management System, elevate the frequency and standard of safety and health training, and increase the number of inspection programmes.	<ul style="list-style-type: none"> Zero LTIR Monthly safety inspections at our Utility Scale operations and at the construction phase for the C&I rooftop business

Legend:



Sustainability Risks & Opportunities

No	Threat	Sustainability-related Risks	Opportunity	Financial Implications	Sustainability-related Mitigation Strategies	Metrics and Targets
S2	Talent Attraction and Retention 	The inability to attract or retain talents	Nil		To augment existing Human Resources strategies aimed at attracting and retaining high-performing talent, the Group will strengthen sponsorship opportunities for further education as well as bolster its succession planning and overall training and development programme. On top of this, we continuously review our employee benefits package to ensure we remain aligned with market trends.	<ul style="list-style-type: none"> >90% of talent retention rate Critical position succession planning ratio of 1:2 Eight hours of training manhours per employee per year
S3	Human Rights 	Human rights violation resulting in reputational damage	Nil		To ensure the Group maintains its consistently strong human rights track record, we will continue to elevate our Human Rights Commitment and Vendor Human Rights Declaration. Other measures will see us bolstering human rights due diligence and grievance mechanisms as well as implementing more training sessions on human rights.	<ul style="list-style-type: none"> 25% human rights due diligence completed in 2023 80% employees trained on human rights in 2023
G1	Bribery and Corruption 	Bribery and corruption risk resulting in reputational impact and financial losses	Nil		To mitigate any instances of bribery and corruption, the Group will continue to fortify efforts on the Compliance and Business Ethics Programme, Anti-Bribery and Anti-Corruption (ABC) Policy and Procedures, and Conflict of Interest Disclosure fronts. At the same time, we continuously focus on intensifying ABC training and staff acknowledgments of their role in this crucial area including the Corruption Risk Register.	<ul style="list-style-type: none"> Zero non-compliance with regulatory requirements 100% of employees attended the Leader Energy Group's ABC Awareness training in 2023
G2	Supply Chain 	Human rights violations and risk of bribery and corruption of supply chain resulting in reputational damage	Nil		To mitigate issues within our supply chain, the Group will continue to elevate its Human Rights Commitment and encourage sustainable procurement policies. Other measures will see us bolstering human rights due diligence and grievance mechanisms as well as implementing more training sessions on human rights. We continue to implement our Sustainable Supply Chain Programme and ESG Self-Assessment Programme for Critical Suppliers. At the same time, we strictly enforce the Vendor ABC Declaration Form and Supplier Code of Conduct as well as continue to undertake proactive and prudent ESG supply chain engagement activities.	<ul style="list-style-type: none"> >80% of ESG suppliers engaged on ESG in 2023 >50% of key suppliers completed the ESG Self-Assessment Programme in 2023
G3	Cyber Breach /Data Loss 	Loss of customer information, resulting in penalties, lawsuits and reputational damage	Nil		To mitigate instances of cyber breaches and data loss, we have heightened our cybersecurity measures. This includes tightening login methods for Office 365 by implementing multi-factor authentication, engaging third parties to perform penetration tests to evaluate weaknesses and improve cybersecurity measures, as well as conducting cyberattack mitigation training for users.	<ul style="list-style-type: none"> Zero major cybersecurity breaches >80% of employees received cybersecurity awareness training in 2023

Legend:



Profit & Loss



Indirect



Negative Impact

As Leader Energy moves forward in the dynamic energy sector, we are committed to continuously refining our risk management strategies to address sustainability-related challenges and opportunities. By enhancing our risk assessment processes and mitigation measures, we aim to proactively minimise potential impacts on our operations and financial health. Our approach includes leveraging analytics, engaging with stakeholders, and exploring emerging opportunities that align with our sustainability objectives. This balanced strategy will enable us to maintain operational continuity, drive innovation, and contribute to the global sustainability agenda, ensuring Leader Energy's resilience and sustainable growth in the face of an unpredictable energy landscape.



For the details of climate-related risks and opportunities, refer to the 'Climate Risks & Opportunities' section within this Sustainability Report.

Climate Risks & Opportunities

In this section of our inaugural Sustainability Report, we disclose the 2023 climate-related risks and opportunities to Leader Energy's business. We describe how climate change may impact our business, as well as outline our strategies to mitigate these potential impacts, capitalise on opportunities, and remain resilient to climate change.

The report is structured in accordance with the key elements of the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures which cover our governance structures, strategy, risk management and metrics and targets.

In 2023, Leader Energy took a significant step in building climate-based thinking across our business when we formally incorporated climate assessments into our Enterprise Risk Management and Annual Strategic Business Planning reviews. Each business unit considered how climate-related risks might impact its operations and future business projections and they will continue to do so annually. While we recognise that climate change poses certain risks to current business models, we believe there are opportunities that we can proactively take to mitigate climate change in a competitive environment.

CLIMATE GOVERNANCE

Leader Energy's oversight of climate-related risks and opportunities is embedded at the highest level of our organisation. We recognise the urgency of climate action, and we undertake and discuss climate strategies and performance at all levels of our governance structure as a response to our increasing understanding of the impact of climate change on our business.

Board-Level Governance

The Board has oversight of Leader Energy's climate strategy and monitors the Group's progress toward climate change goals and targets every quarter. The Board through its Board Committees considers the climate impact and strategy of each investment made by the Company when making decisions on investments.

The Board Sustainability Committee (SC) is responsible for reviewing our ESG agenda and progress against our climate-related targets every quarter as well as our ability to create shared value against our long-term strategy.



Climate Risks & Opportunities

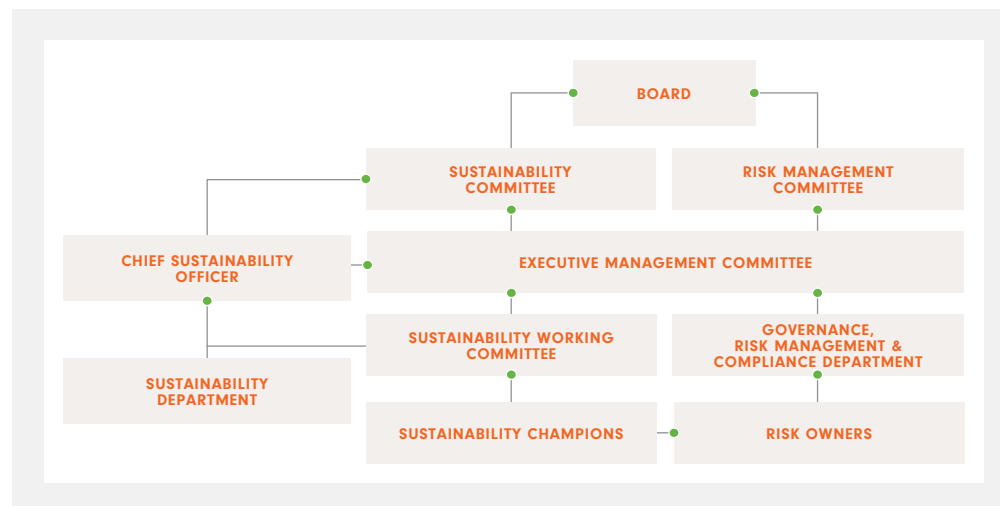
Management-Level Governance

Leader Energy's Executive Management Committee (EMC) is responsible for the overall oversight on the execution of the sustainability strategy. The EMC meets on a monthly basis to discuss the ESG performance including climate-related issues, and receives updates on the progress toward climate change goals and targets.

The Chief Sustainability Officer (CSO) of the Company is responsible for assessing and managing the Group's sustainability matters including climate-related matters. The CSO heads the Sustainability Department and makes recommendations on the execution of climate-related activities to the EMC. Our CSO also has oversight of internal ESG sustainability performance data and energy reduction initiatives and is tasked to report on ESG Performance to the EMC, SC and Board.

The EMC is supported by the Sustainability Working Committee (SWC), Sustainability Department as well as Sustainability Champions at each business unit. The SWC, which is chaired by the CSO with the Sustainability Department as the secretariat, comprises Sustainability Champions from each business entity. The SWC meets on a monthly basis to discuss the Group's ESG performance and the progress reports on initiatives.

Each business entity consolidates its climate risks and opportunities and updates the Enterprise Risks Management register on a quarterly basis. The Governance, Risk Management & Compliance Department coordinates and ensure timely quarterly reporting of Group Risks to the Board Risk Management Committee and Board upon review by the EMC.



STRATEGY

Climate Time Horizons

At Leader Energy, we define our climate time horizons as follows:

Time Factor	Short-Term	Short- to Medium-Term	Medium-Term	Medium- to Long-Term	Long-Term
Description	Impact expected to occur less than 3 years	Impact expected to occur between 3 to 5 years	Impact expected to occur between 5 to 7 years	Impact expected to occur between 7 to 10 years	Impact expected to occur more than 10 years

Climate Risks and Opportunities Assessments

The Group's business entities identify the climate-related risks and opportunities that could result in significant financial impact based on the following threats:

Physical Risks - Risks resulting from climate change that can be:















- ☀️ Acute (due to event-driven weather changes); and
- 🌡️ Chronic (due to longer-term shifts in climatic patterns).

Transitional Risks - Risks that arise from efforts to transition to a lower-carbon economy. These can be:




- 🏢 Political (due to changes in climate-related regulations, policies and taxes);
- 🏭 Market (due to a shift towards more sustainable and low-carbon products and services);
- 🔧 Technology (due to the pace of technological advancements); and
- 👤 Reputation.

Climate Risks & Opportunities














The table below summarises our 2023 physical and transitional risks and opportunities assessment.

Risk Type	Risk Drivers	Risk Description	Financial Risk Impact	Opportunity Description	Financial Opportunity Impact
R1: Physical – Acute	Extreme weather (heat wave).	Deration of equipment or shortage of raw water supply.		Increase in grid load demand i.e. increased consumption by consumers and reduction of generation from hydropower plants.	
		Increased risk of fires from coal stockpile/equipment overheating/ surrounding wildfires.		Increased energy demand will increase the demand for solar power. This provides an opportunity to export renewable energy (RE).	
	Extreme weather (heavy rainfall, high tidal waves and strong winds).	Non-RE plant remains idle as power generation is not requested by customer due to higher output from hydro power plants.		Hydroelectric plants to run at maximum capacity and more opportunities for new hydroelectric plants in developing countries.	
		Malfunction of plant equipment from infrastructure damage.		Nil	Nil
		Low irradiance and cloud cover.			
		Higher occurrence of incidents/accidents and communicable diseases due to floodwater impact.			
	Excessive lightning strikes.	Deration or maloperation of plant equipment – higher power trips of plant equipment.		Nil	Nil
		Increased risk of fire or explosion – damage to plant equipment and safety of personnel.			
R2: Physical – Chronic	Rise in sea levels.	Increased cost of resettlement/reinforcement of assets near sea area due to the sinking coastline.		Nil	Nil
		Increased corrosion due to restricted water flow for drainage causing water ponding/stagnant water at mounting structures, inverter stations, string combiner boxes, etc.			
		Lower plant performance due to damaged panels and mounting structures from soil settlement and underground water movement.			




Risks & Opportunities Impact Legend:

Low  Medium/Significant  High/Extreme 

Climate Risks & Opportunities

Risk Type	Risk Drivers	Risk Description	Financial Risk Impact	Opportunity Description	Financial Opportunity Impact
R3: Policy and Legal	Changes in laws – imposition of stringent climate-related regulations, carbon policies and/or taxes.	Substantial increase in operational costs and CAPEX for investments into new technology to ensure compliance with stringent GHG regulations at coal-fired power plants.		Increased RE and more government incentives for electric vehicle (EV) business opportunities.	
R4: Technology	Technological advancements in low-carbon solutions.	High cost to retrofit existing plant setup so as to be fitted with the required modification or installation.		Increased Investments in newer cost-effective technologies.	
		Rapid pace of advancement in green mobility technologies, increasing the pace of technologies in becoming obsolete.			
R5: Market	Shift in customer expectations towards energy transition.	Customer preferences change to fuel cells/hydrogen/alternative.		Increased RE business opportunities and higher demand for EV charging stations.	
	Shift in investors/ financial institutions' approach towards energy transition.	Inability to secure financing for non-renewable projects.		Increased opportunities by way of sustainable financing and funds from investors.	
	Cost of raw materials.	Plants not in operation due to coal shortages or coal purchased at higher prices that lower the plant merit order.		Cheaper solar panels and EV chargers due to higher demand.	
R6: Reputation	Stigmatism of non-RE power plants.	Inability to attract or retain talent.		Ability to attract and retain talent – being seen as a leader of RE and green mobility.	

Risks & Opportunities Impact Legend:

Low  Medium/Significant  High/Extreme 

Climate Risks & Opportunities

Physical Risks and Opportunities



Acute – Extreme Weather (Heat Wave)

Leader Energy's assets are in seven countries within Southeast Asia and Taiwan. In the event of a low-carbon economy, our assets will not be adversely impacted by climate change as they have been designed to withstand prolonged poor weather conditions.

However, in a high carbon emissions scenario, the heat wave is expected to increase acutely, and this may cause business interruptions in the form of equipment overheating or not performing at optimum temperature. This in turn, may cause a deration (i.e. a reduction of the load/output power in comparison to its optimum/maximum output) of our power plants, transmission lines and EV charging stations.

In an extreme heat weather situation, our hydropower plants may experience critical low water levels in the rivers and reservoirs, thus reducing the power plant power generation output. There is also a possibility of increased fire risk from spontaneous combustion at our coal-fired power plants' stockpiles, the overheating of equipment or nearby wildfires. This increase in wildfires may cause prolonged haze situations which will decrease the irradiance level causing more pollutant deposits on the solar panels; all of which could impact the output of our solar plants.

Manning resources could be an issue if many of our competent employees are impacted due to increased heatstroke at local hotspots which could delay any ongoing project developments or service assignments.



Management Approach

Each power plant has implemented comprehensive preventive and predictive maintenance planning activities (including thermal imaging of inverters and other main electrical and cooling equipment) and continuously monitor the ambient air temperature and water levels at our mini reservoirs. This allows us to continuously tune the plant parameters accordingly. In addition, we keep critical spares within close proximity to reduce downtime interruptions.

In efforts to reduce risks of wildfires, we regularly ensure grass maintenance within the vicinity of our power plants and along the 15 meters maintenance right-of-way of our transmission lines. Our coal-fired power plants have a coal yard management plan that takes into account any weather risks at the coal-fired stockpile area. All our assets have 24-hour CCTV monitoring including the perimeter area along our assets for any wildfires. In addition, we have a comprehensive Emergency Preparedness and Response Plan with competent trained fire-fighting teams that conduct drills on fire scenarios.



Opportunities

In Cambodia, any increase in ambient temperature will cause a surge in Cambodia's power demand. As the water levels in the hydroelectric dams may not be sufficient for power generation, the coal-fired power plants may be required to operate at maximum capacity to meet the country's energy demands.

In Vietnam, in the event of increased in temperatures, the present curtailment faced by our Vinh Hao 6 solar farm, may be lifted to meet the country's heightened energy demand. Thus, we will have opportunity to run at full capacity.

In our efforts to meet the higher energy demand, it is expected that regional and cross-boundary exports of RE grids between countries may also bring more opportunities for us to expand our RE portfolio.



Climate Risks & Opportunities



Acute – Extreme Weather (Abnormal Heavy Rainfall/High Tidal Waves/Strong Winds/Excessive Lightning)

Extreme weather due to high rainfall will impede the generation of power from our assets as critical equipment could be under water for prolonged periods during flooding. Moreover, solar panel and transmission lines could be damaged due to land erosion from increased underground water flow. Solar panels could also be dismantled due to strong winds while coal stockpiles may have too high moisture content to operate efficiently.

In addition, our non-RE plant may be asked to remain in idle mode for longer periods as there may be higher output from other hydroelectric plants. Nevertheless, we will still obtain revenue from the Non-Fuel Component Rate which is a fixed capacity payment. Our solar plants may also face a decrease in their irradiance level due to the lack of sunrays and too much cloud cover; all of which could impact the output of our solar plants.

The increase in rainfall and flooding situations in low-lying areas could increase the rate of corrosion of equipment at ground level. These adverse developments could also result in blocked access roads to the plant thereby giving rise to personnel health and safety incidents and the rise of communicable diseases from flood waters.

Excessive lightning strikes will increase the risk of plant deration incidents or shutdowns due to malfunctioning of equipment from frequent power trips, while fire risks from the same will also pose increased safety risks.



Management Approach

We undertake preventive and predictive maintenance planning which includes regular inspections of building structures, water levels and drainage conditions, as well as corrosion management plans. We also continuously monitor the ambient wind speed and direction as well as the incoming water level and volume at our mini reservoirs. All these activities enable us to continuously fine-tune and conduct repairs on our plant equipment accordingly.

We also regularly monitor the effects of storms through CCTV and ensure critical spares are kept within close proximity to reduce downtime interruptions. Our Emergency Preparedness and Response Plan includes scenarios to combat situations of heavy rainfall including storm and flood preparedness trainings.

All our assets are equipped with lightning arrestors and earth grounding at strategic locations while stop work orders are exercised during heavy rainfall and lightning episodes.



Opportunities

Our hydropower plants in Vietnam would benefit from increased rainfall which will result in higher water level in the rivers.

The higher water levels in most rivers in other parts of developing countries may encourage more small river hydropower plants to be developed and hence, would increase our business opportunities in the hydropower business segment.



Chronic – A Rise in Sea Levels

Our assets that are located near the sea may experience settlement or some sinking of the coastline which may damage power plant equipment or facilities near the vicinity. The increase in sea levels may cause an overflow of seawater into cooling water basins which will affect the generation of our coal-fired power plants.

Soil settlement and corrosion rates will increase due to an increase in underground seawater movements resulting in damages to our solar panel mounting structures.



Management Approach

As these effects are chronic in nature, regular checks of the facilities and maintenance of drainage systems will help to mitigate these impacts. At the same time, regular inspections of the state of erosion and corrosion as well as reinforcement and anti-corrosion activities are being conducted regularly.

Climate Risks & Opportunities

Transitional Risks and Opportunities



Policy and Legal

As the urgency to reverse or limit the impact of climate change intensifies, the climate-related policies and legislation in the countries we operate in are expected to become more stringent. The cost of compliance for our coal-fired power plants too may increase as we may need to invest in high CAPEX for GHG-reduction technologies or purchase annual carbon credits to offset the GHG emission levels.



Management Approach

Our Management has made short-, medium- and long-term commitments to reduce our GHG intensity and absolute GHG emissions. To this end, we are exploring mechanisms to introduce a biomass co-firing process to reduce the coal-fired power plants' GHG emissions. We are also currently assessing the use of carbon capture technologies to reduce GHG emissions. However, this approach and technology has not yet proven to be commercially viable. Other approaches include ensuring we reduce the consumption of grid electricity as well as ongoing installation of solar rooftops at selected operational administrative buildings and the electrification of plant equipment and vehicles.



Opportunities

With more climate-related policies and legislation coming into play, this is creating more business opportunities for Leader Energy's growth in RE. We also welcome the additional government incentives for development and generation or use of RE and electric vehicles.



Technology

In anticipation of more stringent climate policies and legislation, technologies are expected to advance rapidly to meet the impending requirements. The need to invest in these GHG-reduction technologies (i.e., carbon capture technology) would also involve additional CAPEX not just for the technologies but for any additional modifications required to adapt the GHG-reduction technologies for our coal-fired power plants.

For our consumer & green mobility business, the risk of technological advancements could render some equipment obsolete or they may become too expensive to maintain due to the unavailability of spares.



Management Approach

Management will continue to keep abreast of these GHG reduction technological advancements, explore any pilot runs and monitor the feasibility of these technologies when they become commercially viable.



Opportunities

Following the advancement of green technologies in both the RE generation and consumer & green mobility businesses, Leader Energy has the potential opportunity to offer more competitive prices and implement strategic strategies to better position itself for future bids while improving on profitability.



Market

Due to the pressures of energy transition faced by our national grid customers, there is a risk that our coal-fired power plants may be asked to cease their operations as they are not as favourable as RE power plants. In addition, as the movement against coal mining escalates, policy makers globally may close down more coal mines, resulting in a shift in coal prices due to the forces of supply and demand. This may cause our customer to lower down their plant merit orders or not operate their coal-fired power plants due to coal shortages or coal purchased at higher prices.

Technology advancements in fuel cells or hydrogen or new alternative energy sources may displace the market for EV cars which indirectly may render investments in EV charging stations obsolete.

The cost of financing will also be impacted as financial institutions and investors have restrictions on investment in coal-fired power plants.

Climate Risks & Opportunities



Management Approach

Since 2018, Leader Energy has made a commitment to not expand its existing coal-fired power plants or invest in new ones. Today, we are actively pursuing business growth in the RE industry.

As the coal-fired power plant Power Purchase Agreement (PPA) will continue to make good the minimum fixed capacity payments to us, Leader Energy will not be greatly impacted by any discontinued operations. As the cost of coal is borne by our customer as per the PPA terms, any increase in coal prices will not affect our profitability.

We continue to monitor developments in the fuel cells or hydrogen or new alternative energy sources technologies in the vehicle markets and review our business investments regularly.



Opportunities

Due to future market pressures, our customers may consider the early retirement option for the coal-fired power plants and the relevant compensation to Leader Energy accordingly. This will enable us reach our goal of Net Zero GHG emissions much earlier than 2050.

The consumer shift from conventional fossil fuel cars to EVs is expected to occur and will then spur more demand for EV charging stations and RE large scale farms.

The increased demand for RE will create more demand and increase the supply of cost effective solar panels and the level of competitiveness amongst suppliers. This in turn, will improve the quality and lower the cost of

solar farm materials which will improve profit margins for large scale and rooftop solar providers such as Leader Energy.

As we make steady progress with our vision to increase our RE financial contribution to the Group's overall profits and execute our Net Zero Decarbonisation Plan, we expect investors and financial institutions' confidence in us as a leading RE player to increase.



Reputation

Poor or lagging climate performance may reduce Leader Energy's brand equity. This may indirectly result in us being less competitive or finding it difficult to attract and retain talent who may not wish to be associated with coal-related industries.



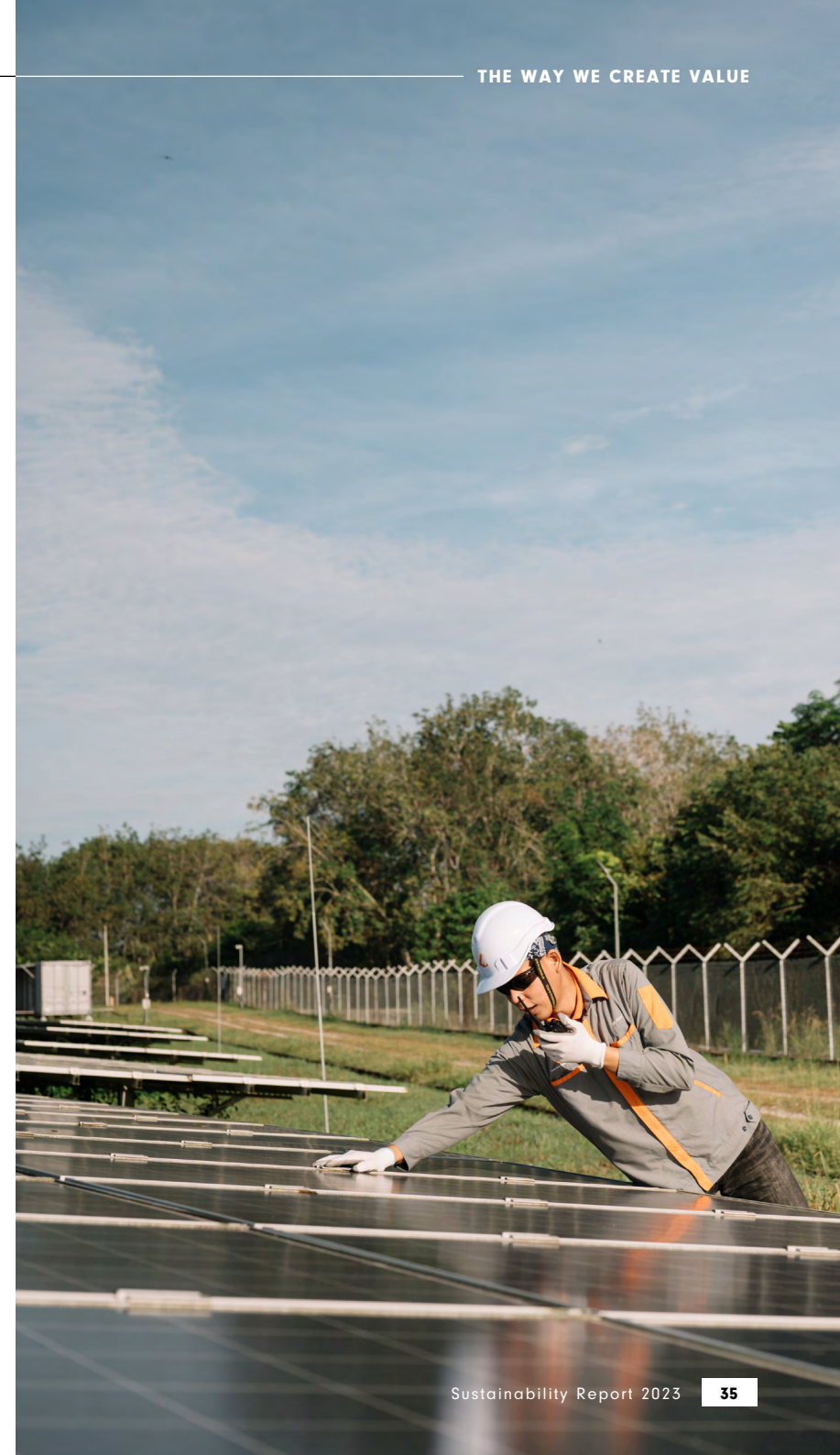
Management Approach

Apart from Leader Energy making a firm commitment to not expand its existing coal-fired power plants or invest in new ones, we are actively pursuing business growth in the sustainable and RE industry by expanding into new business ventures that support the energy transition for areas such as wind, battery-energy storage system (BESS) and consumer & green mobility type businesses.



Opportunities

Leader Energy's aggressive expansion into RE and new green mobility ventures will continue to improve its employee brand value proposition and attract talent to work in these new ventures. By re-skilling our talent to take up new roles in green mobility and RE roles, we are also capitalising on opportunities to retain our existing talent.



Climate Risks & Opportunities

CLIMATE STRATEGY

Leader Energy has made the following climate commitments:

Short-Term:

50% GHG intensity reduction by 2030
(base year - 2021)



Medium-Term:

40% Total (Absolute) GHG reduction by 2041
(base year - 2021)



Long-Term:

Net Zero
GHG Emissions by 2050



Leader Energy's Climate Action Transition Roadmap

Our Climate Action Transition Roadmap encompasses the following elements:

Scope 1 Reduction Pathway

In line with our Group's planned investment policy, we will not develop or acquire any non-RE power assets in the future. The expansion of our RE portfolio and the curtailment of non-RE power asset will contribute significantly to the reduction of our GHG intensity.

For Scope 1 GHG emissions, we will reduce our GHG intensity primarily through the retirement of our two coal-fired plants (being our biggest GHG emitters) latest by the end of their concession periods, i.e., 2043 for the CEL I and 2050 for the CEL II plant.

In the interim, we will reduce our use of fossil fuels energy through improving the efficiency of our coal-fired power plants and electrification of our machines, equipment and vehicles in all our power assets, where relevant. Nonetheless, as part of our climate transition plan and in line with our commitment to achieve Net Zero GHG emissions by 2050, we have intentions and are actively exploring opportunities to explore options with the regulators in Cambodia for the possible early retirement of either one or both our two coal-fired plants with a combined gross installed capacity (GIC) of 270 MW, before they reach the end of their respective concession periods.

Our foremost objective is to accelerate their retirement process and reduce their operational lifespan in advance of their scheduled PPA expiry dates. To facilitate this transition, we are currently in the exploratory phase, engaging with regulators, regional financial institutions and multilateral agencies. The purpose of these engagements is to develop an effective energy transition mechanism that allows us to retire either one or both of our coal-fired plants ahead of their scheduled PPA expiration dates.

Although the current PPA contracts extend until 2043 and 2050, thereby already providing a pathway to achieve Net Zero GHG emissions by 2050, we acknowledge the importance of mitigating our

cumulative GHG emissions and are determined to evaluate the feasibility of shortening the retirement timeline. Such options, however, are subject to our engagement with the regulators in Cambodia and their concurrence, as well as our financial assessment that such early retirement, if it materialises, will not have a material adverse impact on the Group's financial performance.

We are actively also exploring the possibility of conducting biomass (rice husk) co-firing in our coal-fired power plants and pilot projects on carbon capture technologies. Other opportunities to reduce our Scope 1 emissions include future replacement of company vehicles with EVs which will be powered by RE in a progressive manner.

Scope 2 Reduction Pathway

For Scope 2 GHG emissions, we will reduce our consumption of electricity purchased from the grid by improving the energy efficiency of our operations and deploying RE facilities (such as rooftop solar PV systems) at our operation sites. We will also lower our Scope 2 GHG emissions through the use of RE Certificates (RECs) that we generate from our own RE power generation assets. We have started deploying rooftop solar PV system at certain operation sites such as the LSE Plant, the LSE II Plant and the CTL Transmission Line assets. We intend to conduct such installations at our other sites in the future.

Climate Risks & Opportunities



Scope 3 Reduction Pathway

For Scope 3 GHG emissions, we will aim to reduce GHG emissions that come from our value chain. This will encompass areas such as purchased goods and services, transportation of raw materials and equipment by third parties, as well as employee commuting and business travel. We also aim to reduce value chain emissions through efforts such as ensuring proper procurement by carefully selecting suppliers. We aim to quantify our full material Scope 3 GHG emissions from 2024 onwards to enable us to identify other key areas for emissions reduction.



Residual GHG Emissions

In addition, any of our residual GHG emissions in the future, whether under Scope 1, 2, or 3, will be further reduced through the use of high quality carbon offset credits. These credits will be created from natural carbon sinks (such as tree planting projects) that will help to remove GHGs from the atmosphere.



Avoided Emissions

In addition to our planned GHG emissions reduction in support of the climate goals, we will increase our contribution to avoided emissions primarily through the continuous expansion of our portfolio of RE power assets.

Avoided emissions refer to reductions in emissions that occur outside an organisation's value chain, but as a result of the use of products from that organisation. Avoided emissions offer an additional means to accelerate decarbonisation by providing a broader picture that supports the development and scaling of products and services needed to achieve Net Zero GHG emissions.

We have pledged since 2018 to only develop RE generation assets going forward, in line with our long-term climate goal of Net Zero GHG emissions by 2050 in support of climate goals set under the Paris Agreement. We have incorporated this sustainability strategy into our future plans and business strategies which will allow us to participate strategically in global climate actions (through the acceleration of energy transition from fossil fuels to RE) in response to the urgent call to decarbonise the world for climate change risks mitigation.

Our successful track record for the last seven years in our portfolio expansion of RE power generation assets has supported our pursuit of the long-term climate goal. Between 2016 and 2022, we recorded a compound annual growth rate (CAGR) of 45.9% for GIC of our RE power generation assets.

Long-Term Commitment

Leader Energy's Net Zero GHG Commitment by 2050 consists of an overall reduction in direct and indirect GHG emissions (Scopes 1, 2 and 3) and covers both our own operations and those impacted across our value chain.

Based on our Scope 1 and 2 GHG emissions inventory and projections until 2050, and in the absence of any climate intervention (as discussed in our Transition Plan section), our total GHG emissions are expected to be reduced by 40% by 2043 at the latest, following the retirement of the CEL PPA. A further 50% reduction is anticipated by 2050 with the retirement of the CEL II PPA. The remaining 10% of residual emissions from Scopes 1 and 2, combined with unabated Scope 3 emissions, will need to be offset through nature-based carbon sequestration programmes, thus enabling us to achieve Net Zero GHG emissions by 2050.

We aim to quantify our Scope 3 GHG emissions from 2024 onwards and add those into our Total GHG inventory. For 2023, we have initiated only Scope 3 calculations for employee commuting and business travels.



Climate Risks & Opportunities

RISK MANAGEMENT

In identifying our strategic climate risks, we consider the following factors:



The external environment analysis which includes considering the impact of climate-related scenarios on our business outlook; and



Existing and emerging regulatory requirements related to climate change.

Risk and Opportunity Assessment

Each risk and opportunity shall be analysed by determining the financial impact and their likelihood of occurrence as per the climate time horizons:

The financial impacts are determined as follows:

Financial Impacts of Climate Risks

Factor	Impact				
	Insignificant	Minor	Moderate	Major	Catastrophic
Total Revenue	Decrease by <2.5%	Decrease by 2.5 - 5%	Decrease by 5.1 - 10%	Decrease by <10.1 - 15%	Decrease by >15%
Total Cost	Increase by <2.5%	Increase by 2.5 - 5%	Increase by 5.1 - 10%	Increase by <10.1 - 15%	Increase by >15%

Note:

The decrease in total revenue or the increase in total cost in the financial impact refers to the impact caused by a specific climate-related risk event.

Financial Impacts of Climate Opportunities

Factor	Impact				
	Insignificant	Minor	Moderate	Major	Catastrophic
Total Revenue	Increase by <2.5%	Increase by 2.5 - 5%	Increase by 5.1 - 10%	Increase by <10.1 - 15%	Increase by >15%
Total Cost	Decrease by <2.5%	Decrease by 2.5 - 5%	Decrease by 5.1 - 10%	Decrease by <10.1 - 15%	Decrease by >15%

Note:

The increase in total revenue or the decrease in total cost in the financial impact refers to impact caused by a specific climate related risk event.

The Group's Enterprise Risk Management (ERM) Framework is designed to identify, assess and mitigate risks to minimise their potential impact and support the achievement of Leader Energy's business strategy.

Climate-related risks are treated the same way as other risks at Leader Energy and are embedded in our ERM Framework, which encompasses multiple complementary processes. Each business entity will consolidate their climate risks and opportunities and update their ERM register on a quarterly basis. The Group's Governance, Risk Management and Compliance Department coordinates and ensures timely quarterly reporting of Group Risks to the Board Risk Committee and Board.

Climate Risks & Opportunities

METRICS AND TARGETS

Leader Energy Group has made a commitment to be a Net Zero GHG emissions entity by 2050. As part of our climate transition goals, we have set an additional four interim climate-related targets leading up to 2050 which are:

To achieve an installed capacity of

70%

RE by 2026 which will increase our contribution to avoided emissions



Total GHG emission (absolute Scopes 1 and 2) reduction of

40%

by 2041 (base year - 2021)



A **50%** GHG intensity reduction by 2030 (base year - 2021)



A **10%** reduction in total purchased electricity by 2026 (base year - 2022)



The details of commitment are available in our Climate Action Transition Roadmap. We have adopted climate-related metrics that can help us measure and monitor how we manage climate-related issues and provide stakeholders with a holistic view of our climate-related monitoring parameters against our disclosed targets:

Metrics	Definition/Sources of Emissions	Unit	Related Targets
Total Scope 1 GHG emissions	Direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by Leader Energy; mainly from coal used for power generation, fuel for boiler, equipment and vehicles, refrigerants and domestic wastewater/sanitary facilities.	tCO ₂ e	<ul style="list-style-type: none"> 40% Total GHG (absolute Scopes 1 and 2) reduction by 2041 (base year - 2021). Net Zero GHG emissions by 2050.
Total Scope 2 GHG emissions	Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling; mainly from consumption of purchased electricity for power generation and transmission substation operations and administration offices.	tCO ₂ e	
Total Scope 3 GHG emissions	Indirect emissions are the result of activities from assets not owned or controlled by Leader Energy, but that indirectly affect our value chain. For 2023, we are only reporting Scope 3 emissions coming from employee commuting and business travels. The full material Scope 3 inventory will be conducted in 2024 and we plan to disclose this thereafter.	tCO ₂ e	<ul style="list-style-type: none"> Net Zero GHG emissions by 2050.
Total GHG emissions (absolute)	Total Scope 1, 2 and 3 GHG emissions.	tCO ₂ e	<ul style="list-style-type: none"> Net Zero GHG emissions by 2050.
GHG emission intensity from power generation operations	GHG intensity is the total GHG emissions measured against energy generated from power generation operations.	tCO ₂ e /MWh	<ul style="list-style-type: none"> 50% GHG intensity reduction by 2030 (base year - 2021).
RE gross installed capacity percentage	Percentage of gross installed capacity of the RE plant measured against total installed capacity.	%	<ul style="list-style-type: none"> To achieve installed capacity of 70% RE installed capacity by 2026.
Avoided emissions	Avoided emissions are emissions reductions that occur outside of a product's life cycle or value chain, but as a result of the use of that product. Leader Energy's contribution to avoided emissions are mainly the amount of GHG emissions avoided as compared to conventional fossil-fuelled or coal power energy generation.	tCO ₂ e	<ul style="list-style-type: none"> To achieve installed capacity of 70% RE installed capacity by 2026.

Climate Risks & Opportunities

Metrics	Definition/Sources of Emissions	Unit	Related Targets
Total purchased electricity	Total purchased electricity from national grid, mainly from electricity bills.	kWh	• 10% reduction in total purchased electricity by 2026 (base year - 2022).
Total RE consumed	Total renewable electricity from rooftop solar installations at our power generation and transmission operations' administration buildings.	MWh	
Expenditure on climate-related mitigation measures	Expenditure on environmental protection initiatives (including climate change/GHG reduction initiatives and environmental management systems).	MYR	-
Green Revenue	Revenue from RE power plants and green technologies.	MYR	-
Revenue percentage from RE Certificates (RECs)	Revenue from the sale of RECs.	MYR	-
Revenue percentage from carbon credits	Revenue from the sale of carbon credits generated from RE power generation.	MYR	-



Refer to the Performance Data Table section on our website or scan the QR code for the Group's 2023 data and the past three-year trend.

Climate-Related Remuneration

In our journey ahead, Leader Energy's Board and Management are committed to bolstering our climate risk assessment, integrating key climate-related metrics into our remuneration process.

MOVING FORWARD

The Group plans to strengthen the disclosure of climate-related risks in response to the IFRS S2 Climate-related Disclosures disclosure framework.

From 2024 onwards, Leader Energy will conduct climate scenario analysis to develop a more comprehensive identification of climate-related risks and opportunities. In addition, we will also be exploring the adoption of internal carbon pricing in our decision-making process and will collate more financial climate-related indicators that can better quantify our risks and opportunities.

We will also be disclosing our full Scope 3 inventory in our next reporting cycle.

We remain committed to making further enhancements to our annual disclosures to our stakeholders to ensure our reporting is done in a consistent and transparent manner.

SAFEGUARDING THE

ENVIRONMENT



STRATEGIC THEME

Respecting the Environment

MISSION STATEMENT

Sustainable operations with reduced environmental footprint

FOCUS AREAS

- Promote Sustainable Energy
- Decarbonise Towards Net Zero
- Promote Circular Economy
- Biodiversity Conservation

UN SDG



Promoting Sustainable Energy

THE GLOBAL SHIFT TOWARDS SUSTAINABLE ENERGY

In FY2023, the global energy sector continued to navigate through the aftermath of the COVID-19 pandemic, while contending with policy shifts and fluctuating energy prices, which were largely influenced by geopolitical events such as the war in Ukraine. These factors helped to propel the sector's transition towards more sustainable energy sources while emphasising the industry's need to balance energy security, affordability, and environmental considerations.

DEVELOPMENTS IN SOUTHEAST ASIA'S ENERGY LANDSCAPE

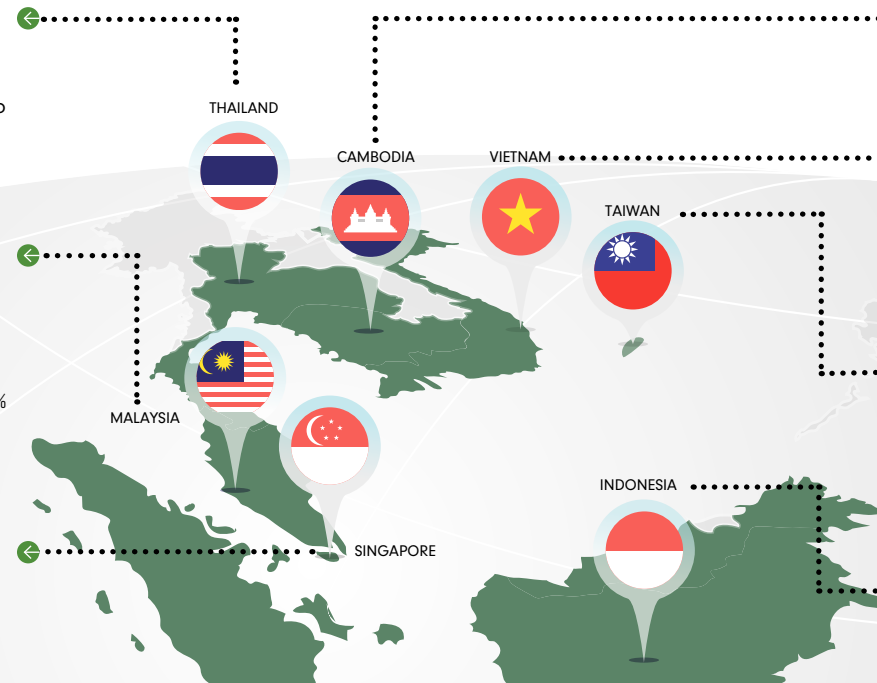
A similar move towards renewable energy (RE) sources was observed in Southeast Asia, where energy development remains a crucial component for economic growth. Today, several Southeast Asian nations are actively engaging in RE adoption, setting forth comprehensive plans for energy transition to attain carbon neutrality and net zero emissions. These strategies are predominantly focused on enhancing RE capabilities while reducing the dependency on fossil fuels. While most Southeast Asian nations have established climate action roadmaps, the transition to cleaner energy sources will require time. In this interim phase, the reliance on coal-fired power plants for energy security remains necessary.

The following figure provides an overview of the diverse national RE plans that have been implemented in the countries in which Leader Energy operates:

Thailand targets net zero emissions by 2065 with plans to implement hydro-solar projects across 20 dams. The country's installed capacity is expected to grow by 53% from 2018 to 2037, with RE's installed capacity projected to grow by 95%.

Malaysia aims to achieve carbon neutrality by 2050 by reducing its dependence on coal-generated electricity in favour of natural gas and RE. Under its comprehensive National Energy Transition Roadmap (NETR), Malaysia aims to gradually increase RE's share in the nation's total generation capacity to 31% by 2025, 40% by 2035, and 70% by 2050.

Singapore, targeting net zero emissions by 2050, plans to diversify its energy mix with hydrogen, natural gas, solar, and potentially small modular nuclear reactors. It expects to import about 60% of its electricity consumption by 2050.



Cambodia has committed to achieving carbon neutrality by 2050. The country aims to meet this target by increasing its current RE installed capacity by placing an emphasis on hydro and thermal technologies, and potentially natural gas from 2025 onwards.

Vietnam, aiming for net zero emissions by 2050, expects a tenfold increase in its installed RE capacity by 2050, with a significant shift towards RE sources like wind and solar which are projected to constitute 61% of the total mix by 2050.

Taiwan aims for a net zero transition by 2050, with a focus on solar and wind power. It plans to phase out nuclear power by 2025 and increase natural gas-fired electricity, supported by carbon capture and storage technologies. Taiwan's RE share in installed capacity is expected to rise from 32% in 2025 to 89% in 2050.

Indonesia plans to achieve net zero emissions by 2060 by focusing on solar and wind technologies, aiming for a 68% share of RE installed capacity by 2060.

The aforementioned initiatives reflect a regional trend towards sustainable energy, balancing economic growth with environmental stewardship.



Promoting Sustainable Energy

LEADER ENERGY – POISED FOR SUSTAINABLE SUCCESS

The evolving energy landscape in Southeast Asia – characterised by an assertive shift towards RE and carbon neutrality goals – presents a promising outlook for Leader Energy's market prospects. As the countries in which we operate commit to substantial increases in RE capacity and reductions in greenhouse gas (GHG) emissions, the demand for expertise and solutions in the RE sector is poised to escalate.

Operating in this dynamic environment, Leader Energy acknowledges the challenges specific to the region while progressively working towards cleaner energy and RE projects. Through our efforts, we aim to provide energy security in the nations we serve while facilitating a gradual and more balanced shift towards sustainable energy solutions.

With our specialisation in this arena, Leader Energy stands to benefit significantly from the regional transformation underway. The increasing focus on solar, wind, and other renewable sources, alongside initiatives like hydro-solar projects and the incorporation of new technologies like battery storage and carbon capture, aligns with the Group's core competencies, offering ample opportunities for expansion. Furthermore, the broadening scope for RE energy integration provides us with a strategic advantage to explore adjacent industries such as energy storage, smart grid technology, and energy efficiency solutions.

This regional shift towards sustainable energy not only underlines the growing market potential but also reinforces Leader Energy's role as a key player in shaping a greener, more sustainable future in the Southeast Asian energy sector.

TRANSITIONING TO THE RE SPACE

Leader Energy embarked on its journey towards RE in 2016 with the Group's acquisition of a majority stake in Leader Nam Tien Hydropower (LNTH) Plants in Vietnam. Encompassing five small hydropower facilities with a combined gross installed capacity or GIC of 51.7 MW, this marked the Group's initial foray into the RE sector. Aside from the stake in LNTH Plants, the Group has under its ambit the Phu My Plants comprising three ground-mounted solar photovoltaic (PV) power plants in Vietnam with a total GIC of 330.0 MWp. Additionally, the Group also owns and operates the Vinh Hao 6 Plant, another solar PV plant in Vietnam with a GIC of 50.0 MWp.

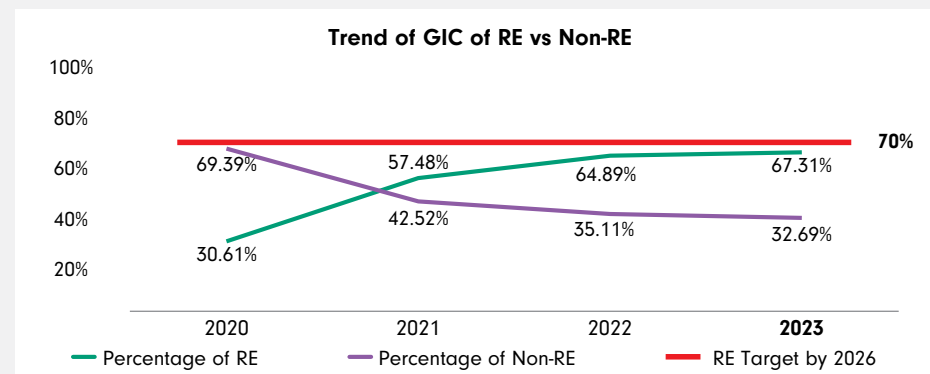
The Group also operates the LSE Plant and LSE II Plant in Malaysia, featuring 114,000 solar modules and a capacity of 38.0 MWp. On top of this, the Group engages in the commercial and industrial (C&I) Solar Projects segment, installing on-site solar PV systems for C&I clients in the countries it operates in. It also owns the Cambodian Transmission Limited (CTL) and CTL II assets, facilitating electricity transmission from hydropower plants.

Concurrently, Leader Energy maintains two coal-fired power plants in Cambodia, the CEL Plant and the CEL II Plant, with a combined GIC of 270 MW. These plants, representing the Group's only non-RE assets, are managed under long-term Build-Operate-Own (BOO) concessions, with the CEL Plant operational since December 2013 and the CEL II Plant since April 2020.

In line with the Group's pledge to only develop RE generation assets moving forward, we have continued to develop and incorporate more sustainable approaches into our future planning and business strategies which are focused exclusively on RE power projects. In tandem with this, the Group has also committed to the long-term climate goal of achieving Net Zero GHG emissions by 2050. Our roadmap to this goal includes a commitment to cease developing or acquiring non-RE assets and to phase out our existing coal-fired power plants the latest by 2050.

Leader Energy's RE Business Goal

As part of our journey towards Net Zero GHG emissions by 2050, we have set a business growth target to transform 70% of our portfolio to RE by 2026. As of December 2023, we have made significant strides towards this target. Our efforts, which have been focused on expanding our RE assets and diversifying our energy mix, reflect our commitment to sustainable growth and environmental responsibility.



MOVING FORWARD

Looking ahead, we will continue to strengthen our position in the RE sector. This involves exploring adjacent industries that actively support the transition to renewable and green energy, broadening our scope and impact within the sustainability sector.

Decarbonise Towards Net Zero

THE GRADUAL TRANSITION TOWARD A NET ZERO FUTURE

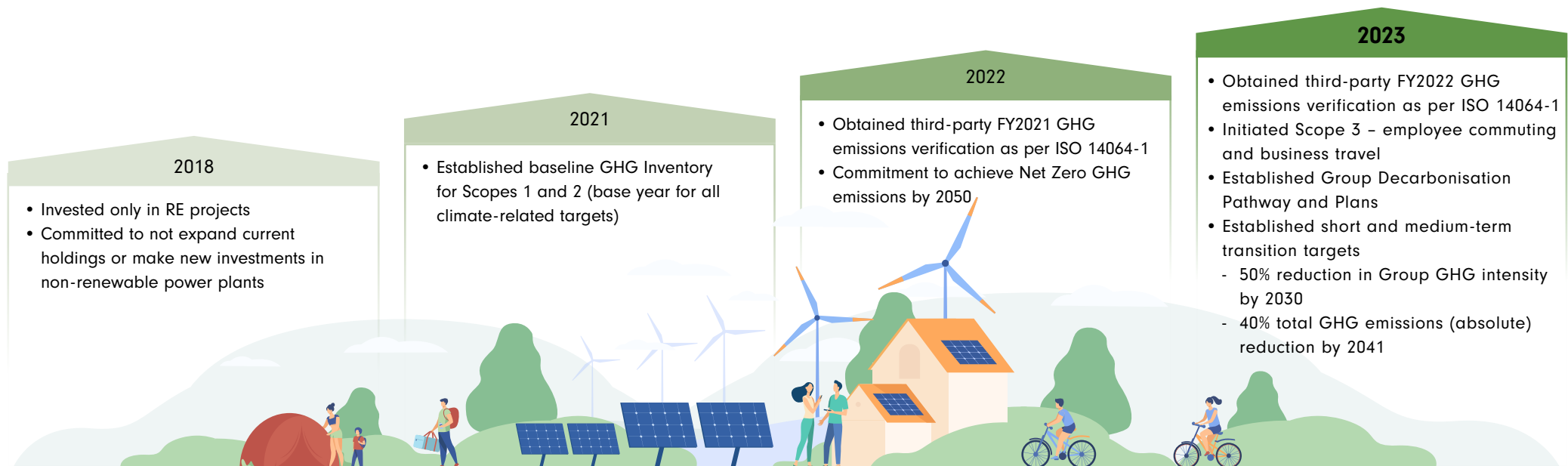
In 2023, the power and utilities sector was at the forefront of the global shift toward clean energy, focusing on reducing carbon emissions from power production aimed at the electrification of various industries. Driven by both regulatory requirements and societal demands, power utilities progressively embraced decarbonisation initiatives. Capitalising on technological innovations and shifts in economic trends, companies have begun the gradual transition from reliance on fossil fuels to greater integration of RE sources like solar and wind. Although the industry as a whole has made progress in this aspect, it still faces challenges in fully meeting global Net Zero emission goals.

LEADER ENERGY'S NET ZERO AMBITIONS

In this transformative era, Leader Energy has been a proactive participant, pledging to attain Net Zero GHG emissions by the year 2050. We have established GHG reduction targets – aiming for a 50% decrease in GHG intensity by 2030, and a 40% total GHG emissions reduction by 2041, taking 2021 as the base year. These initiatives are integral to Leader Energy's strategic approach to sustainability, aligning with the wider industry's commitment to a more sustainable future.

The following table outlines the Group's GHG commitment alongside the milestones we achieved in developing our GHG inventory.

LEADER ENERGY'S GHG COMMITMENT AND INVENTORY DEVELOPMENT MILESTONES



Similarly, the following sections comprehensively cover the measures Leader Energy has taken from 2021 to 2023 to outline our path towards decarbonisation. We also delve into our GHG emissions projections from 2024 to 2050, providing a clear view of our long-term strategy and commitment to reducing our environmental impact.



Decarbonise Towards Net Zero

DEVELOPING LEADER ENERGY'S GHG INVENTORY

Organisational Boundary

The Group has adopted the GHG Protocol's framework to define its GHG organisational and operational boundaries. According to the operational control approach, the Group is accountable for all emissions from operations under its or its subsidiaries' direct control. Consequently, GHG emissions from operations where the Group holds a stake but lacks operational control are not included in the Group's GHG inventory. This method ensures a precise and responsible accounting of the Group's environmental impact.

Operational Boundary

Since 2021, Leader Energy has been accounting for all Scope 1 (direct) and Scope 2 (indirect GHG emissions from purchased electricity) across its controlled assets and operations in its GHG inventory. In 2023, the Group began tracking Scope 3 GHG emissions, focusing specifically on employee commuting and business travel. From 2024 onwards, we plan to undertake a comprehensive evaluation of our material Scope 3 emissions and to develop a detailed Scope 3 GHG Inventory which will comprise all our significant emission categories. This initiative will serve to further enhance our environmental responsibility and reporting accuracy in alignment with GHG Protocol guidelines.

Base Year

The Group has established FY2021 as the base year for its GHG inventory. This specific year was chosen due to the availability of verifiable emissions data. As the reference point, this base year will be instrumental in setting and monitoring the Group's progress toward its GHG emissions targets, thereby serving as the target base year for all related assessments and strategies.

Calculating Our GHG Intensity

The Group measures its GHG intensity by calculating the total GHG emissions per unit of power generated in terms of tCO₂e/MWh. Starting from FY2021, there has been a consistent year-on-year decline in our GHG emissions intensity. Notably, in FY2023, the Group achieved a 6% reduction in GHG intensity compared to the base year of 2021. This significant decrease is primarily attributed to the expansion of our RE generation portfolio, which has increased our power generation capacity. Additionally, the implementation of energy efficiency programmes and the energy savings from rooftop solar installations across our business operations have contributed to this reduction in GHG intensity.

Total GHG

Our total GHG calculations encompass the following categories:

Scope 1

- Direct stationary and mobile sources of emissions:
 - Methane (CH₄), carbon dioxide (CO₂) and nitrous oxide (N₂O) from coal combustion, plant machineries, heavy equipment and company-owned vehicles and fire-fighting equipment (Scope 1).
- Direct fugitive emissions in anthropogenic systems:
 - Refrigerants from air-conditioners and medium and high voltage equipment, if released.
 - CH₄ from domestic wastewater.

Scope 2

- Purchased grid electricity.

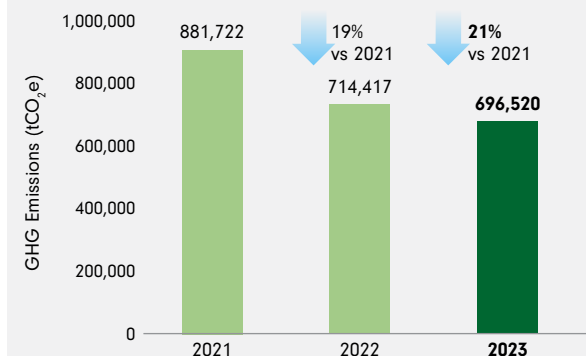
Scope 3

- For the year 2023, our GHG Inventory currently includes only GHG emissions from employee commuting and business travels. The Group is on track to estimate and include the remaining Scope 3 categories in our 2024 GHG Inventory.

Leader Energy's Total GHG Emissions for FY2023

In FY2023, carbon dioxide (CO₂) emissions from stationary and mobile sources constituted 99.5% of the Group's total Scope 1 and 2 emissions. These were followed by N₂O emissions at 0.4%, CH₄ at 0.03%, and refrigerants at 0.02%.

Breakdown of Total GHG Emissions for FY2023





Decarbonise Towards Net Zero

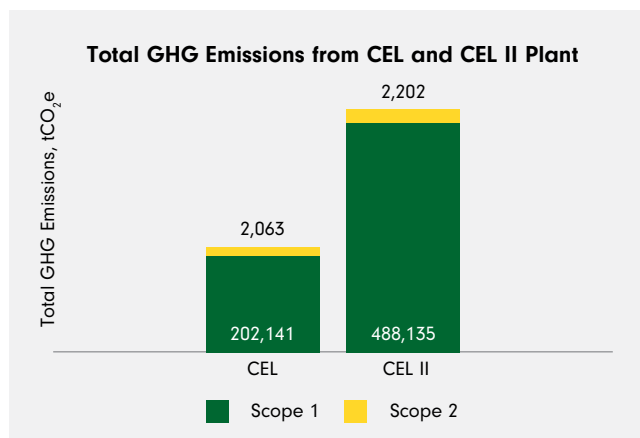
GHG Emissions by Scope

GHG Emissions (tCO ₂ e)	2021	2022	2023
Scope 1	874,580	709,017	690,445
Scope 2	7,142	5,400	5,457
Scope 3			
• Employee Commuting	-	-	575
• Business Travel	-	-	43
Total	881,722	714,417	696,520
Intensity (tCO₂e/MWh)	0.67	0.50	0.61

Note:

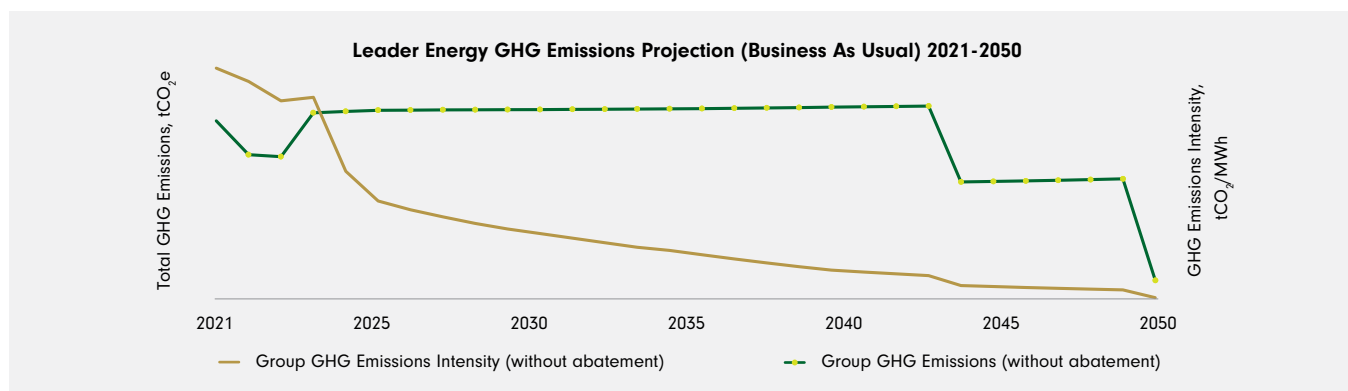
The total GHG Emissions in 2021 and 2022 and intensity data do not include Scope 3 Employee Commuting and Business Travel.

Emissions from our coal-fired power plants, CEL and CEL II, represented a substantial portion (99.8%) of our total Scope 1 GHG emissions. The 21% reduction in total GHG emissions compared to base year 2021 is not a permanent reduction as CEL and CEL II only operated for six and eight months respectively out of 12 months. The emission levels from these plants are significantly influenced by Cambodia's seasonal weather patterns. Particularly during the rainy season, there is a notable shift in energy sourcing preferences, with off-takers favouring hydropower over coal-generated electricity. This preference leads to decreased operational demand for coal-fired power plants, markedly affecting their GHG emissions.



GHG Projections

During the year in review, we developed our plan to reduce our carbon emissions by performing a thorough GHG Projection exercise until 2050. This involved examining our growth from 2021 to 2023, integrating this with the growth targets in Leader Energy's business plan for 2023 to 2030, and then considering the expected growth in RE markets from 2031 to 2050 in the regions we operate in. This step-by-step process ensures our decarbonisation strategy is both robust and aligned with future RE market trends.



Business As Usual (Without Abatement)

Leader Energy anticipates its near-term GHG emissions to remain stable from 2023 to 2030, despite an increase in the Group's gross installed capacity portfolio. This projected stability can be attributed to the fact that over 98% of the Group's GHG emissions currently come from our non-RE energy plants. With the Group's commitment to investing solely in RE sources, emissions from these new sources are expected to be minimal.

Looking at a business-as-usual scenario, a significant decrease in our GHG emissions is projected to take place around 2043 to 2044. This decline will coincide with the expiration of the power purchase agreement (PPA) for our CEL coal-fired power plant, which is anticipated to reduce Leader Energy's GHG emissions by 39.3%. A further substantial reduction of 50.2% is expected in 2050 following the expiration of the Group's CEL II plant's PPA.

Overall, as Leader Energy increases its RE capacity, a downward trend in GHG emissions intensity is projected, thus aligning with the Group's long-term sustainability goals.

Decarbonise Towards Net Zero

LEADER ENERGY'S CLIMATE ACTION ROADMAP

Our Decarbonisation Goals for the Short to Medium-Term

To meet its 2030 short-term goal of a **50% GHG intensity reduction** (with 2021 as the base year), Leader Energy has outlined several key strategies.

Expanding RE Capacity

This will significantly boost power generation without a corresponding rise in total GHG emissions, thereby reducing GHG intensity. More RE in the electricity mix will lower reliance on fossil fuel-based power generation which is predominant in Southeast Asia.

Biomass Co-Firing

Leader Energy is considering using biomass, like rice husk, as a substitute for coal in its coal-fired power plants.

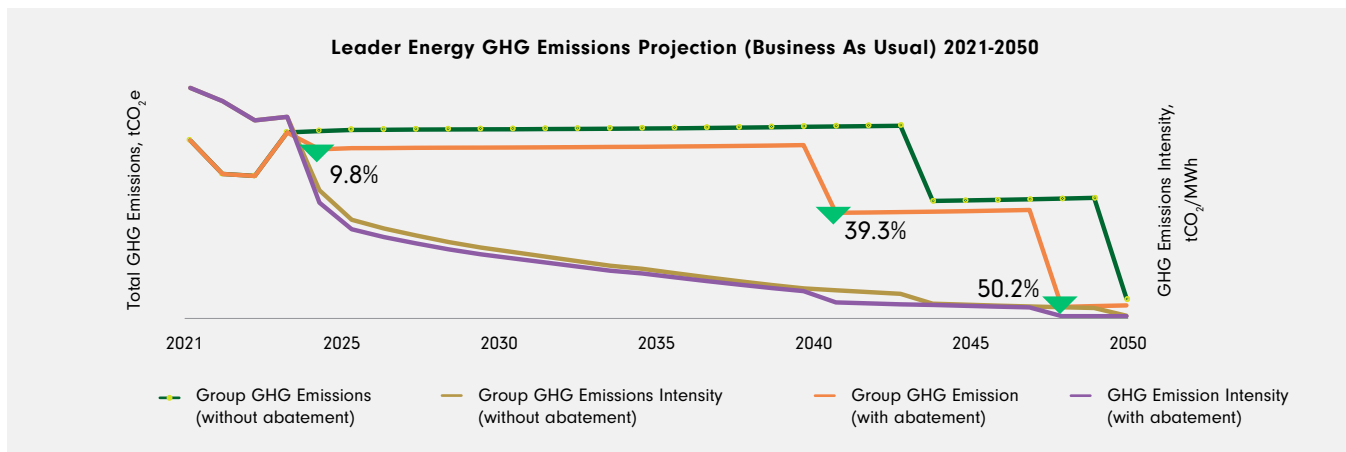
Transition to Low Carbon Vehicles

The Group is looking to replace conventional fuel-based company vehicles with electric and fuel cell vehicles.

Energy-Efficient Office Upgrades

We plan to make our offices more energy-efficient by installing more rooftop solar panels and utilising high-efficiency lighting, building appliances, and ventilation control systems in company-owned office buildings.

In our journey towards a significant reduction in GHG emissions by 2041, we have devised a strategic transition plan aiming for a 40% decrease in total absolute GHG emissions. Central to this plan is the early retirement of the CEL plant, potentially by 2040, which is expected to result in a marked decrease in the Group's GHG emissions. This step necessitates replacing the retired plant's



capacity with sustainable RE sources and integrating reliable battery energy storage systems (BESS). In pursuit of this goal, Leader Energy signed a Memorandum of Understanding with BASF in October 2023 to explore options for BESS.

Another critical element of the plan involves exploring Carbon Capture Utilisation or Storage (CCUS) technologies for our CEL II plant. These technologies promise to significantly reduce GHG emissions by potentially cutting down 85 - 95% of Scope 1 and 2 emissions from our coal-fired power plants. To this end, the Group is actively engaged in discussions with various technology providers to understand the feasibility and integration of these technologies into their existing infrastructure.

Leader Energy will also be focusing on minimising our Scope 2 GHG emissions. A major part of this effort is our utilisation of RE Certificates (RECs) to compensate for the GHG emissions released from purchased grid electricity. Furthermore, we are also progressively installing solar rooftops across our operational buildings. A substantial portion of Leader Energy's energy consumption has already been transitioned to renewable sources, with most of our plant lighting powered by solar street lights.

Planning Success for the Long-Term

Leader Energy plans to decommission its CEL II plants by the first quarter of 2050. In preparation for this, and to achieve Net Zero GHG emissions, we are considering nature-based carbon sequestration. This could involve either direct investments as a project developer or, as a last option, purchasing high-quality nature-based carbon offsets from voluntary carbon markets.

Additionally, a significant portion of our residual emissions is expected to come from our Scope 3 GHG emissions. The exact quantity of these emissions will be clearer after the completion of the full Scope 3 inventory development exercise in 2024. This approach is part of Leader Energy's comprehensive strategy to address its environmental footprint while transitioning towards more sustainable energy practices.



Decarbonise Towards Net Zero

REDUCING GHG EMISSIONS AT OUR COAL-FIRED POWER PLANTS IN CAMBODIA



Initiative: Non-LED to LED light conversion

The Group's initiative to transition from non-LED to LED lighting at our coal-fired power plants is a strategic effort to reduce Scope 2 GHG emissions, save on imported power, and minimise waste. Expected to be completed by 2027, the initiative forecasts significant annual benefits – savings of USD62,100 and a CO₂e reduction of 291.6 tonnes.

26% of LED lights has been installed in 2023. The remaining 74% of LED lights will be completed in the next 4 years.



Initiative: Air conditioner conversion

The Group's on-going air conditioner conversion initiative in the administrative building of our CEL and CEL II plants aims to streamline energy use and reduce emissions. By replacing older, less efficient air conditioners and refrigerants (R22 and R410) with eco-friendly alternatives (R32), the Group intends to cut down on imported power consumption and Scope 2 emissions.

Once completed, this initiative is projected to generate savings of USD55,187 per annum, and the reduction of 119.2 CO₂e in GHG emissions per annum.



Initiative: Operational improvement

The Group's initiative to reduce its GHG emissions is focused on optimising auxiliary power use, improving steam consumption, and enhancing the overall heat rate, all of which contribute to significant fuel savings.

To achieve these objectives, the Group has outlined a comprehensive plan, which includes several key projects:

- ✓ Low Pressure Drain Pump Recommissioning
 - o Revitalising the existing low-pressure drain pumps to enhance efficiency.
- ✓ Electrostatic Precipitators Tuning
 - o Fine-tuning the Electrostatic Precipitators at CEL facility for optimal performance.
- ✓ Electro Chlorination Plant Tuning
 - o Adjusting the Electro Chlorination Plant at CEL for improved efficiency.
- ✓ Pre-Treatment Plant
 - o Implementing a pre-treatment process to enhance the efficiency of CEL plant.
- ✓ Ash Conveying Operation
 - o Optimising the ash conveying processes at CEL.
- ✓ Soot Blowing Operation
 - o Streamlining the soot-blowing operations at CEL II for better fuel utilisation.
- ✓ Ash Conveying Operation
 - o Enhancing the ash conveying system at CEL II.

Upon the completion of these projects, the Group anticipates significant annual savings, estimated at USD665,938 and a reduction of 4.32 tCO₂e.

Championing Green Energy at Cambodian Transmission Limited

Meanwhile, Cambodian Transmission Limited (CTL) is steadily enhancing its energy infrastructure by incorporating solar-powered solutions. In 2023, CTL achieved a significant milestone by replacing traditional lighting with solar streetlights and floodlights at its GS6 and GSKC substations, leading to notable energy savings each month. Additionally, CTL has embraced solar energy through its implementation of solar inverter systems at its GS6 and GSKC substations. In May 2023, we completed the installation of a 44 kW rooftop solar inverter with a complete solar system at the GS6 substation. Operational since June 2023, the inverter generates up to 5,000 kWh for auxiliary use. Prior to this, a similar setup was implemented at our GSKC substation, where two complete solar system units have been in operation since January 2023. For FY2023 as a whole, the total energy solar consumption of GS6 and GSKC was 73,292 kWh which resulted in a CO₂e reduction of 53.06 tonnes.

Looking ahead to 2024, Leader Energy plans to continue this green initiative at CTL by replacing more LED lights with solar alternatives and upgrading air conditioners from non-inverter to inverter models at selected substations. The Group will also be looking to install additional solar systems at other CTL and CTL II substations, further reducing its carbon footprint and reinforcing its commitment to sustainable energy solutions.



Promoting Circular Economy

LEADER ENERGY – CHAMPIONING THE CIRCULAR ECONOMY

In our stead as a responsible industry player, Leader Energy is deeply committed to operating in a sustainable and environmentally conscious manner. As we help propel the energy sector towards sustainable horizons, we strive to ensure that our RE business model aligns closely with the principles of a circular economy.

By harnessing renewable sources like water and solar energy, we are significantly reducing reliance on finite resources, thereby marking a pivotal step in the global journey towards a Net Zero future. By implementing innovative waste and water management initiatives, we are further exemplifying the principles of reuse and recycling at the core of the circular economy. Altogether, these measures not only showcase the Group's efforts in promoting a circular economy but also underscore our role in contributing to a more sustainable future for all.

WASTE MANAGEMENT

Effective waste management plays a crucial role in environmental sustainability and public health. It encompasses the gathering, transport, processing, recycling, and disposal of waste created by human activities. Implementing efficient waste management is vital to minimising environmental impacts, averting pollution, and conserving natural resources.

At Leader Energy, we handle two primary categories of waste: domestic and hazardous. Our domestic waste, which originates from the daily operations and activities of our employees, averages around 0.04 tonnes per day. This waste is disposed off consistently by authorised waste collectors.

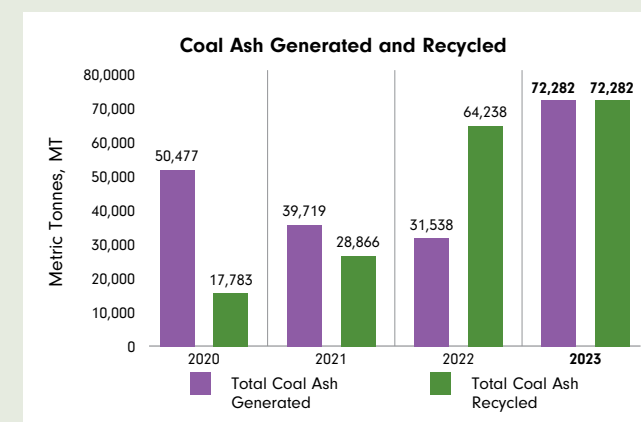
Meanwhile, hazardous waste, identified by its potential harm to human health or the environment, comes in various forms such as used oil, oily rags, spent batteries as well as electrical and electronic equipment/devices. We ensure that all hazardous wastes are kept in proper storage before they are disposed of. To further ensure that we comply with environmental standards, we have engaged licensed waste collectors to dispose off all the Group's hazardous waste.

Management of Fly/Bottom Ash and the Ash Pond at CEL and CEL II

At Leader Energy, while we are focused on investing in and generating clean energy, we also recognise our ongoing energy commitments to our clients. In this regard, we continue to leverage our two coal-fired power plants in Cambodia – the CEL Plant and the CEL II Plant – as sources of conventional energy even as we help our clients to transition to utilising RE in their business. As our only non-RE assets, we have implemented measures to ensure that our coal-fired plants operate in strict compliance with the relevant regulations.

Leader Energy utilise an ash pond, as a means of securely storing ash from our coal-firing power plants for eventual recycling or disposal. Comprising vast containment areas, an ash pond mixes ash with water to secure and settle finer particles. Fly ash, comprised of lighter, finer particles, is captured from combustion gases, while bottom ash which is heavier and coarser, settles at the while bottom of the combustion chamber. The primary function of the ash pond is to contain these byproducts safely, preventing groundwater contamination and the release of heavy metals into the surrounding environment. The collected ash is eventually sent to a nearby cement factory to be recycled as a raw material.

During the COVID-19 pandemic in 2020 and 2021, however, our ash pond accumulated both fly and bottom ash due to reduced demand from the cement industry. Nonetheless, since 2022, we have been successfully recycling all our produced ash, achieving a 100% recycle rate, and as of 2023, we have cleared all the backlog-end of the ash from the COVID-19 pandemic years.



In FY2023, we once again achieved our target of **recycling 100%** of fly and bottom ash.

Promoting Circular Economy

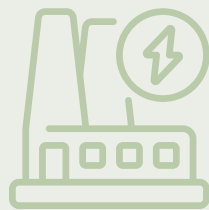
Use of Oil Filtration Machines at our Coal-Fired Power Plants and Hydropower Plants

Lubrication oil plays a vital role in power plants, facilitating the seamless functioning of key mechanical elements like turbines and generators.

We conduct regular maintenance and stringent monitoring of our lubrication systems to ensure that our equipment functions at optimal levels.

In our continuous pursuit of sustainable practices, we have also invested in advanced oil filtration machines for our two coal-fired power plants and five hydropower plants in Cambodia and Vietnam respectively. The introduction of the filtration machine allows us to reuse up to 80 - 100% of the lubrication oil, thereby reducing our hazardous waste output. This initiative marks a step in the right direction for our environmental conservation efforts and is a testament to our commitment to upholding sustainable resource management and environmental responsibility.

80 - 100% of the lubrication oil were reused in our power plants.



WATER MANAGEMENT

At Leader Energy, we place a high priority on effective water management, especially given the critical reliance of our coal-fired and hydropower plants on water resources. Acknowledging the challenges posed by water scarcity, we have implemented comprehensive water management strategies to enhance operational efficiency, minimise environmental impact, and support the sustainable use of water resources. This approach, which is particularly important in our power generation processes, encompassing cooling systems, cleaning operations, and domestic applications, emphasises our commitment to sustainable and eco-conscious operations within the power utilities industry.

Our water sources are diverse, encompassing municipal supplies, underground sources, and reservoirs. At our hydropower plant and Transmission Line I, we use filtered borewell water for domestic purposes. Our coal-fired power plant, on the other hand, depends on treated water from reservoirs for similar uses, while our office buildings are supplied by municipal water systems.



Water Recycling at Our Coal-Fired Power Plants

Water is primarily used for heating and cooling equipment in our coal-fired power plants in Cambodia. For these operations, we utilise water from the reservoir which is returned to its source once it has been used and cooled. For our boiler operations, we employ demineralised reservoir water, replenishing 5% of the water used with fresh water. Doing so allows us to recycle 95% of the water, thus surpassing our target of achieving a 90% water recycling rate in our boiler operations.

95% of water recycled for our boiler operations



Leveraging Run-of-River Hydropower Plants in Vietnam

Leader Energy's commitment to sustainable energy production is exemplified through our thoughtfully designed small-scale hydropower plants in Vietnam which complement the natural flow of rivers and streams. By adopting run-of-river technology, these facilities maintain water levels that closely mirror natural conditions and ensure that water flows seamlessly downstream. Moreover, by eliminating the need for constructing large reservoirs, we are safeguarding the surrounding ecosystems and maintaining the natural landscape. Our approach to water management within these hydropower plants not only significantly reduces our environmental footprint but aids in preserving ecological balance even as we generate RE with minimal ecological disruption.

Rainwater Harvesting at Our Malaysian Solar Farms

At our Malaysian solar farms, we have implemented a 500-gallon rainwater harvesting system. This system, used for tasks such as panel cleaning, decreases our dependence on conventional water sources and enhances our sustainable water management efforts. We are currently evaluating the efficiency and savings from this system and will disclose this in due course.



Promoting Circular Economy

CIRCULAR SUSTAINABILITY AT LEADER ENERGY

Leveraging Innovation – The Use of Solar Panel Cleaning Robots

In line with our aspiration to be an innovative industry leader, the Group leverages technology in every aspect of our operations, including maintenance and upkeep. A prime example is our use of robotic cleaners for the photovoltaic or PV panels at our solar farm in Kedah, Malaysia. Both our solar farms, LSE and LSE II spans across 178 acres of land with a total production of about 67 MWp were equipped with two battery-operated robots which are powered by RE at the site and are capable of cleaning approximately 15 km² daily.

The advantages of using cleaning robots for our solar panels include:



Increased energy output

Regular cleaning by robots maximises sunlight exposure on the panels, enhancing their efficiency and boosting electricity production.



Reduced maintenance costs

Automated cleaning by robots is cost-effective, minimising the need for manual labour and lowering maintenance costs.



Time efficiency

These robots operate independently, offering faster cleaning than manual methods and can be scheduled for optimal times, reducing disruption to power generation.



Adaptability to various conditions

Designed for diverse weather conditions, some robots are equipped with sensors for dirt detection and tailored cleaning adjustments.



Environmentally friendly and optimised water usage

Robot cleaning reduces water usage and avoids the environmental impacts of chemical cleaning agents.



Remote monitoring and control

Equipped with remote monitoring features, these robots enable operators to manage the cleaning process remotely.



Promoting Circular Economy

Investing for a Cleaner, Brighter Future: Leader Energy's River Ocean Clean-Up Sponsorship

River clean-ups hold paramount importance for Cambodia, a nation blessed with significant water resources like the Tonle Sap River, Mekong River and Bassac River. These bodies of water are crucial for the country's economy and ecology, supporting diverse plant and animal species, some of which are endangered. Protecting these habitats through river clean-up efforts is vital for preserving biodiversity and overall environmental health.

In the economic sense, healthy river systems enhance Cambodia's climate resilience, acting as natural barriers against floods and droughts, and safeguarding communities and infrastructure. Furthermore, clean rivers are fundamental to public health by reducing waterborne diseases. Maintaining the ecological balance of these waterways also supports local industries such as fishing, agriculture, and tourism, underpinning long-term economic growth.

Recognising this, Leader Energy is committed to sponsoring River Ocean Cleanup's (ROC) operations as part of our long-term community investments in Cambodia's communities. This initiative aligns with our strategic themes of promoting a circular economy, environmental conservation, and improving community livelihoods. It also underscores our commitment to sustainability, meeting ESG standards, raising waste management awareness, and fostering employee engagement. Our involvement in this programme not only amplifies our brand awareness but also supports UNSDG 14 – Life Below Water, which is crucial, considering our hydropower and coal power operations depend on river resources.

Our five-year sponsorship, which began in September 2023 and was officially launched in March 2024, demonstrates our commitment to sustainable environmental practices and community welfare in Cambodia.

MOVING FORWARD: OUR VISION FOR CIRCULAR SUSTAINABILITY

Leader Energy remains committed to championing circular sustainability, emphasising the integration of RE sources to diminish reliance on finite resources. Our focus extends to refining waste and water management practices, acknowledging their significance in our operations and the broader environmental context. Innovations like robotic maintenance technologies and community-focused initiatives, including our support for projects such as the ROC project, highlight our dedication to sustainability and community welfare. As we stride forward, we remain steadfast in our goal to champion the circular economy by adopting a balanced approach to RE adoption, operational innovation, and community involvement.



Biodiversity Conservation

The Pressing Need for Biodiversity Conservation

As of 2023, the pressing need for biodiversity conservation and reducing carbon footprint has become increasingly evident. Human activities have pushed the planet to its limits in several key areas, namely biodiversity loss, chemical and plastic pollution, nutrient pollution, and GHG emissions. The rate of terrestrial biodiversity loss is particularly concerning, having surpassed safe levels significantly since the 1970s, and the escalating plastic emissions into water bodies further aggravate the problem.¹

How Businesses can Support Biodiversity Conservation

Businesses can play a crucial role in mitigating negative environmental trends particularly in the realm of biodiversity conservation. By adopting and integrating biodiversity-friendly practices, businesses can significantly contribute to preserving and enhancing the natural ecosystems on which they depend. This involves taking proactive steps to minimise habitat destruction, reduce pollution, and support sustainable resource use, thereby helping to maintain and restore biodiversity.

Governments are supporting this shift through regulatory frameworks and reporting requirements that are pushing businesses to evaluate and disclose their impact on natural habitats, pollution levels, and sustainability initiatives. This growing emphasis on ecological stewardship offers businesses the chance to lead in sustainability, benefiting both the planet and their own economic interests.

Note:

¹ Adapted from a report by McKinsey Sustainability titled “Nature in the balance: What companies can do to restore natural capital”.

Leader Energy's Commitment to Biodiversity Conservation

With this as a backdrop, Leader Energy is steadfast in its commitment to advancing RE while maintaining ecological balance and managing our environmental impacts. A key part of our strategy includes conducting biodiversity impact assessments (encompassing impacts, risks, and opportunities) to fully understand how our operations impact nature. We are also fully committed to respecting the fundamental human rights of indigenous peoples, local communities and other stakeholders who may be affected by our nature-related dependencies.

The Group's overarching objective is to nurture environmental awareness among our internal and external stakeholders thereby cultivating a collective commitment to the sustainable preservation of ecosystems. To this end, Sustainability Department oversees all biodiversity conservation-related matters and provides updates to the Executive Management Committee (EMC) and Sustainability Committee (SC).



The Group's commitment to biodiversity conservation is guided by the **Mitigation Hierarchy Principle**, which comprises the following strategies:

Avoidance



Our primary approach is to prevent harm to pristine ecosystems by avoiding activities that could lead to deforestation in forest reserves, protected areas, or sensitive biodiversity zones.

Minimisation



If avoidance is not possible, our focus shifts to minimising any negative biodiversity impacts, such as pollution reduction and creating wildlife corridors for the free movement of local fauna.

Restoration



Where avoidance and minimisation are insufficient, we engage in proactive efforts to restore degraded ecosystems.

Offsetting



To address residual environmental impacts, we collaborate with environmental and social non-governmental organisation (NGOs), contributing to conservation efforts beyond our immediate business scope.



Biodiversity Conservation

Reducing the Impact of Our Operations on Ecosystems

Understanding the potential impact on local ecosystems, the Group has taken proactive measures to mitigate any negative effects. Beyond compliance, Leader Energy has also demonstrated a commitment to supporting local communities and ecosystems.

Making the Most of EIAs and EMPs

As a means of assessing our compliance, the Group systematically conducts thorough environmental and social impact assessments on our various businesses and assets in the countries that requires Environmental Impact Assessments (EIAs) to be conducted. In addition to setting the direction of our conservation efforts, these assessments have confirmed that our current activities have not significantly polluted water, air, or noise levels in the region.

We also have Environmental Management Plans (EMPs) in place which aim to guide our operations in as sustainable a manner as possible. We will continue to implement various mitigation measures to minimise any operational impact. These efforts align with broader economic and development goals in the region, aiming to balance industrial growth with environmental responsibility.



Minimising Ecological Disruption to Wildlife and Migratory Birds

The Group's wholly-owned subsidiary, Cambodian Transmission Limited (CTL), has undertaken significant measures to protect the surrounding ecosystems, especially in the context of its substations and transmission lines. At the heart of CTL's strategy is the meticulous planning and placement of its infrastructure to minimise ecological disruption. The substations and transmission lines are strategically located away from Cambodia's protective forests and its wildlife and bird sanctuary areas, thereby reducing the risk of impacting sensitive ecological zones.

The careful layout of substations and overhead power lines has also effectively eliminated collision-related fatalities, a frequent concern for avian species in such settings. Additionally, there have been no indications that CTL's infrastructure impedes the natural movement or migration patterns of birds, mitigating the barrier effect often associated with such developments.

Regular monitoring around CTL's facilities, including daily patrols, has shown no disturbance to local bird and bat populations, nor any incidents of collision-related fatalities or barrier effects on wildlife movement. Additionally, CTL's design and operational strategies have successfully prevented habitat loss and wildlife electrocution, with no reported cases of bird or bat injuries or deaths. These measures highlight CTL's commitment to balancing infrastructural development with the preservation of natural ecosystems.

Mangrove Conservation CSR Signature Programme

The Group has begun to intensify its biodiversity conservation efforts through its partnership with the Global Environment Centre (GEC), a Malaysian NGO supporting environmental protection and sustainable use of natural resources. We signed a Memorandum of Agreement for a five-year mangrove restoration project in Kuala Muda in Kedah in February 2024.



For more details of this initiative, turn to the 'Care for Community' sub-section in this Report.

Advancing Biodiversity Conservation for a Sustainable Future

Moving forward, Leader Energy is committed to championing biodiversity conservation, integrating sustainable practices to minimise any environmental impact from our operations while promoting resource sustainability. We are also aligning with regulatory frameworks to enhance transparency and accountability in our operations. By prioritising ecological stewardship, we aim to lead in sustainable business practices, recognising the intertwined benefits for the future of our planet and our corporate success.

ENRICHING

COMMUNITIES



STRATEGIC THEME

Care for Our People

MISSION STATEMENT

Sustainable talent, safe working environment and community well-being

FOCUS AREAS

- Workplace Health & Safety
- Nurturing Talent
- Care for Community
- Upholding Human Rights

UN SDG



Workplace Health & Safety

LEADER ENERGY'S ETHOS OF HEALTH, SAFETY AND SUSTAINABILITY

Leader Energy is an independent power producer that is deeply committed to the development, ownership, operation, and maintenance of power assets and projects. Our ethos extends beyond the realm of power generation – we firmly believe in the importance of nurturing a responsible business environment. This commitment is not just a statement of intent but a guiding principle that permeates every aspect of our operations.

In recognising that a safe and healthy workplace is foundational to our success, we are unwavering in our efforts to prevent workplace-related injuries and occupational illnesses, ensuring that our employees and contractors work in conditions that prioritise their well-being and safety. Our commitment to good health, safety, security, and environmental (HSSE) practices has culminated in our comprehensive Safety and Health Programme, which not only aligns with industry best practices but also brings tangible benefits to our operations and workforce.

EMBEDDING ROBUST INTERNATIONAL STANDARDS INTO OUR OPERATIONS

Our steadfastness in upholding international standards in health and safety is underscored by our ongoing efforts to certify our key operations. The certification of Leader Energy's transmission line operations in Cambodia under the ISO 45001 standard and rooftop solar projects in Singapore is a testament to our efforts, ensuring our continual improvement and adherence to best practices in workplace health and safety. We are also in the process of obtaining certification for our Group-wide operations and are aiming to complete this exercise by 2025.



In October 2023, we established the Group's Health, Safety, Security, and Environment Policy. This policy underscores our dedication to maintaining a safe, secure, and healthy working environment, going beyond just preventing injuries and health hazards. It emphasises preventing pollution, minimising environmental impact, providing a safe and healthy workplace, and adopting robust security management. The policy sets measurable HSSE performance targets, offers regular training, and involves all employees and stakeholders in creating a safer, more sustainable environment.

Furthermore, in understanding the dynamic nature of our sector, we have adopted a proactive approach to managing potential risks. From mitigating the risk of injuries and occupational illnesses to preventing property damage, our strategies are designed to be as practical as they are effective. Security management is another critical facet of our operations. We meticulously identify, evaluate, and manage security risks, ensuring the protection of our people, assets, information, and reputation.

To gauge the effectiveness of our HSSE efforts, we have set measurable performance targets. These targets are not static; they are regularly monitored, evaluated, and reported upon, ensuring continuous improvement and adaptation. Education and awareness are also key components of our strategy. To this end, we provide regular HSSE training and work tirelessly to enhance awareness of HSSE-related matters across our operations.



For further details on our Health, Safety, Security and Environment Policy, please visit our website or scan the QR code.

Workplace Health & Safety


OUR HEALTH AND SAFETY PERFORMANCE IN 2023

During the year in review, Leader Energy continued to demonstrate a strong commitment to health and safety, as reflected in our performance monitoring and reporting practices. It is our practice to maintain a structured and vigilant approach to monitoring our health and safety metrics, with reviews conducted every quarter. These exercises are conducted by the Group's own Sustainable Working Committee (SWC), the Executive Management Committee (EMC), and the Sustainability Committee of the Board. These three committees oversee all HSSE matters within the Group and are wholly committed to ensuring health and safety remain a key focus across all management levels.


A notable achievement for the year 2023 was the absence of any lost-time injury (LTI) incidents or cases that required first-aid, highlighting the effectiveness of our safety practices. This success can be attributed to our proactive approach to health and safety which comprises regular training, strict operational protocols, and the Group's emphasis on preventive measures.

Overall, Leader Energy's 2023 performance demonstrated our strong commitment to health and safety, aligning with our goal of exceeding industry standards and ensuring the well-being of our employees.


ZERO




Work-related Fatalities



Lost-time Injury Rate



Fatalities Case (Employees)



Fatalities Case (Contractors)

Target: Zero lost-time injury rate (LTIR).


THE GROUP'S STRINGENT HEALTH AND SAFETY PRACTICES

In a sector where the stakes are high, ensuring the well-being of our workforce and the integrity of our operations is not just a responsibility but a necessity. As such, the Group is committed to incorporating the following stringent industry health and safety best practices throughout our operations:

Dedicated HSE Teams

The establishment of dedicated Health, Safety, and Environment (HSE) committees at both our office-based and plant-based operations play a pivotal role in ensuring that our workspaces adhere to the highest standards of safety and health practices. The committees' key roles include performing regular safety checks to ensure adherence to safety protocols, identifying and mitigating potential risks, and fostering a safe working environment.

Additionally, these committees offer a platform for employees to exchange safety insights and lessons learned, contributing to a culture of continuous safety improvement. Regular toolbox meetings further support this goal by disseminating HSE best practices and updates, ensuring all team members are well-informed and equipped to maintain a secure workplace. Through these efforts, our HSE committees not only ensure compliance with safety regulations but also underscore our commitment to the well-being of our workforce.



All operations have completed **100%** of the planned monthly safety inspection, with each operation conducting a safety inspection at least once a month.

Target: Monthly safety inspection at Utility Scale operations and at construction phase for C&I rooftop business.



Workplace Health & Safety

Observing Safety Protocols at Our Plants

The Group places a strong emphasis on leadership in safety. To this end, we have implemented the Group-wide practice of appointing a chargeman to lead all operations and maintenance works in compliance with the Electricity Supply Act at each of our operational facilities. This ensures that safety protocols are meticulously followed. Furthermore, all operations employees, visitors and contractors are also provided with suitable personal protective equipment (PPE) when visiting our plants. This equipment is crucial in minimising the risk of workplace injuries.

Employee Safety Training

We also prioritise safety training for our staff as preparation and procedural knowledge are fundamental in preventing injuries and fatalities. Occupational Safety and Health Act (OSHA) supported studies highlight that electrical safety training and adherence to proper procedures could be more effective than PPE in preventing accidents. As such, comprehensive training programmes are also vital for employees to understand and mitigate risks, and comply with safety regulations.

In this stead, we offer regular training that is carried out at all our assets throughout the Group. These training sessions are tailored to our employees based on their specific job roles and the HSSE skills matrix, to ensure they are well-equipped to meet their responsibilities. Key training topics include 'Emergency Preparedness and Response', 'Working at Heights' and 'Lock-out and Tag-out'.

Our employees also undergo the National Institute of Occupational Safety and Health (NIOSH) trainings which equips them with essential safety knowledge and skills. This training is part of our broader effort to cultivate a safety-conscious work culture where incidents are promptly reported and addressed.



Ensuring the well-being

of our workforce and the integrity of our operations is not just a responsibility but a necessity

Emergency Response Plan

Each of our operations is equipped with a tailored Emergency Response Plan (ERP) to address potential emergency situations, ensuring all employees within the operation are well informed about the procedures. Additionally, we conduct fire drills regularly, with a minimum of one drill per year, to reinforce our preparedness and response capabilities.

Safety and Incident Report

Finally, we foster a safety-conscious work culture where reporting incidents is encouraged and acted upon. This transparency in reporting ensures that we continuously learn and improve our safety practices. It also reaffirms our commitment to maintaining a safe and healthy work environment, where every incident is an opportunity for learning and improvement.

Upholding Good Contractor Safety Management Practices

Contractor safety management is a key aspect of our health and safety practices. Throughout the Group, all new employees receive a comprehensive safety induction briefing on their first day. This induction is vital for acquainting them with our safety protocols and expectations. Similarly, our HSE representative conducts safety briefings for all visitors before they enter the PV installation area, ensuring they wear appropriate PPE and are accompanied at all times for their safety.

Moreover, toolbox meetings are conducted and permits to work are issued for contractors before they commence their tasks. This process ensures that all safety measures are understood and adhered to before any work begins.



Workplace Health & Safety



At Leader Energy, managing and controlling contractor safety is a critical aspect of our operations, ensuring that both initial operations and ongoing work adhere to stringent safety standards. The following three-step procedure outlines the detailed process that the Group requires all its contractors to undergo:

Step 1 Initial Operations

Our process begins with the creation of an operation ticket, which is essential for removing a unit from its operating position. This is followed by the establishment of physical safety barriers, signage, and other necessary measures to secure the work area. We also prioritise introducing contractors to emergency exits and specific occupational safety requirements relevant to their tasks.

Once the work area is secured, we issue a work slip, assigning the unit to the contractor. This slip serves as formal authorisation for the contractor to commence work. Upon completion of the overhaul work, either the Shift Manager or the Operation Manager conducts a thorough inspection, using the work slip as a guide to ensure all tasks have been completed safely and satisfactorily.

Step 2 Occupational Safety Requirements for Contractors

Contractors bear the responsibility for the safety of personnel and structures on the construction site, including any adjacent works. They are required to establish visible safety measures and rules, ensuring that these are well-communicated and observed by all. Key safety positions on the site must have clear warnings and instructions to prevent accidents.

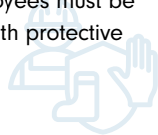
Regular inspections and supervision of occupational safety are mandatory, with any violations leading to immediate suspension of work. The contractor is also responsible for training and educating their employees on occupational safety regulations, including providing certificates for roles requiring strict safety adherence. Moreover, contractors must equip their employees with necessary labour protection and safety gear.

Step 3 Control of Occupational Safety

Leader Energy has stringent controls over occupational safety and requires contractors to be appropriately equipped for their tasks. These are among the essentials in place:

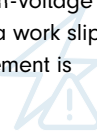
Protective equipment:

Contractor employees must be fully equipped with protective gear.



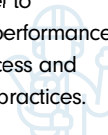
High-voltage work:

For tasks involving high-voltage electrical equipment, a work slip issued by the Management is mandatory.



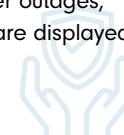
Supervision and documentation:

We appoint personnel to supervise contractor performance, documenting the process and intervening in unsafe practices.



Safety signage:

In areas with power outages, clear safety signs are displayed.



Workplace Health & Safety

Health Management

In addition to ensuring the physical safety our workforce, we also prioritise the mental health of our employees. This focus is part of the Group's holistic approach to ensuring the wellbeing of our team. In commemoration of World Mental Health Day, we organised a health talk on ergonomics and nutrition which was delivered by a doctor from our panel clinic with each attendee receiving health supplements as door gifts. We also distributed a message to all employees, emphasising the importance of self-care.

Fatigue Management Practices

The Group recognises that managing fatigue among our employees is crucial to maintaining both their well-being and operational efficiency. As such, our approach to fatigue management is tailored to the specific needs of our diverse operations.

We have implemented measures to ensure our employees can manage fatigue effectively during their working hours. Additionally, considering the seven-day operational schedule of the plants, we have organised a five-day work-week for our operators, with a shift roster system in place. This ensures that each operator gets adequate rest while guaranteeing that at least one operator is available during the weekends.

Similarly, at our hydropower plant in Vietnam, we have adopted a unique approach to fatigue management. Each operator is allowed to take a 15-minute power nap during their working shift. This brief rest period is crucial for maintaining alertness and effectiveness, particularly in roles that demand constant attention and precision.



35 audits and inspections conducted in FY2023

HSSE Audit

We ensure the integrity of our HSSE practices through an extensive internal audit programme designed to assess and elevate our adherence to HSSE standards.

The aim of these audits and inspections is to uncover any potential risks and areas needing enhancement in our operational processes, ensuring they meet both our internal guidelines and external legal standards. Thanks to the expertise of our internal team, these comprehensive reviews yield critical insights and recommendations, empowering us to continuously improve our HSSE performance.

STRENGTHENING OUR COMPREHENSIVE HEALTH AND SAFETY CULTURE

Today, Leader Energy is ensuring a comprehensive approach to health and safety best practices through its integration of competent leadership, appropriate equipment, comprehensive training, and a culture that prioritises the well-being and safety of people above all.

Moving forward, we remain committed to building upon these practices to not only ensure the well-being and safety of our employees but to also enhance the overall efficiency and reliability of our power and utility operations. Our aspiration is to set new industry benchmarks in health and safety, ensuring the Leader Energy brand is synonymous with excellence and care in every aspect of our work.



Nurturing Talent

PRIORITISING EMPLOYEE WELL-BEING FOR SUSTAINABLE GROWTH

Amidst the globally challenging landscape of 2023, human resource (HR) management and talent cultivation have come to the forefront in many industries. This comes with companies recognising the need to prioritise employee well-being, flexible work arrangements, and a commitment to diversity, equity, and inclusion (DEI) to efficiently adapt to the rapidly changing corporate environment. These practices are essential not only for operational success but also for creating a positive employee experience, significantly contributing to organisational sustainability and growth.

LEADER ENERGY'S EMPLOYEE VALUE PROPOSITION

Here at Leader Energy, we see the benefits of embracing evolving HR practices as this is not only enhancing our operational effectiveness but also reaffirming our commitment to being a sustainable and forward-thinking organisation. Our focus on cultivating a supportive work environment, as well as championing the well-being, development, and diversity of our workforce, underscores our dedication to being a responsible and progressive player in the power and utilities sector.

The Group's Employee Value Proposition (EVP) mandates that we create a workplace environment that upholds equal employment opportunities, competitive compensation, and talent mobility, all within a framework of mutual respect, cultural diversity, and an unwavering commitment to being free from bias and discrimination.

Leveraging a Comprehensive HR Strategy

To reinforce our position as a prominent independent power producer in Southeast Asia and to ensure our EVP remains a dynamic one, we have brought a comprehensive HR Strategy into play. This strategy is centred on attracting, developing, and retaining a diverse and skilled workforce, which is essential for our core objectives of delivering safe, affordable, and sustainable power generation and transmission. Additionally, it aligns with our commitment to maintaining the highest standards of environmental and social responsibility.



Embedded in this strategy are our core values, guiding our conduct and decisions:

Personal Commitment to Excellence Every individual aims for the highest standards in his or her work, driving the Group's success. 	Integrity We prioritise honesty and ethical practices in all our dealings. 
Accountability We hold ourselves responsible for our roles, contributing to our shared objectives. 	Continuous Improvement We commit to ongoing development, embracing feedback and new ideas. 
Teamwork We value the strength of working together, leveraging our diverse talents for better outcomes. 	Career Growth We support our employees' growth, offering pathways for advancement within the organisation. 

By weaving these values into our HR Strategy, we aim to foster a supportive and dynamic work environment that not only advances our strategic goals but also aligns with the aspirations of our team members.

Nurturing Talent

To date, we are focused on achieving the following goals within our HR Strategy:

Objective 1

Understanding and Addressing Employee Needs

To comprehend employee satisfaction, needs, and concerns, the Group regularly engages in dialogues, roundtable discussions, and feedback sessions. For instance, our operations in Cambodia and Vietnam have been conducting twice yearly and annual Employee Dialogues, respectively, alongside HR Roundtable discussions. In 2023, these discussions were also introduced in Malaysia and Singapore. Following these dialogues, we analyse the inputs and devise action plans to address identified issues and foster improvements.

In 2023, the Group conducted the following engagements:



Employee Dialogue:
3 engagements



HR Roundtable:
5 engagements

In Malaysia, we have been conducting annual Employee Surveys since 2022 to understand workplace aspects like compensation, work-life balance, career development, and culture. Plans are in place to extend these surveys to other operations progressively from 2023. Additionally, we maintain an open-door policy, encouraging employees to voice concerns and seek guidance, with a commitment to confidentiality and ethical HR practices.

Objective 2

Cultivating a Culture of Empowerment and Potential

We provide ongoing skills development and training opportunities that allow employees to enhance their expertise in line with organisational goals and industry trends. We also encourage our employees to participate in cross-functional projects as they broaden skill sets and expose participants to various business areas. This approach not only enhances professional growth but also fosters a culture of continuous learning and adaptability.

Objective 3

Enhancing Employee Morale

The Group promotes a healthy work-life balance through our provision of flexible working hours and wellness programmes. While operational necessities in certain countries may limit the implementation of flexible arrangements, we are committed to extending these benefits wherever feasible. Wellness initiatives focus on physical and mental health, reinforcing our commitment to employee well-being.

Objective 4

Monitoring and Evaluation

Our structured approach to monitoring and evaluation includes the implementation of KPIs and yearly performance appraisals. These appraisals provide a platform for discussion and continuous improvement, aligning employee experiences with our organisational values. The Group also conducts regular reviews of employee feedback and survey results to help gauge the impact of our HR initiatives. This helps us to ensure adherence to ethical standards and the advancement of diversity and inclusion within our organisation.

In summary, Leader Energy's HR Strategy is a holistic and dynamic approach to creating a workplace that not only values its employees but also actively contributes to their growth and satisfaction. By prioritising these factors, we are not just enhancing our operational effectiveness; we are also reinforcing our commitment to sustainability and social responsibility.

Nurturing Talent

Talent Attraction and Retention Programmes

At Leader Energy, our comprehensive approach to talent management encompasses both attracting and retaining top talent – activities that are essential for our sustained growth and success. By focusing on diverse recruitment channels and offering attractive incentives, we strive to be an employer of choice in the energy sector. Similarly, we have adopted a multifaceted and strategic approach to our talent retention initiatives by focusing on development opportunities, work-life balance, wellness, open communication, environmental responsibility, and a culture of inclusivity.

For the year under review, the Group continued to engage in the following talent management initiatives:

Talent Attraction Strategies



Internship Programmes

We have established robust internship programmes in partnership with local universities, targeting young talent with a keen interest in the energy industry. These programmes not only provide valuable industry exposure to students but have also become a vital pipeline for identifying and nurturing potential future employees.



Recruitment Partnerships

Collaborations with technical schools and colleges in Cambodia and Singapore form a significant part of our recruitment strategy. This approach helps us tap into a pool of talented individuals who are already aligned with our industry's needs and goals.



Employee Referral Programmes

Recognising the value of our existing workforce in identifying like-minded professionals, we have implemented an employee referral programme. This initiative not only incentivises our employees to recommend qualified candidates but also helps us tap into a wider network of potential hires.



A Strong Online Presence

We have developed a dedicated careers website and actively engage on social media and job boards across various countries. These platforms provide insights into Leader Energy's background, mission, values, and our commitment to compliance, talent retention, sustainability, and business growth.



Competitive Compensation

To ensure we attract and retain the best talent, we offer competitive compensation packages. These packages are comprehensive, encompassing salary, bonuses, and a range of benefits including healthcare, health checks, various insurance coverages, generous leave allocations (maternity, paternity, festive, and prolonged illness), higher retirement contributions, and convenient shuttle van services, among others.

Nurturing Talent

Talent Retention Efforts



Professional Development

We provide sponsorship for professional memberships, access to various training programme and career advancement within the Group. These initiatives are designed to help employees enhance their skills and grow professionally, affirming our belief in their potential and value.



Flexible Work Arrangements

Recognising the importance of work-life balance, we offer flexible working hours in various countries where we operate. This approach caters to the diverse needs of our workforce, allowing them to balance their professional and personal responsibilities effectively.



Employee Wellness

Our wellness programmes are tailored to support both physical and mental well-being. These initiatives are part of our broader strategy to ensure the well-being of our employees, understanding that a healthy workforce is a productive and happy one.



Feedback and Open Communication

We place great emphasis on open communication, encouraging employees to share their concerns, feedback, and grievances. Regular employee surveys are conducted to gauge satisfaction and pinpoint areas for improvement. This transparent communication policy helps us to address issues proactively and maintain a positive work environment.



Environmental and Social Responsibility

We actively involve our employees in eco-friendly initiatives by embedding employee volunteering and community engagement within our CSR efforts. These initiatives allow our teams to make meaningful contributions to the communities the Group operates in, enhancing societal well-being and deepening our employees' connection to wider social goals.



Inclusivity and Respect

We are steadfast in promoting a workplace free from discrimination, where human rights are respected, and diversity and inclusion are embraced. Our efforts ensure that employees from diverse backgrounds feel genuinely valued and respected, fostering a culture of inclusivity and mutual respect thrive.

In essence, Leader Energy's talent management strategy is a balanced blend of attraction and retention initiatives. By focusing on these key areas, we not only enhance our operational effectiveness but also reinforce our commitment to being a responsible, sustainable, and forward-thinking organisation in the energy sector.



Nurturing Talent

Succession Planning

The Group’s leadership understands the vital role that succession planning plays in the longevity and success of our organisation. Recognising the need for seamless leadership transitions, we have invested in developing our future leaders through comprehensive leadership development programmes. These programme go beyond mere training sessions; they are a robust platform for spotting and nurturing high-potential employees who have shown the aptitude and qualities necessary for excelling in senior leadership roles.

In 2023, we embarked on an initiative to tailor a leadership development programme specifically for our senior managers across the Group’s various departments. Meticulously structured to equip the targeted talents with a deep understanding of leadership principles, the programme offers employees a comprehensive view of the intricacies of Leader Energy’s operations and the challenges that lie ahead.


The programme’s design focuses on a holistic approach to leadership development, thus ensuring the smooth transition to leadership within the Group. Through a combination of targeted training sessions, mentoring opportunities, and practical, hands-on experiences, employees are able to hone the necessary skills and competencies for leadership positions. This initiative not only prepares employees for future roles but also reinforces our commitment to internal growth and the nurturing of our talent pool.

Competency Assessment

As part of our aim to cultivate a skilled and motivated workforce, the Group utilises competency-based assessments as a key tool for evaluating the knowledge, skills, behaviour, and abilities of our employees. These assessments are also


integral to various aspects of the Group’s HR management practices as the insights gained from these assessments help the management to create comprehensive development plans. These plans are tailored to help individuals enhance their competencies, thereby contributing to their personal growth and the Group’s collective success.

Competency assessments are used in the following instances:




Recruitment Process

Competency assessments are crucial to the Group’s recruitment process as they ensure that a candidate’s competencies align with the job requirements.




Performance Management

We conduct twice yearly employee work performance appraisals, which are central to our performance management strategy. In 2023, all eligible employees were subjected to the mid and year-end performance reviews.



Training and Development

Leveraging competency assessments are instrumental in our Training Needs Analysis. Implemented across the entire Leader Energy Group, this evaluation helps in identifying skill gaps and designing training and development programmes.



Succession Planning

In our succession planning efforts, we rely on competency assessments and matrices to identify and prepare high-potential employees for future leadership roles. This proactive approach ensures a continuous pipeline of capable leaders ready to steer our organisation forward.

Talent Development (Leadership and Functional Training)

Our approach to talent development encompasses a wide range of programmes. This includes leadership training, aimed at nurturing effective and visionary leadership skills, essential for guiding our teams and the organisation towards success. Additionally, we provide functional training tailored to employees with the specific expertise they need to excel in their roles. This focus on skill development is crucial, as it directly contributes to the success of our power generation business.

The following table illustrates the total number of training hours the Group has invested into over the past three years:

Years	2021	2022	2023
Average Training Hours Per Employee (target average training hours in FY2023: 8 hours per employee)	16	16	15

Nurturing Talent

DIVERSITY AND INCLUSION

Leader Energy's Commitment to Diversity, Equity, and Inclusion

At Leader Energy, we are dedicated to cultivating a diverse talent pool, recognising the significant impact our diverse backgrounds and shared experiences have on achieving our vision. Our goal is to create a welcoming and inclusive environment where every person feels valued and can build a fulfilling career.

We uphold the principle of fair and equitable rewards for individual achievements, offering equal opportunities to all, irrespective of age, race, ethnicity, nationality, gender, sexual orientation, or disability. We believe that by providing an equal platform for everyone to showcase their talents, we enable personal and professional growth.

Our commitment at Leader Energy is to embed a sense of belonging and inclusion in every facet of our operations. We aim to create a workplace where each employee is empowered to excel and contribute significantly to our collective goals. Leveraging the strengths of our diverse team, we are driven towards a sustainable and successful future.



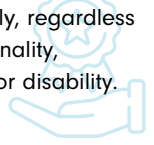
The Group HR department, headed by the Group HR Director, oversees all aspects of Diversity, Equity, and Inclusion (DEI) within the Group. Progress updates on DEI and HR initiatives are integral components of our overall sustainability updates. These are presented to the Executive Management Committee (EMC) and the Sustainability Committee (SC) every quarter, ensuring transparency and accountability in our efforts to foster an inclusive workplace.

Leader Energy's stance is further spelled out in the Group's DEI Commitment

We believe that diversity of talent is fundamental to our ability to achieve our vision, and we acknowledge the significance of our unique characteristics and shared experiences in achieving it.



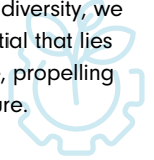
We believe that individuals should be rewarded equally based on their accomplishments, ensuring that everyone is given equal opportunities to demonstrate their full potential and grow personally and professionally, regardless of age, race, ethnicity, nationality, gender, sexual orientation, or disability.



We strive to foster an engaging and inclusive work environment where every employee feels a sense of belonging, is respected, and empowered to succeed.



We promote a culture of belonging and inclusion that is reflected in all aspects of our operations. This culture positively benefits our employees and makes them able to contribute to our Group's success. By harnessing the power of diversity, we embrace the limitless potential that lies within our diverse workforce, propelling us toward a sustainable future.



Nurturing Talent

Unconscious Bias Training

In 2023, we took a significant step to reinforce the messaging of our DEI commitment by implementing unconscious bias training across the organisation.

Unconscious bias refers to the automatic, often unintentional, prejudices or assumptions we make about people based on their background, appearance, or identity. These biases can influence decisions in ways that are often unfair and counterproductive, affecting everything from recruitment to day-to-day interactions. Our training sessions aim to address these biases, which have the potential to influence decision-making and hinder productivity. Given that this could affect various aspects of our operations, including recruitment and daily interactions, it is important to address these biases effectively.

Recognising the impact of these biases, we set out to educate our workforce about them in the year under review. Our goal was twofold: firstly, to achieve more than 30% representation of women in senior management roles, and secondly, to ensure over 80% of our employees were trained in recognising and mitigating unconscious bias by the end of 2023.

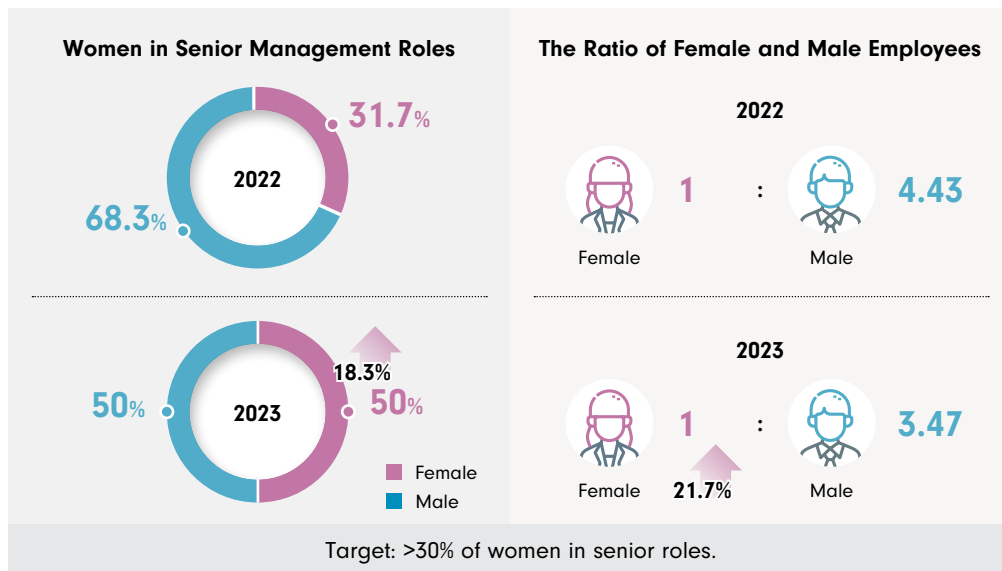
The year's efforts were impactful. We conducted six sessions of unconscious bias training, seamlessly integrating them with our Sustainability Awareness Training. The results were promising, with 99.5% of our employees having completed the training.

These training sessions are more than just educational tools; they are a reflection of our commitment to creating an inclusive workplace. By raising awareness among our team on unconscious bias, we are fostering an environment where decisions are made more fairly and equitably. This not only enhances our internal culture but also reflects positively on our external operations and reputation.

99.5% of our employees trained on unconscious biasness



Target: 80% of employees trained on unconscious biasness.



Legend:

↑ Improvement from previous year

EMPLOYEE ENGAGEMENT AND WELL-BEING

At Leader Energy, we prioritise employee engagement and well-being as key drivers of our success. Recognising the well-being of employees is not merely a moral obligation but a strategic necessity, we understand that physically and mentally healthy are likely to be more productive and committed. A workforce that is well cared for tends to be resilient, adaptable, and motivated, contributing significantly to our overall growth.

Our commitment to nurturing employee well-being creates an environment conducive to both individual and corporate success. This approach fosters innovation, sharpens our competitive edge, and solidifies our position as a forward-thinking and responsible organisation. In essence, the well-being and engagement of our employees are fundamental to the success and sustainability of Leader Energy.

The Group is dedicated to fostering a workplace culture that encourages active engagement, leading to collaboration and innovation. This engagement is crucial for harnessing the diverse thoughts and ideas of our employee, and it is at the heart of our strategy to strengthen employee engagement and well-being across the Group.

Nurturing Talent

In 2023, Leader Energy implemented several initiatives to boost employee engagement and well-being across the Group which included:

- HR briefings/dialogues/roundtable discussions;
- Birthday celebrations on a quarterly basis;
- Employee volunteering activities in CSR programmes;
- Annual company dinner and year-end events;
- Festive celebrations; and
- Sports and team building activities.

International Women's Day Celebrations

Leader Energy's annual celebration of International Women's Day plays a key role in enhancing employee engagement and well-being among female employees. This event is a tribute to honour and show respect for women, significantly reinforcing the Group's commitment to gender diversity and equity.

The celebration creates a relaxed and joyful atmosphere, promoting stronger relationships and camaraderie among all employees. This positive environment contributes to a supportive and inclusive workplace culture. The consistent hosting of this event each year underlines Leader Energy's dedication to acknowledging and valuing the contributions of its female employees.

In summary, the International Women's Day celebration is an essential part of Leader Energy's approach to building a cohesive, respectful, and engaged workforce, where every employee feels appreciated and part of the Group's success.

ELEVATING TALENT NURTURING INITIATIVES AT LEADER ENERGY

Moving forward, we remain committed to bolstering our host of talent nurturing initiatives, ensuring Leader Energy's position as a sustainable leader in the power sector. To this end, we will continue to enhance our Employee Value Proposition to provide a workplace that champions equal opportunities, competitive rewards, and career growth, all within a diverse and inclusive culture. We will also focus our efforts on strengthening our HR Strategy to support our vision of being a top independent power producer in Southeast Asia. This will entail bringing into play ongoing strategies to attract, develop, and retain a skilled workforce essential for delivering safe and sustainable power.

As we stride forward, our priority is to enrich our work environment and promote the well-being and professional growth of our greatest asset, our employees, as they are key to driving Leader Energy's success into the future.



Care for Community

A SUSTAINED FOCUS ON CSR AMID ECONOMIC CHALLENGES

In 2023, corporate social responsibility (CSR) took on a pivotal role, bridging the gap between corporations and community needs. There was a noteworthy shift in the way companies incorporated ethical practices into their business models as they sought to truly make a beneficial impact on society. More businesses were seen aligning their ESG initiatives with overall business success, recognising the interdependence of these elements. As a result, the CSR landscape was characterised by a steadfast focus on safeguarding social impact programmes, despite economic challenges.¹

HOW WE APPROACH CSR

At Leader Energy, CSR initiatives go beyond mere societal contributions; they are integral to ensuring the long-term sustainability of our business and the communities in the markets we serve, engaging our employees, and safeguarding our brand reputation.

Leveraging Our CSR Vision and Strategy to Make a Positive Impact

To enhance awareness among our stakeholders by championing a collective commitment to corporate social advocacy, we have brought our CSR Vision and Strategy into play.

Note:

¹ Sourced from an article on the Giving Compass website, titled "Trends in Corporate Social Impact for 2023".



At Leader Energy, we **champion CSR through a holistic focus on community engagement and environmental stewardship**. Our goal is to create a sustainable future where the environment and society coexist harmoniously.

The Group's CSR initiatives come under the ambit of our CSR Strategy which comprises the following three strategic themes:

Strategic Theme 1 - Environment Conservation and Climate Action

We are actively involved in nature-based conservation, promoting a circular economy, and carrying out environmental clean-ups.

Strategic Theme 2 - Promoting Community Health and Well-Being

We provide crucial healthcare support, medical supplies, and aid for humanitarian and disaster relief efforts.

Strategic Theme 3 - Improving Community Livelihood

Our initiatives are aimed at supporting sustainable infrastructure, aiding marginalised communities, and enhancing educational opportunities within communities.

In 2023, Leader Energy rolled out a total of 54 CSR initiatives. The breakdown of these initiatives according to strategic theme is as follows:

CSR Strategic Theme	No. of CSR Activities
Strategic Theme 1 - Environment Conservation and Climate Action	14
Strategic Theme 2 - Promoting Community Health and Well-Being	6
Strategic Theme 3 - Improving Community Livelihood	34
Total	54

Care for Community

CSR Signature Programme: Keeping Cambodia's Rivers Clean

In March 2024, we officially launched a five-year signature CSR programme (2023 - 2028) in partnership with River Ocean Cleanup (ROC) focusing on river clean-ups in Cambodia. The project was initiated back in September 2023.

Underpinned by Leader Energy's sponsorship of USD466,000, this initiative aims to restore the ecological health of the Mekong, Tonlé Sap, Chaktomok and Bassac Rivers through cleanup operations and community education until 2028.

This initiative not only focuses on removing waste from vital waterways but also brings tangible benefits to the local community and the nation. By employing local residents in cleanup efforts and delivering waste management education, the mission boosts job creation, enhances community awareness, and fosters a sense of stewardship towards natural resources. The removal of 80 tonnes of waste since October 2023 until February 2024 marks a significant step towards cleaner rivers for Cambodia, contributing to the overall well-being of the ecosystem and the people who rely on these water bodies for their livelihood.

Under this signature CSR initiative, waste from our river clean-up initiatives is sent to an environmentally licensed waste-to-energy facility at a cement manufacturing plant. Each waste shipment to this facility is accompanied by a thermal destruction certificate. Here, the waste serves as a supplementary fuel to coal in the cement kilns, thus reducing coal consumption and cutting GHG emissions. This practice supports Cambodia's goal of achieving zero waste to landfill.

In conjunction with the ASEAN-EU Green Diplomacy Week and in collaboration with ROC, Leader Energy sponsored the boat that was used for cleaning up the Mekong and Tonlé Sap Rivers, two of the nation's vital waterways.



From left: River Ocean Cleanup Executive Director, Sovann Nou, Minister of Environment Cambodia, H.E. Eang Sophalath, Governor of Phnom Penh, H.E. Khuong Sreng, Leader Energy Executive Director Chairman, Dato' Sean H'ng Chun Hsiang and Leader Energy Group Chief Executive Officer, Ir. Gan Boon Hean.

CSR Signature Programme: Long-Term Mangrove Conservation Project

In November 2023, Leader Energy began a partnership with the Global Environment Centre (GEC) to implement a significant mangrove conservation project within Kuala Muda Forest Reserve in the state of Kedah, Malaysia. On 1 February 2024, we officially signed the Memorandum of Agreement with the GEC setting in motion the comprehensive five-year CSR Signature Programme aimed at sustainable mangrove management and community empowerment.

This transformative initiative is supported with a grant of RM1.9 million as well as volunteer inputs. Aside from establishing and empowering a local community group as the guardian of the mangroves, the project will support inspiring peer learning visits, establish community mangrove nurseries and assist local mangrove conservation actions.

Set within the vicinity of the Kuala Muda district, the project locations have been chosen for their environmental significance, including their classification as Tsunami Risk and Coastal Erosion zones. The local community, primarily consisting of farmers and fishermen classified as the lower-income group (B40), stands to benefit immensely from this initiative. Among the planned activities are community-partnered education and annual mangrove planting events with Leader Energy stakeholders. The target is for 18,000 mangrove saplings to be planted over five years. These efforts will rehabilitate significant areas and continuous monitoring and maintenance activities will be conducted to ensure the survival and growth of the saplings.

The Group's mangrove conservation efforts also contribute to environmental preservation, climate resilience, and carbon sequestration. They also align with Leader Energy's broader strategic focus on environmental respect, community care, and support for various UN SDGs. This project marks a significant stride towards our vision for a sustainable future and our commitment to achieving Net Zero Emissions by 2050.



From left: Global Environment Centre Director, Faizal Parish and Leader Energy Group Chief Executive Officer, Ir. Gan Boon Hean.



Care for Community

OUR CSR HIGHLIGHTS

In addition to our two signature CSR programmes, we are committed to rolling out many other CSR initiatives in line with our three strategic themes. The following tables feature some of the key initiatives which we engaged in during 2023:

Strategic Theme 1: Environment Conservation and Climate Action

In 2023, Leader Energy Group diligently pursued its commitment to environmental conservation and climate action, illustrating its dedication to preserving the environment and enhancing community spaces.



Keeping Our Environment Clean

In 2023, the Group's subsidiaries undertook a variety of environmental cleanup activities as part of efforts to preserve the environment and reduce waste. In undertaking these activities, the Group collected total waste amounting to 39.7 tonnes. The details of these activities are as follows:



CEL and CEL II Beach Cleaning Initiative

Fifty team members from CEL and CEL II took part in a beach cleaning initiative in Cambodia to devote their time and effort to clean the beach located along the seashore behind our facilities. This effort resulted in the collection of about two tonnes of waste, predominantly plastic, underscoring a strong commitment to marine life and ecosystem protection.



World Water Day Celebration

To commemorate World Water Day, LYS Energy Singapore conducted a beach clean-up at Pasir Ris Park in Singapore, collecting 0.068 tonnes of waste. This activity, which utilised tools from CleanPod, emphasised the importance of protecting oceans and waterways and showcased sustainable practices.



Stewarding Cleanliness at Our Plants

LYS Energy Vietnam joined forces with CP Vietnam Corporation for a meaningful CSR initiative in the Bien Hoa II industrial zone, located in Dong Nai, Vietnam – a site where one of our Solar PV Projects is situated. In just two hours, we collected 10 kg of waste, including electrical cables, plastics, plastic bags, bottles, and clothes, contributing to a total of 0.1 tonnes.



Cleanliness Drive near CTL Sites at Grid Substation 6 (GS6)

A team of 32 staff members from T-Line, O&M GS6, and the Phnom Penh office in Cambodia conducted a cleanliness drive near CTL sites at GS6, collecting 0.228 tonnes of garbage. This initiative demonstrated the power of collaborative action in enhancing community spaces and maintaining environmental cleanliness.



Tree Planting Initiatives

Over the course of 2023, the Group planted a total of 1,410 trees in several of the markets it operates in surpassing the original target of planting 1,000 trees during the year. These activities, aimed at carbon sequestration, align with UN SDG 15 and further Leader Energy's environmental conservation objectives. A total of 600 trees were planted in Malaysia, 400 in Vietnam, and another 410 trees in Cambodia, exemplifying the Group's commitment to environmental stewardship and community engagement.

Care for Community

Strategic Theme 2: Promoting Community Health and Well-being

In 2023, Leader Energy steadfastly upheld its commitment to enhancing community health and well-being through a series of impactful initiatives.



Blood Donation Drive at CEL and CEL II

Demonstrating their commitment to community health, 28 staff members from CEL and CEL II participated in a blood donation drive by Sihanoukville Hospital. This act of generosity by our staff members highlights CEL's dedication to the health and well-being of the community and reflects our broader commitment to Corporate Social Responsibility.



Zinc Roofing Donation in Choeung Ko Commune

The CSR team and management at CEL and CEL II donated 150 pieces of zinc roofing to 400 victims in Choeung Ko Commune, Prey Nop District, Sihanoukville Province, whose homes were damaged by strong winds. This aid highlights the company's involvement in community support and recovery.

Strategic Theme 3: Improving Community Livelihood

In 2023, Leader Energy made significant strides forward in its efforts to enhance the quality of life within underserved communities.



Donation of School Supplies to Steung Hav High School by CEL and CEL II

CEL and CEL II generously provided Steung Hav High School, located in Sihanouk Province, with vital educational materials. The donation included 424 correction books, a table, six chairs, and a bookshelf.



Scholarship for an Underprivileged Student in Kampong Cham Province by CTL

In January 2023, CTL awarded a scholarship to a deserving student from Hun Sen Pdao Chum High School, Kampong Cham Province. The scholarship covers a four-year Electrical Engineering course at the National Polytechnic Institute of Cambodia (NPIC), including academic costs, accommodation, and allowances, totalling approximately USD2,217 on average annually. This initiative aims to provide low-income students with access to higher education.



Installation of Solar Lamp Poles at Techo Hun Sen Boeung Kok High School, Kampong Cham Province

Techo Hun Sen Boeung Kok High School received eight solar lamp poles aimed at enhancing safety and boosting sustainability efforts. This initiative benefits 1,047 students, symbolising our commitment to RE and community welfare.



For a full list of our CSR initiatives, please visit the 'Sustainability' section on Leader Energy's website.

Care for Community

OUR 2023 CSR PERFORMANCE

In 2023, Leader Energy demonstrated exceptional commitment in its CSR endeavours, significantly surpassing its targets in both employee volunteer engagement and financial contributions. This year's achievements were underscored by three key metrics: volunteer hours, investment enhancement, and expanded beneficiary impact.

Exceeding Our Volunteer Hours Target

We set a goal of achieving 400 employee volunteer hours in 2023 and are pleased to report that our dedicated team far exceeded this target, contributing a remarkable total of 4,143 volunteer hours, of which 1,672 and 2,471 hours were devoted to environmental and social activities respectively. This achievement not only reflects our team's commitment to social responsibility but also amplifies the impact of our CSR initiatives.

Total investment of
USD143,185



4,143

Volunteer Hours



16,880

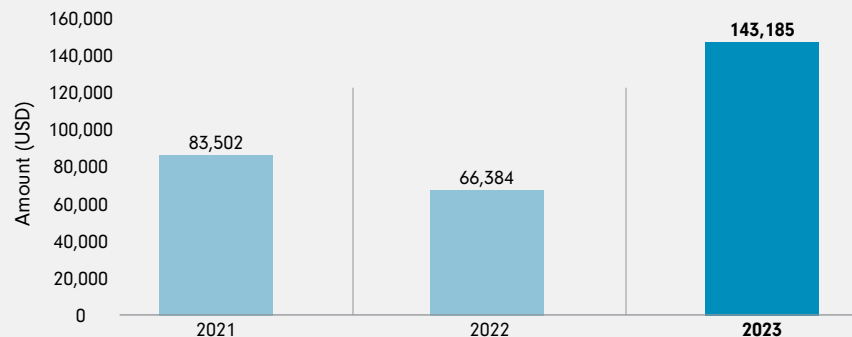
Beneficiaries



Substantially Increasing Our CSR Investment

In terms of financial commitment, Leader Energy's CSR investment in 2023 witnessed a substantial increase, exceeding the total investment of 2022 by 115.7%. A notable highlight was the USD57,550 allocated to the River Ocean Cleanup in September 2023. This marked increase in funding signifies a substantial escalation in our CSR activities compared to previous years.

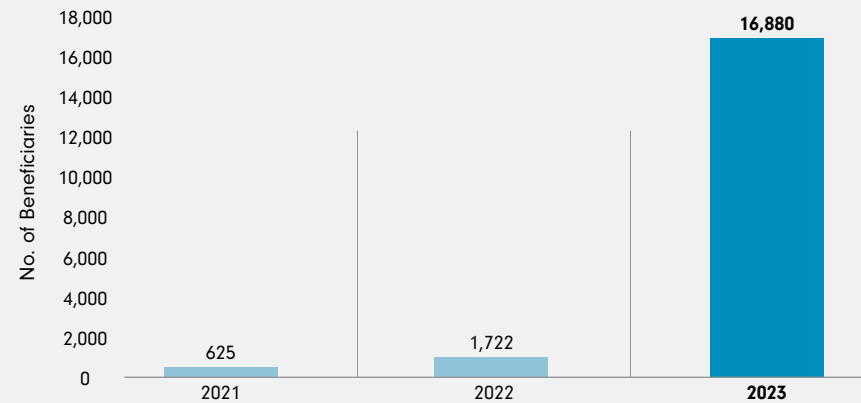
Total CSR Investments



Impacting A Greater Number of Beneficiaries

Alongside our financial investment, our CSR programmes too impacted a greater number of beneficiaries. By the year's end, we had registered more than a 100% increase in the number of individuals that we had reached in comparison to all of 2022. This signifies a broadened impact of our CSR efforts, extending our reach to a wider community base.

Total No. of Beneficiaries



Focused on Upholding Tangible CSR Activities

The year 2023 stands as a testament to Leader Energy's strengthened resolve to elevate its CSR activities. We not only met but significantly exceeded our CSR objectives, demonstrating our unwavering dedication to community support and sustainable impact. As we move forward, the success of the year in review will set a new benchmark for our future CSR initiatives, reinforcing Leader Energy's role as a corporate leader in social responsibility.

Upholding Human Rights

LEADER ENERGY'S COMMITMENT TO HUMAN RIGHTS

Leader Energy recognises the pivotal role companies play in championing human rights. Our commitment as a conscientious industry leader is to rigorously maintain the highest practices in protecting the rights of our employees, contractors, and stakeholders. Our approach guarantees equal and fair treatment for everyone, as we rigorously adhere to core human rights principles within our operational framework. Our actions are guided by the principles outlined in the International Labour Organization (ILO) Declaration and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

OUR HUMAN RIGHTS COMMITMENT ACROSS OUR OPERATIONS

In 2023, Leader Energy formalised its commitment to human rights through its 'Human Rights Commitments' publication. This document underscores the Group's dedication to honouring fundamental human rights throughout its activities in Malaysia, Singapore, Taiwan, Cambodia, Vietnam, Indonesia, Thailand, and beyond.

The publication reaffirms our resolve to ensure that both our operational practices and corporate decisions positively uphold human rights.

Our commitment particularly focuses on the careful management of our supply chain, the maintenance of ethical relationships with both public and private security entities, and fostering respectful interactions with diverse communities. These include upholding the freedom of association, firmly rejecting all forms of forced and child labour, adhering to minimum age and wage standards, ensuring equal employment opportunities, and promoting a workplace free from discrimination.



For in-depth details on our Human Rights Commitment, please visit the 'Sustainability' section on Leader Energy's website or scan the QR code.

Our Salient Human Rights Issues

The following table highlights the key human rights issues that Leader Energy is committed to safeguarding:

HUMAN RIGHTS RISK ELEMENTS	
Labour and Working Conditions	
<ul style="list-style-type: none"> Forced labour Child labour and young workers Non-discrimination 	<ul style="list-style-type: none"> Freedom of association Workplace health and safety Employment and work conditions
Community Well-being	
<ul style="list-style-type: none"> Land management (right of way, compensation and access to natural resources) Indigenous people 	<ul style="list-style-type: none"> Cultural heritage Community health and safety In-migration Grievance mechanism
Security Management	
<ul style="list-style-type: none"> Conduct of third-party security Human rights training 	<ul style="list-style-type: none"> Mechanism to report on unethical security personnel
Supply Chain Management	
<ul style="list-style-type: none"> Contractor/supplier performance related to labour and working conditions, security management and community well-being 	

HUMAN RIGHTS DUE DILIGENCE

The year 2023, saw Leader Energy establish Human Rights Due Diligence (HRDD) procedures in line with the UNGPs. This framework ensures that the Group respects human rights, avoiding any negative impact on communities, and addresses any adverse effects within our operations and supply chain.






The HRDD process involves identifying, preventing, mitigating, and accounting for adverse human rights impacts. It includes evaluating both actual and potential human rights issues, taking action based on these assessments, monitoring the effectiveness of these actions, and transparently reporting on how these impacts are managed.

As of December 2023, we have successfully carried out a total of six HRDD procedures in different areas of our operations. Of these, five assessments focused on our own operations, covering CEL, CEL II, CTL, CTL II, and Leader Energy's Labour and Working Conditions practices. Each of these evaluations comprehensively addressed all four Human Rights risk elements. Moreover, we conducted an additional HRDD assessment on our principal coal suppliers, ensuring a thorough examination across all four Human Rights risk elements.

Furthermore, these five HRDD assessments on our own operations represent 25% of our overall activities, achieving our targeted goal for the year. This fulfilment has not only demonstrated our commitment to rigorous human rights standards but has also enabled us to identify and address salient human rights issues within these sectors, marking a significant step forward in our sustainability journey.

Upholding Human Rights

The HRDD assessments have enabled us to identify opportunities for enhancing our human rights initiatives within our operations. The results are detailed in the table below:

Elements	Relevant Operations	Areas of Improvement
Labour and working conditions 	Critical supplier	<ul style="list-style-type: none"> Continue to engage with critical suppliers to ensure human rights elements are incorporated in relevant policies and procedures.
	Own operations 	<ul style="list-style-type: none"> Enhance human rights elements in Human Resource policies and procedures.
Community well-being 		<ul style="list-style-type: none"> Inform surrounding communities on emergency response protocols during community outreach programmes.
Security management 		<ul style="list-style-type: none"> Incorporation of human rights into due diligence assessment prior to engaging third-party security contractor. Ensure all third party security personnel undergo human rights training.
Supply chain management 	Critical supplier	<ul style="list-style-type: none"> Incorporate Human Rights elements in supplier screening or due diligence process. Conduct human rights due diligence assessment on remaining critical suppliers.

To ensure thorough and effective resolutions for the issues above, the Group will continue to consistently engage with our operations and suppliers as well as diligently track all progress made.



Upholding Human Rights

Providing Access to Remedy

The Group provides access to remedy not just as a legal and ethical requirement but also an opportunity to demonstrate our commitment to responsible business conduct. In upholding this requisite, the Group aims to promote a culture of accountability and ongoing enhancement, which in turn contributes to our long-term sustainability and strengthens our bond with our stakeholders. In 2023, we rolled-out our Grievance Mechanism Procedures, which is applicable to all our operations and business partners. This mechanism empowers stakeholders, including employees, customers, communities, and business associates, to express their concerns and seek solutions for any challenges they encounter. Our Grievance Mechanism ensures confidentiality for the individuals involved and is specifically focused on addressing human rights issues connected to Leader Energy's operations, employees, and third parties.

Leader Energy's Grievance Mechanism Process is a structured, seven-step procedure aimed at addressing concerns effectively:

Receiving Grievances

Grievances are accepted through a hotline, online form, or email. All are recorded, and the Grievance Mechanism Custodian acknowledges each within two working days.

01

Recording Grievances

Grievances are logged in a register/database. Anonymous entries are noted as such, while employee grievances are directed to the Human Resource department.

02

Reviewing and Categorising

Grievances are reviewed, categorised, and assigned to an Issue Owner who acknowledges the issue within three working days.

03

Investigation

The Issue Owner conducts a thorough investigation, which may include site visits and consultations, to gather information and develop an action plan.

04

Review and Closure

Once the investigation is complete, the Grievance Review and Approval Committee (GRAC) reviews the findings and decides on the next steps or case closure.

05

Action Plan Implementation

The Issue Owner monitors and implements the GRAC's recommended actions within the given timeline.

06

Monitoring and Reporting

The Grievance Mechanism Custodian updates the GRAC on the progress of the actions.

07

In the event the Grievance Requestor is dissatisfied with the outcome, he or she can appeal to the Human Resource Director or the Chief Sustainability Officer. The appeal is then reviewed by GRAC, with the decision being final. All records related to the grievance mechanism are confidential and retained for seven years, in compliance with the Malaysian Companies Act 2016.

Ensuring Open Lines of Communication

Setting up a good grievance channel is about more than just fulfilling ethical and legal requirements. It is a way to build trust and strong relationships with everyone involved with our business. It shows we are committed to listening, understanding, and constantly improving how we do things. Complementing our Group's Grievance Mechanism Process, we have put in place specific channels for both our employees and external stakeholders to voice their concerns.

We are pleased to announce that in the financial year 2023, we recorded zero grievances related to human rights, underscoring our steadfast commitment to upholding the highest standards of human rights practices within our operations.

0 grievances related to human rights recorded in 2023



Telephone

+603 7610 0800 (General Line - Sustainability department)



Email:

sustainability@leaderenergy.com



Online Form:

Stakeholders can access a grievance form on our website using the following QR code:



Upholding Human Rights

HUMAN RIGHTS ACROSS THE VALUE CHAIN

The idea of human rights within the supply chain means that businesses, like those in the power and utilities sector, are responsible not just for what happens in their own operations but also for their entire network. This includes suppliers, subcontractors, and business associates. The issues involved are broad, covering everything from labour rights and fair pay to safe working environments and preventing child labour.

Navigating human rights within the supply chain presents a multifaceted challenge. Businesses must undertake comprehensive risk assessments, ensure adherence to standards, and take appropriate measures to rectify any issues uncovered. Conversely, effectively embedding human rights principles into the supply chain can yield significant benefits, including an improved reputation, stronger trust among stakeholders, and the assurance of sustainable business practices in the long run.

In our aim to manage our Human Rights commitments across our supply chain, we have introduced the Vendor Human Rights Declaration Form. This form ensures all our partners know about our commitment to human rights and agree to follow it. We have also made human rights a key part of our Sustainable Supply Chain programme. This includes plans to work closely with our most important suppliers, making sure they understand our standards on ESG aspects, including human rights.



For the more pertinent details of our Supply Chain initiatives, please refer to the 'Sustainable Supply Chain' section of this report.

HUMAN RIGHTS TRAINING FOR EMPLOYEES AND SUPPLIERS

In 2023, Leader Energy prioritised enhancing awareness and understanding of human rights among our employees and suppliers. Our comprehensive Sustainability Awareness training sessions, which prominently featured human rights aspects, saw a significant participation rate of 99.5% of our workforce. This achievement not only surpassed our ambitious target of training 80% of employees on human rights within the year but also underscored our employees' commitment to fostering a culture of respect and responsibility.

In 2023,
99.5% of our employees attended human rights training.

Target: >80% employees trained on human rights in 2023.



Building upon our dedication to ethical practices beyond our immediate operations, we organised five ESG Supply Chain Briefings in 2023. These sessions, designed to integrate Human Rights principles, clearly communicated our expectations to our suppliers. The briefings achieved a substantial 95% attendance rate among our critical suppliers. This not only surpassed our target attendance rate of 80% for the year but also showcased a collective commitment to championing human rights within the supply chain.

95%
of suppliers engaged

Target: >80% of key suppliers engaged on ESG in 2023.



EMBEDDING ESG PRINCIPLES IN OUR SUPPLY CHAIN

In line with our aim to embed ESG principles within our supply chain and our business relationships, we have introduced the following ESG-related clauses in our Terms and Conditions documentation:

- ➔ Code of Conduct;
- ➔ Anti-Bribery and Anti-Corruption;
- ➔ Anti-Money Laundering;
- ➔ Data Privacy and Security; and
- ➔ Health and Safety.

This initiative is part of our Sustainable Supply Chain programme which is designed not only to mitigate risks but also to foster a culture of responsibility and excellence among our partners and suppliers.

CONTINUING TO CHAMPION HUMAN RIGHTS

As Leader Energy moves forward in its journey of sustainable growth, our commitment to human rights and inclusivity remains unwavering. The Group's 'Human Rights Commitments' publication will continue to guide us in our deep-seated dedication to upholding ethical practices and fostering respect for all individuals.

We are also committed to adhering to international human rights standards as well as to upholding ethical supply chain management, nurturing respectful community engagements, and cultivating a workplace environment that champions diversity and equality. Our dedication to these principles is steadfast, ensuring that respect and fairness are ingrained in every facet of our business.

UPHOLDING GOOD

GOVERNANCE



STRATEGIC THEME

Strong Business Governance

MISSION STATEMENT

Sustainable returns based on strong business governance

FOCUS AREAS

- Compliance & Business Ethics
- Sustainable Supply Chain
- Cybersecurity
- Valued Partnerships

UN SDG



Compliance & Business Ethics

LEADER ENERGY'S APPROACH TO GOOD GOVERNANCE

Aligned with global and industry-specific trends, Leader Energy has tailored its corporate governance framework to meet the unique demands of the energy sector. We believe that strong governance is a cornerstone of sustainable business practice and should extend beyond principles and procedures. As such, we are ensuring that our governance strategy goes beyond mere compliance and is positioned as a strategic asset for long-term value creation. Not only is strong governance an integral part of our commitment to creating enduring value for all stakeholders, it is made evident in every facet of our operations as we endeavour not only to meet but exceed the expectations placed upon us.

COHESIVE CODES, FRAMEWORKS AND POLICIES

Our commitment to robust corporate governance is evident in its comprehensive array of policies and procedures that we have in place. These are designed to uphold the highest standards of ethical conduct and business practices.

The following is a summary of the various elements that constitute the codes, frameworks, and policies as outlined on our website:

➔ **Group Anti-Bribery and Anti-Corruption (ABC) Policy and Procedures**

The Group's comprehensive ABC Policy and Procedures document underscores Leader Energy's zero-tolerance stance towards bribery and corruption. It outlines the procedures and guidelines that ensure all our business dealings are conducted legally and ethically, safeguarding the Group's integrity and reputation.

Integrity Without Borders: Upholding Stringent ABC Standards

At the heart of Leader Energy's ABC Policy and Procedures document is the Group's unwavering commitment to legal and ethical conduct in every country where it operates. This commitment is reflected in its strict adherence to a range of local anti-bribery and corruption laws.

In Malaysia, the Group aligns with the Malaysian Anti-Corruption Commission Act, the Penal Code, the Companies Act, and the Whistleblower Protection Act. In Singapore, operations are guided by the Prevention of Corruption Act, the Corruption, Drug Trafficking and Other Serious Crimes Act, the Penal Code, and the Companies Act. In Cambodia, Leader Energy aligns with the Prakas on Anti-Money Laundering and Combating the Financing of Terrorism. In Vietnam, the Group adheres to laws including the Law on Denunciation and the Anti-Corruption Law. Thailand's legal framework, including the Thai Criminal Code and the Organic Act on Anti-Corruption, governs the Group's operations there. In Indonesia, the Group follows the Indonesia Criminal Code and laws related to the eradication of corruption. Lastly, in Taiwan, the Anti-Corruption Act and the Money Laundering Control Act are key guiding legislations.

The Group has established a dedicated Governance, Risk Management and Compliance Office, responsible for overseeing all ABC compliance matters. This office plays a critical role in providing guidance on ABC compliance,

conducting periodic corruption risk assessments, and ensuring effective monitoring and evaluation of the ABC compliance programme. These assessments are crucial in identifying risks and forming the basis for the Group's anti-corruption objectives.

The ABC Policy clearly defines bribery and corruption and sets out stringent procedures to prevent such practices. It applies to all employees and business associates, emphasising caution, especially when dealing with public officials. The Governance, Risk Management and Compliance Office also undertakes the responsibility of monitoring and reviewing the effectiveness of the anti-corruption programme, including formulating annual plans for review and considering external audits for compliance assurance.

Leader Energy encourages active employee engagement in its ABC policy, inviting feedback and suggestions for improvement. This open approach ensures that the policy remains effective and relevant, reflecting the Group's dedication to upholding high standards of business ethics and compliance with diverse regulatory requirements across its global operations. This policy reflects our commitment to consistently applying a strict anti-bribery and anti-corruption stance across all regions of operation, underscoring the Group's dedication to ethical business practices and legal compliance.

99.5% of employees completed the ABC training in 2023.



Compliance & Business Ethics

➔ Group Code of Conduct and Business Ethics Policy and Procedures

This Code serves as a cornerstone of Leader Energy's ethical framework. It sets forth the principles and standards that guide the conduct of the Group's employees and management, ensuring that all business activities align with the highest ethical standards. All those who serve the Group have a duty of care which is aptly summed up below.

Duties of Good Faith, Fidelity, Diligence and Integrity

Under the Code, all employees have a duty to serve the Group with good faith, fidelity, diligence and integrity. They are required to act in the best interests of the Group and to refrain from engaging in conduct or activities which may adversely affect the Group. Employees of the Group and its Business Associates are at all times required to:

- ➔ Conscientiously maintain the highest degree of integrity;
- ➔ Always exercise proper care and judgment;
- ➔ Avoid conflicts of interest;
- ➔ Refrain from taking advantage of one's position or exercising one's authority to further one's own interest at the expense of the Group; and
- ➔ Comply with applicable laws, regulations, and the Group's applicable policies and procedures.



Achieved **ZERO** non-compliance with regulatory requirements

Target: Zero non-compliance with regulatory requirements

➔ Group Whistleblowing Policy and Procedures

Our whistleblowing policy provides a secure and confidential avenue for employees and stakeholders to report any instances of misconduct or unethical behaviour in an anonymous manner. This policy is crucial in maintaining transparency and accountability across the length and breadth of our organisation.

➔ Director and Senior Management Remuneration Policy

This policy outlines the principles and criteria for the remuneration of Directors and Senior Management. It ensures that remuneration practices are fair, transparent, and aligned with the Group's long-term objectives and stakeholder interests.

➔ Directors' Fit and Proper Policy

This policy details the criteria and standards for assessing the suitability of individuals to hold directorial positions within Leader Energy. It ensures that Directors possess the necessary integrity, competence, and experience to effectively oversee the Group's operations.

➔ Investor Relations Policy

Our investor relations policy focuses on maintaining transparent, timely, and effective communication with the Group's investors. This policy is instrumental in building and sustaining investor trust and confidence in Leader Energy.

➔ Group Gifts and Hospitality Policy

This policy guides the giving and receiving of business gifts and hospitality, ensuring they foster goodwill without compromising integrity or compliance with laws. It applies globally to all employees and their families, emphasising transparency, appropriateness, and adherence to local laws and Group standards. The HR Department and Group Compliance Officer oversee the policy, with periodic reviews by the Board of Directors to maintain its effectiveness and relevance.

➔ Corporate Privacy Policy and Privacy Notice

This policy addresses the handling and protection of personal data by Leader Energy. It reflects our commitment to respecting privacy rights and complying with relevant data protection laws and regulations.

Each of the abovementioned policies and frameworks plays a vital role in reinforcing Leader Energy's commitment to governance excellence, ethical business practices, and sustainable operations.



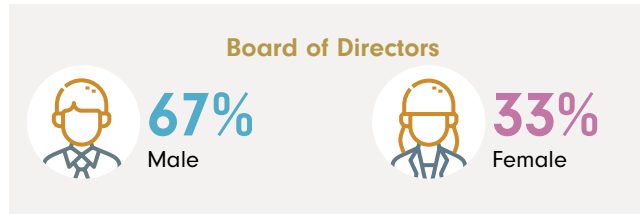
For in-depth information on these governance policies and frameworks, please visit the 'Codes, Frameworks & Policies' section on Leader Energy's website.

Compliance & Business Ethics

A ROBUST, TRANSPARENT AND EFFECTIVE GOVERNANCE STRUCTURE

Within our overall governance framework lies a robust governance structure that is designed with a clear aim — to embed transparency and efficiency at the heart of the Group's operations. Our governance structure is not merely a theoretical organisational structure but an active, integral part of our ethos, ensuring that every layer of the decision-making process upholds the highest standards of integrity as well as fosters a culture of responsible, ethical, and progressive business practices.

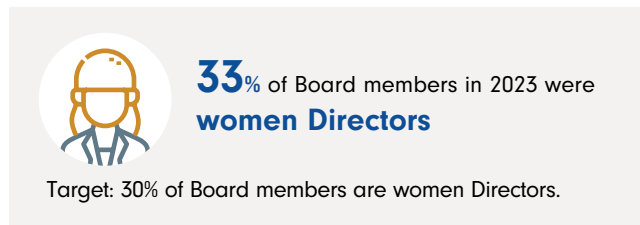
Central to this governance structure is the role of the Board and various Board Committees, which are pivotal in steering the Group's strategic direction. The Board extends its influence beyond oversight, actively shaping Leader Energy's future in the energy sector. Meanwhile, the Board Committees delve into specific operational areas, from audit and risk management to sustainability and ethics, ensuring comprehensive and meticulous governance. Together, they form a robust framework that not only guides Leader Energy through the complexities of the modern business environment but also positions us as a leader in ethical business practices within the energy industry.



A COMPREHENSIVE BOARD CHARTER AND WELL-DEFINED TERMS OF REFERENCE

Our governance structure is further strengthened by a comprehensive Board Charter and clearly defined Terms of Reference (TORs) for various Board Committees. Each of these plays a vital role in guiding the Group toward sustainable success, embodying our commitment to governance excellence, ethical practices, and sustainable growth. The details of the Charter and TORs are as follows:

Our **Board Charter** serves as the foundational document, outlining the purpose, authority, and scope of the Board's objectives. It details the criteria for Board membership, ensuring a diverse and skilled composition, and delineates the roles and responsibilities of Board members.



This includes their oversight of the Group's strategic direction, risk management, and adherence to ethical standards. The Charter also prescribes the procedures for conducting Board meetings, ensuring efficiency and effectiveness in decision-making.

The TORs for the **Audit Committee** emphasise the committee's dedication to the integrity of financial statements, external audit, internal audit and controls, related party transactions and conflict of interest, and compliance with legal and regulatory requirements. This committee is composed of members who meet qualifications to assist the Board in discharging its fiduciary duties and responsibilities as set out in the TORs.

The TORs of the **Remuneration Committee** outline its role in overseeing the Group's remuneration policies and procedures. This includes setting and aligning the remuneration of Directors and Senior Management with the Group's performance, ensuring fairness and transparency.


The **Nominating Committee's** TORs focus on ensuring the Board and its committees are composed of members who bring the necessary skills and experience. This committee is instrumental in assessing the effectiveness of the Board and Board Committees, and senior management succession plans, training needs for Board, and nominating suitable candidates for appointment of Directors, Group Chief Executive Officer and Chief Financial Officer.

The **Risk Management Committee**, through its TORs, is tasked with identifying, evaluating, and managing various risks. The committee develops risk management policies and framework and monitors their implementation, playing a crucial role in safeguarding our interests.

Compliance & Business Ethics

The **Sustainability Committee's** TORs reflect Leader Energy's commitment to sustainable practices. This committee oversees the Group's sustainability strategies, ensuring compliance with environmental and social standards, and monitoring our sustainability performance.

By placing a strong emphasis on governance with a keen focus on sustainability, we align our actions with our commitment to sustainable practices. This alignment ensures that every step we take is a step towards a more sustainable and responsible future. Our unwavering dedication to governance excellence is more than a policy; it is a promise to our stakeholders and a commitment to the environment and society at large.

 *The finer details of the Group's sustainability governance framework can be found in the 'Our Approach to Sustainability' section within this Report.*

In the realm of investments, the **Investment Committee's** TORs define its role in managing and overseeing the Group's investment strategy. The committee members are responsible for evaluating investment opportunities and monitoring investment performance, ensuring alignment with our financial goals.

Together, the Charter and TORs form the backbone of Leader Energy's governance framework, embodying our commitment to excellence, ethical practices, and sustainable growth.



For in-depth details on the Board Charter and TORs of the respective Board Committees, please visit the 'Governance' section on Leader Energy's website.

Compliance with Adequate Procedure

In step with the global movement towards stringent compliance measures against bribery and corruption, Leader Energy stands as a prime example of compliance with rigorous standards, particularly those set forth by the Malaysian Anti-Corruption Commission (MACC) Act, including the Guidelines on Adequate Procedures under Section 17A (5) of the MACC Act. This adherence is a clear demonstration of the Group's dedication to implementing well-structured and effective measures to prevent bribery and corruption, reflecting its commitment to ethical business practices.

The MACC Act mandates organisations to implement 'adequate procedures' as a defence against corruption charges. These procedures are designed to prevent persons associated with the organisation from undertaking corrupt practices. Compliance with these procedures is crucial for companies operating in Malaysia, as it demonstrates their commitment to ethical business practices and legal adherence.

Leader Energy's approach to fulfilling these requirements includes:

- ➔ **Establishment of the Governance, Risk Management and Compliance Office (the Office):** This dedicated unit is responsible for overseeing all aspects of ABC compliance, ensuring adherence to both local and global anti-corruption standards.
- ➔ **Resource allocation and staffing:** We ensure the Office is equipped with competent, authoritative, and independent personnel.
- ➔ **Expert guidance and monitoring:** The Office provides advice on ABC compliance, conducts regular monitoring, and evaluates the effectiveness of the compliance programme.
- ➔ **Conducting Corruption Risk Assessments (CRAs):** Periodic CRAs are conducted on an annual basis and whenever there is a significant change in law or the Group's business circumstances to identify and prioritise internal and external corruption risks. Additionally, a comprehensive CRA is carried out every three years, with intermittent assessments as necessary.
- ➔ **Regular reporting:** The Office provides updates on the performance of the ABC compliance programme to the Group management and the Risk Management Committee, ensuring transparency and accountability.
- ➔ **Record-keeping:** In compliance with the Malaysian Companies Act 2016, all documentation related to adequate procedures is retained for up to seven years, ensuring traceability and accountability.

Through these measures, Leader Energy is not only aligning with the MACC regulations but also setting a benchmark in the energy sector for ethical conduct and corruption prevention. This proactive stance in implementing adequate procedures underlines the Group's dedication to upholding the highest standards of integrity and ethical business practices.

Compliance & Business Ethics

LEADER ENERGY'S STANCE ON POLITICAL CONTRIBUTIONS

Leader Energy mandates that its employees and business associates refrain from making any monetary or in-kind political contributions to political parties, officials, or candidates. This policy is in place to avoid any perception of seeking improper business advantages. However, the Group acknowledges that, under very limited circumstances, political contributions may be permissible in countries where such actions are legally allowed.

Any consideration for making a political donation requires prior approval from the Board of Directors. Additionally, no political contributions will be made without obtaining a legal opinion from qualified local counsel confirming the contribution's legality under the relevant laws.

While the Group sets clear boundaries for corporate political contributions, it allows employees and business associates to engage in political activities individually, using their own resources and on their own time. These individuals must clarify that their political actions and views are personal and do not represent Leader Energy's stance. The Group explicitly states that it will not reimburse any personal political contributions.

ENTERPRISE RISK MANAGEMENT AT LEADER ENERGY

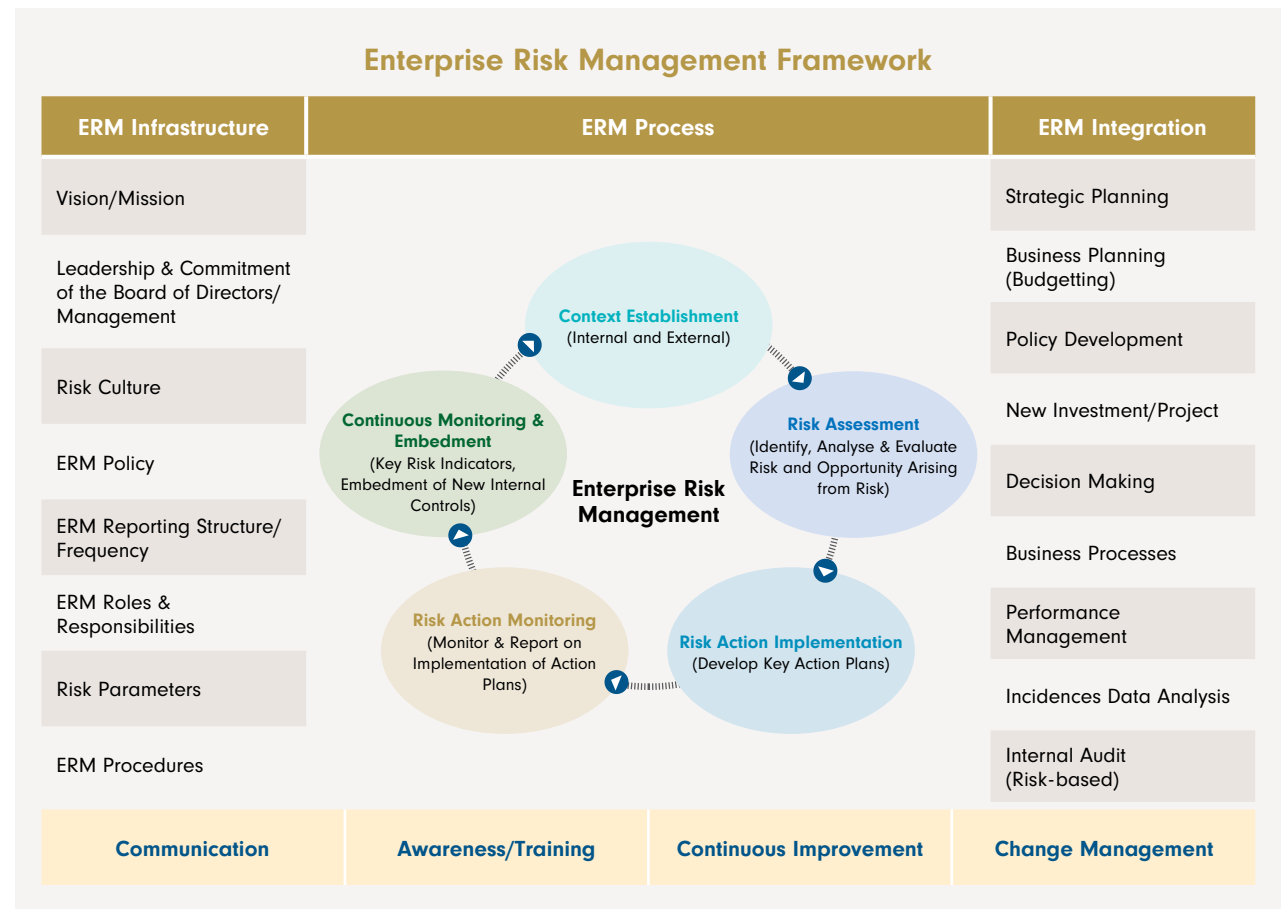
At Leader Energy, we have adopted a comprehensive approach to Enterprise Risk Management that permeates our culture, organisational structure, and processes. This approach is designed to proactively identify, assess, monitor, manage, and communicate all potential risks and opportunities that could influence our ability to meet our business objectives. Our commitment to effective risk management is fundamental to achieving our business goals while ensuring risks are managed at an acceptable level. It also enhances our strategic and operational visibility and enables us to seize opportunities as and when they appear.

To uphold these principles, Leader Energy has established an Enterprise Risk Management (ERM) Policy and related procedures. The Group's ERM Policy, which sets the standard conditions and minimum requirements for ERM across the Group, applies to all subsidiary companies across all regions. It defines our risk management process and makes clear the responsibilities of various groups within the organisation, including the Board, the Risk Management Committee, the Audit Committee, and Group Management, among others.

ERM Framework

Our ERM Framework consists of a structured set of components that bolster risk management across the Group. The framework's primary aim is to integrate risk management into significant activities and functions, ensuring a cohesive and sustained approach to identifying and mitigating risks.

The ERM Framework adopted by the Group is illustrated below:



Compliance & Business Ethics

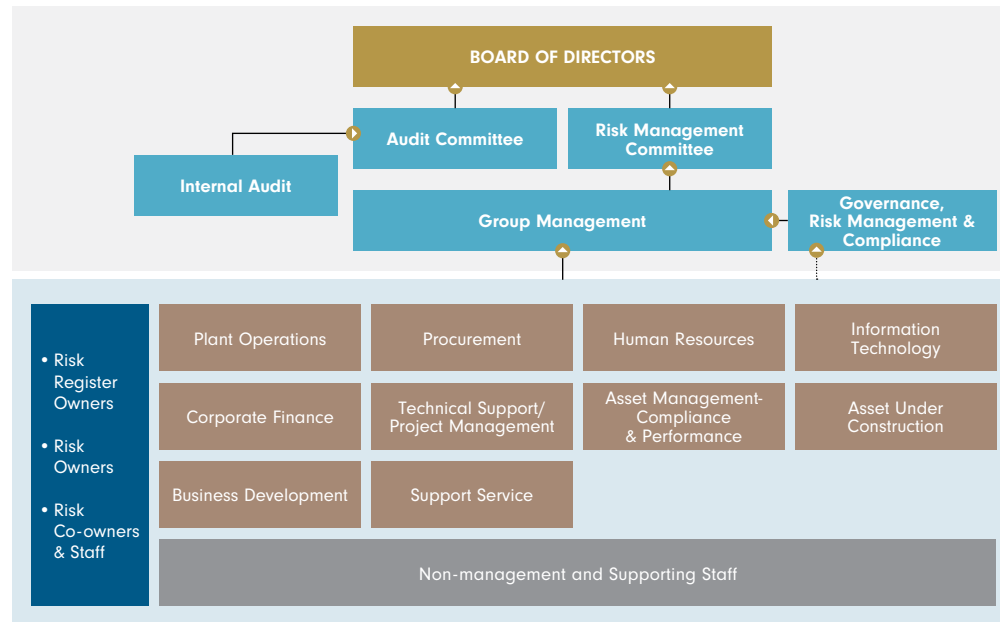
ERM Risk Appetite Statement

Leader Energy is committed in achieving its strategic objectives while prudently managing risks. Recognising that risk-taking is an inherent aspect of business, we accept a certain level of risk in pursuit of our goals. However, we are committed to effective risk management to protect our reputation, financial stability, and stakeholders.

Our risk appetite encompasses various categories, including strategic, operational, financial, compliance, and reputation risks. These risks are accepted within our defined risk tolerance and in line with our risk management policies and procedures. We continuously monitor and assess our risk profile to ensure alignment with our risk appetite.

ERM Reporting Structure

The ERM reporting structure of the Group is illustrated below:



This structure is designed to ensure clear communication and accountability in risk management. This structure supports our commitment to maintaining a robust risk management framework and a risk-aware culture. We encourage all employees to actively participate in identifying, reporting, and escalating risks, reinforcing our proactive stance on risk management.

Through these measures, Leader Energy aims to sustain a vigilant and responsive approach to risk management, safeguarding our interests and those of our stakeholders while navigating the complexities of the energy sector.

ERM Roles and Responsibilities

The following provides an overview of the roles and responsibilities assigned to various groups within Leader Energy, each contributing to the comprehensive management of enterprise risk.



Board of Directors: The Board oversees risk management, approves ERM policies, sets the risk appetite, and ensures the effectiveness of the ERM Framework.



Risk Management Committee (RMC): The RMC aligns risk management with strategic objectives, oversees ERM implementation, and reviews the ERM Framework.



Audit Committee (AC): The AC offers an independent assessment of ERM and the effectiveness of the Board's internal control measures.



Group Management: This team recommends ERM policies, monitors their enforcement, reviews risk parameters, and ensures operations are within risk constraints. They also manage significant risks and ensure timely ERM reporting to the RMC.



Risk Register Owner (RRO): The RRO manages Leader Energy's risk registers, reports to Group Management and keeps an eye out for potential risk impacts.



Risk Owners (RO): ROs identify and assess risks, implement and monitor risk action plans, and communicate with the RRO about potential risks.



Governance, Risk Management, and Compliance: This team compiles risk reports, coordinates ERM activities, and conducts risk management training.



Risk Co-owner and Staff: This group includes Control Owners who maintain control effectiveness, Management Action Plan Owners who oversee the progress and relevance of action plans, and Key Risk Indicator Owners who monitor risk indicators.



Internal Audit (IA): The IA team supports the AC by reviewing ERM effectiveness and providing independent insights on risks and controls.

Compliance & Business Ethics

Risk Management Process and Procedures

At Leader Energy, the risk management process and procedures commence with the crucial step of context establishment. This initial phase involves management clearly articulating the Group's objectives and defining both internal and external parameters that influence risk management, thereby setting the scope and criteria for the entire risk management process.

Understanding the external context is pivotal, as it ensures that the objectives and concerns of external stakeholders are integrated into the development of risk criteria. This external context encompasses a wide array of factors including the social, cultural, political, legal, regulatory, financial, technological, economic, natural, and competitive environments at various levels from international to local. It also involves considering key drivers and trends that impact the Group's objectives and understanding the relationships with, as well as the perceptions and values of, external stakeholders.

Equally important is the alignment of the risk management process with the Group's internal context, which includes its culture, processes, structure, and strategy. The internal context covers aspects such as governance, organisational structure, roles, accountabilities, policies, objectives, strategies, information systems, information flows, decision-making processes, and the standards, guidelines, and models the Group adopts.

By meticulously establishing both external and internal contexts, Leader Energy ensures that its risk management process is comprehensive, well-informed, and aligned with its overarching goals and operational framework.

Highlights of the Enterprise Risk Awareness Survey

In 2023, the Governance, Risk Management and Compliance Office conducted an Enterprise Risk Awareness Assessment survey throughout the Group. A total of 100 employees were invited to participate with 90% completing the survey. The survey aimed to evaluate our employees' understanding of enterprise risk management, assess their risk awareness, and gather their perceptions on risk awareness in the workplace.

Consisting of 20 questions, the exercise was split evenly between quiz questions on risk management concepts and survey questions on general risk awareness and Leader Energy's risk management approach. Notably, 49% of participants scored perfectly, and 86% scored above 80%, indicating a strong grasp of enterprise risk management concepts. No participants scored below 40%, with an average score of 90%, suggesting an excellent understanding of ERM among our workforce.



Achieved average score of **90%**
and no participants scored below 40%



49% of the participants had
perfect score

CONTINUING TO CHAMPION COMPLIANCE, BUSINESS ETHICS AND RISK MANAGEMENT

At Leader Energy, our commitment to ethical conduct, transparent governance and robust risk management remains at the forefront of our operations. We continue to champion strong governance as it is more than just a compliance requirement for us – it is a strategic asset that underpins our dedication to creating long-term value for all our stakeholders. Our efforts are focused on not only meeting but also exceeding the expectations placed upon us, demonstrating our unwavering commitment to leading with integrity in a sustainable manner.

Sustainable Supply Chain

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Shifts in Energy Sector Supply Chain Management

The last decade has seen a significant transformation in supply chain management within the energy sector, transitioning from an economic-centric approach to one that encompasses a more holistic approach to sustainability. This shift underscores the intricate balance between economic growth, environmental preservation, and social equity.

Global initiatives like the United Nations' Sustainable Development Goals (UN SDGs), particularly Goal 12, which aims to "ensure sustainable consumption and production patterns", underscore the importance of sustainable supply chains in not only minimising environmental impact but also in fostering responsible consumption and production practices across industries. Sustainable supply chains serve as catalysts for positive change across the global business landscape. By promoting ESG awareness among suppliers, companies can highlight the many benefits of sustainability, thereby strengthening their operational efficiencies, resilience, and brand reputation.

Championing Robust Sustainable Supply Chain Management

Leader Energy is committed to championing a robust sustainable supply chain that embodies the highest ESG practices. Through education, engagement, and collaboration, we aim to drive a wave of positive change, aligning our operations and supplier network with the broader goals of sustainable development and energy accessibility, as per the ambitious agenda outlined in SDG 12. This commitment positions us at the forefront of the energy sector's transition towards a more sustainable and equitable future. Ensuring seamless operations through good governance in our supplier relationships is key to maintaining our market position and ensuring the integrity of our supply chain.

The Group's Sustainable Supply Chain Programme

The year saw us kickstarting efforts to strengthen the sustainability of our supply chain, by identifying key elements within our supply chain that were critical to our sustainability goals. We then went on to develop and implement a sustainable procurement policy to align our purchasing practices with our ESG objectives. To promote adherence to these standards, we introduced an ESG self-assessment assurance programme, providing guidelines for our suppliers to evaluate and enhance their ESG performance. This initiative included direct engagements with key suppliers to ensure a shared understanding of our sustainability expectations.

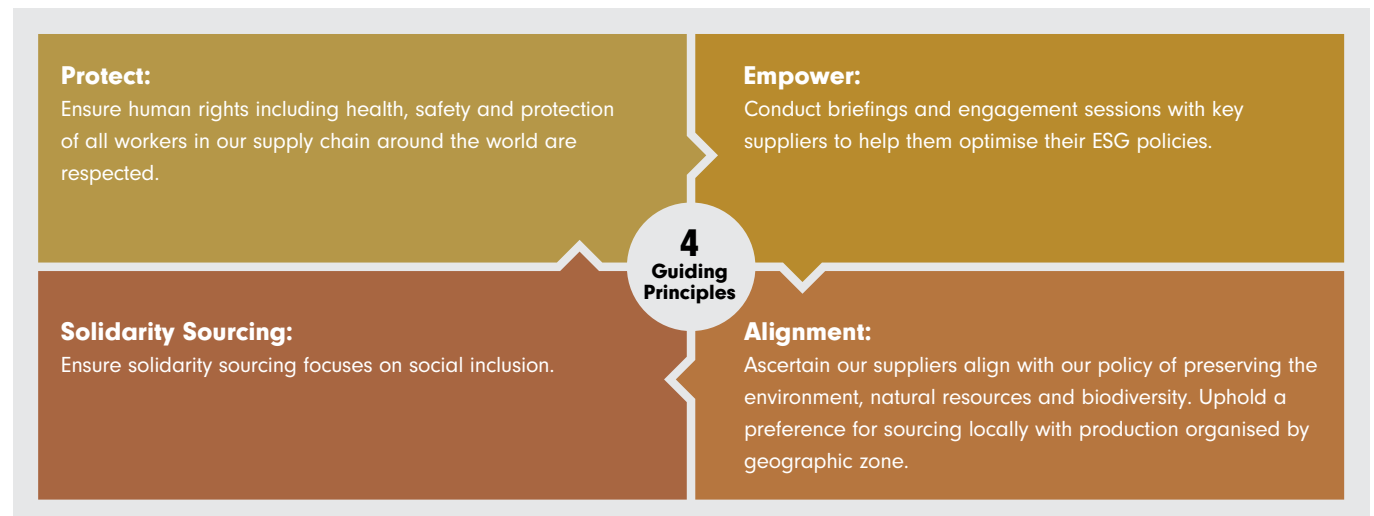
Furthermore, we integrated ESG criteria, covering aspects such as human rights, health and safety, environmental protection, and anti-corruption measures, into our standard contracts. This effort was complemented by conducting human rights due diligence to ensure compliance with our ESG standards. These steps represent our commitment to fostering a more sustainable and responsible supply chain.

The Group's Sustainable Procurement Policy is anchored on the four Guiding Principles portrayed below:

Leader Energy's Sustainable Procurement Policy

Recognising the importance of sustainability across all aspects of the Group's operations, we have developed a Sustainable Procurement Policy to integrate ESG principles into our procurement practices. This policy underscores our commitment to good governance in supplier relationships, ensuring that our supply chain operates smoothly and efficiently, reflecting our dedication to sustainable and ethical business practices.

It also mandates continuous improvement to mitigate any negative impacts from our purchasing activities and seeks collaboration with suppliers who meet our high ethical standards. The policy aspires to transform Leader Energy into a stronger and more sustainable company by prioritising decarbonisation and integrating sustainability into every facet of our business, aligning our purchasing activities with broader goals related to climate change mitigation, social equity, risk mitigation, and resource conservation, among other things, for the benefit of all stakeholders.



Sustainable Supply Chain

Supplier Code of Conduct and Business Ethics Policy and Procedures

In 2023, we introduced the Supplier Code of Conduct and Business Ethics (SCOCBE), endorsed by our Management and Board, to affirm our dedication to ethical business practices. This policy sets clear expectations for all entities involved in business dealings with the Group, including suppliers, vendors, contractors, and their affiliates and employees.

The SCOCBE covers essential areas including business ethics and integrity, human rights, environmental stewardship, business continuity, reporting and data privacy implementation. We are committed to monitoring compliance through self-assessments, internal audits, and third-party evaluations while promoting continuous improvement and open dialogue with our suppliers to ensure these standards are met across the board.

Identifying and Defining Our Critical Suppliers

The identification of critical suppliers is a cornerstone of effective supply chain management and risk mitigation strategies. In 2023, Leader Energy set out to identify and delineate its critical suppliers. These are the suppliers or vendors whose goods, services, or components are indispensable to our operations. Our definition of a supplier as 'critical' underscores the Group's substantial reliance on these businesses to sustain operational continuity and fulfil customer obligations.

The process of identifying critical suppliers for the Group involves careful consideration of several key factors to meet our specific operational needs. Suppliers providing essential goods or services crucial to our core operations, production, or service delivery are deemed critical. Suppliers upon whom we heavily rely, especially in the absence of viable alternatives, are also categorised as critical. Additionally, suppliers that are part of intricate supply chains, where a single supplier's failure could trigger widespread repercussions, are identified as critical. Moreover, suppliers whose inability to deliver could lead to significant financial, operational, or reputational detriments for the organisation are classified

as critical. This methodical approach ensures the stability and efficiency of our supply chain.

The Group proactively develops contingency plans and cultivates relationships with alternative suppliers to mitigate the potential impacts of disruptions from critical suppliers.

Leveraging the Group's ESG Self-Assessment Framework

The year 2023 saw Leader Energy introducing its ESG Self-Assessment Framework, a comprehensive tool designed for suppliers to self-evaluate their adherence to ESG standards. This framework encompasses a wide range of criteria, from environmental performance and carbon reduction efforts to ethical social practices, safety measures, and governance protocols.

The primary aim of this self-assessment is to measure the ESG practices of our suppliers, pinpointing areas for improvement and recognising strengths. This process facilitates greater operational efficiency, improved risk management, and ensures our supply chain aligns with the highest industry standards.

The framework evaluates key areas such as:



ENVIRONMENT

Assessing management systems, policies, performance monitoring, and compliance with environmental regulations.



SOCIAL

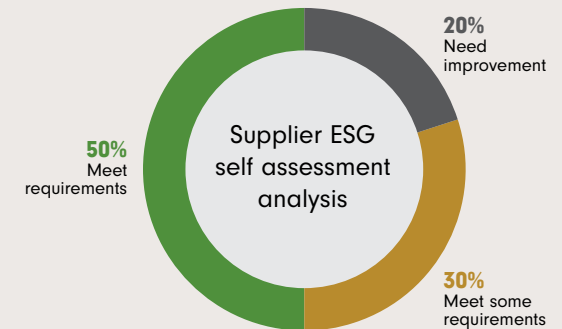
Evaluating safety and health practices, labour approaches, and human rights adherence.



GOVERNANCE

Reviewing anti-bribery and corruption measures, codes of conduct, training effectiveness, grievance mechanisms, and overall supply chain sustainability.

Insights from the 2023 ESG Self-Assessment



The results from our 2023 ESG Self-Assessment exercise have been instrumental in identifying the current state of sustainability within our supply chain. With 50% of our suppliers meeting our ESG criteria, we see a strong foundation for sustainable practices. However, the remaining 50% present an opportunity for improvement, and we are dedicated to supporting these suppliers in elevating their ESG standards. Moving ahead, we will continue to engage our suppliers on an ongoing basis with the aiming of fortifying our sustainable supply chain practices.

In 2023, **50%** of suppliers completed the ESG Self-Assessment questionnaires



Sustainable Supply Chain

Empowering Suppliers via ESG Supply Chain Briefings

In 2023, the Group initiated a series of comprehensive ESG Supply Chain Briefing Sessions to enhance sustainability knowledge within our supply chain. The five sessions that we conducted were designed to ensure that our suppliers recognised the importance of ESG factors in modern business practices and fully aligned them with Leader Energy's sustainability goals and expectations.

The objectives of the briefing sessions were multifaceted. They aimed to raise awareness among our suppliers about the critical role of ESG in business operations, introduce them to our Sustainability Strategy Framework, and clearly communicate our ESG targets, initiatives, and expectations.



95%
critical suppliers
engaged in ESG in 2023



5
briefing sessions
conducted in 2023

Our Expectations of Our Suppliers

Through the briefings, we highlighted our specific expectations of our suppliers, including:

Environmental expectations:



Emphasising the need for a management systems, compliance with local regulations, performance monitoring for key environmental indicators (i.e., Scope 1, Scope 2, energy consumption, waste, water, and air emissions), a greenhouse gas reduction plan, and regular audits and assessments.

Social expectations:



Emphasising human rights and health and safety. Suppliers must respect all human rights, comply with our Human Rights Commitments, and ensure their operations are free from forced and child labour, while also supporting freedom of association and providing a grievance mechanism. By way of health and safety, suppliers are required to maintain up-to-date systems and policies, have emergency response plans, offer regular training on human rights and safety, and conduct frequent audits and performance monitoring to ensure a safe and healthy working environment.

Governance expectations:



Reviewing anti-bribery and corruption measures, codes of conduct, training effectiveness, and overall supply chain sustainability.

Through these ESG Supply Chain Briefing sessions, Leader Energy is reinforcing its commitment to sustainability, not only within its operations but throughout its entire supply chain. By fostering a collaborative approach to sustainability, we aim to create a more sustainable and responsible business ecosystem.

Bolstering Our Sustainable Supply Chain Focus

Moving forward, we are committed to enhancing our sustainable supply chain, prioritising education, engagement, and collaboration with our supplier to align with SDG 12's goals. Our strategy includes strengthening supplier relationships through good governance, ensuring operational integrity, and maintaining our leadership in the sustainable energy transition.

We will intensify efforts to integrate ESG principles across our supply network, encouraging suppliers to adopt sustainable practices that resonate with our commitment. This approach not only elevates our supply chain's sustainability but also contributes to global sustainable development efforts. As Leader Energy strides forward, we invite all stakeholders to collaborate in this endeavour, reinforcing our collective pursuit of a sustainable future.

Cybersecurity

LEADER ENERGY'S HOLISTIC CYBERSECURITY APPROACH

Cybersecurity forms an integral component of Leader Energy's overall sustainability agenda. We have aligned our cybersecurity strategy with both global and regional trends, focusing on creating a sustainable and resilient digital ecosystem. Our approach is multifaceted, addressing the environmental impact of our digital operations, ensuring social responsibility through data protection and inclusivity, and maintaining economic viability. We are committed to continuous improvement, regulatory compliance, and collaborative efforts within the industry to stay ahead of emerging threats and sustainability challenges. Our strategy reflects our dedication to not only safeguarding our digital assets but also contributing positively to the broader digital community.



Our Cybersecurity Strategic Framework

To ensure the sustainable growth of our business, Group IT has been developing a cybersecurity strategic framework that entails integrating environmental, social, and economic considerations into the design and implementation of cybersecurity practices. This ensures that cybersecurity measures are not only effective in protecting digital assets but also aligned with sustainable principles.

The following represent the key strategic elements within our cybersecurity strategic framework:



Mitigating Environmental Impact

- ❶ Energy efficiency in the Cloud: We are transitioning our servers to the Cloud, significantly reducing the energy consumption of our cybersecurity infrastructure and devices.
- ❷ Green data centres: Our move to Cloud platforms includes using eco-friendly data centres with efficient cooling systems and RE sources, enhancing our energy optimisation efforts.



Upholding Social Considerations

- ❶ Privacy and data protection: Our cybersecurity measures are designed to prioritise user privacy and adhere to data protection regulations.
- ❷ Equity and inclusivity in cybersecurity: We are committed to developing cybersecurity solutions that cater to the diverse needs and abilities of all users.



Ensuring Economic Viability

- ❶ Assessing the total cost of ownership (TCO): We are evaluating the long-term costs associated with cybersecurity solutions, including maintenance, upgrades, and training.
- ❷ Measuring return on investment (ROI): We continuously assess the economic benefits of our cybersecurity investments, focusing on risk reduction and operational efficiency.



Nurturing Informed Workers

- ❶ Sustainability-focused training: Our cybersecurity training programmes now include sustainability practices and ethical considerations.



Committed to Continuous Improvement

- ❶ Monitoring and reporting: We actively monitor and report on the environmental and social impacts of our cybersecurity operations.
- ❷ Adaptive security strategies: We are dedicated to developing flexible and adaptive cybersecurity strategies that align with our sustainability goals.



Ensuring Regulatory Compliance

- ❶ Adhering to environmental regulations: We stay updated and compliant with environmental regulations relevant to our cybersecurity operations.
- ❷ Compliance with data protection laws: We ensure our practices comply with data protection laws, focusing on the ethical use of data.



Fostering Collaboration and Partnerships





- ❶ Industry collaboration: We engage in partnerships with other organisations and industry peers to share best practices and address sustainability challenges in cybersecurity collectively.

Cybersecurity

By weaving sustainability principles into our cybersecurity strategic framework, Leader Energy is contributing to a more resilient and responsible digital ecosystem. We remain committed to regularly reviewing and updating our cybersecurity strategic framework, ensuring it remains effective against ever-evolving cybersecurity threats and sustainability demands.

Cybersecurity Activities in 2023

The year in review saw us rolling out the following initiatives:

-  Collaborated with our IT partners to learn best practices and address the sustainability challenges in cybersecurity;
-  Implemented multifactor authentication (MFA) for additional security verification;
-  Performed penetration tests to identify areas for improvement in cybersecurity; and
-  Conducted cybersecurity awareness sessions for users and updated them on the latest cyber threats.

2023 MILESTONES



ZERO major cybersecurity incidents in 2023



99.5% of our employees trained in cybersecurity awareness in 2023

Target:

- Zero major cybersecurity breaches
- >80% of employees received cybersecurity awareness training



ADVANCING CYBERSECURITY AT LEADER ENERGY

As Leader Energy progresses, our commitment to fortifying our cybersecurity measures remains a priority. We are dedicated to developing a comprehensive cybersecurity framework that not only addresses current threats but also anticipates future challenges. This entails continuously enhancing our cybersecurity practices to ensure our digital infrastructure and sensitive data are protected in the most effective manner.

Recognising the critical role of awareness in cybersecurity, we are expanding our training programmes to encompass all employees across our organisation. These initiatives are designed to equip our workforce with the knowledge and skills necessary to identify and mitigate potential cyber threats, fostering a culture of vigilance and proactive defence. Through these concerted efforts, we aim not only to safeguard our operations but also contribute to the broader cybersecurity ecosystem, ensuring resilience and reliability in an increasingly digital world.

Valued Partnerships

THE SIGNIFICANCE OF VALUED PARTNERSHIPS

At Leader Energy, we place immense value on strategic partnerships, recognising their critical role in shaping the sustainable growth of our business. Partnerships with diverse stakeholder groups are indispensable as these relationships have the potential to significantly influence our business activities, outcomes, and capacity for creating value and achieving sustainable growth.

In this section, we highlight some of the many valued partnerships that have helped us along our journey to success.

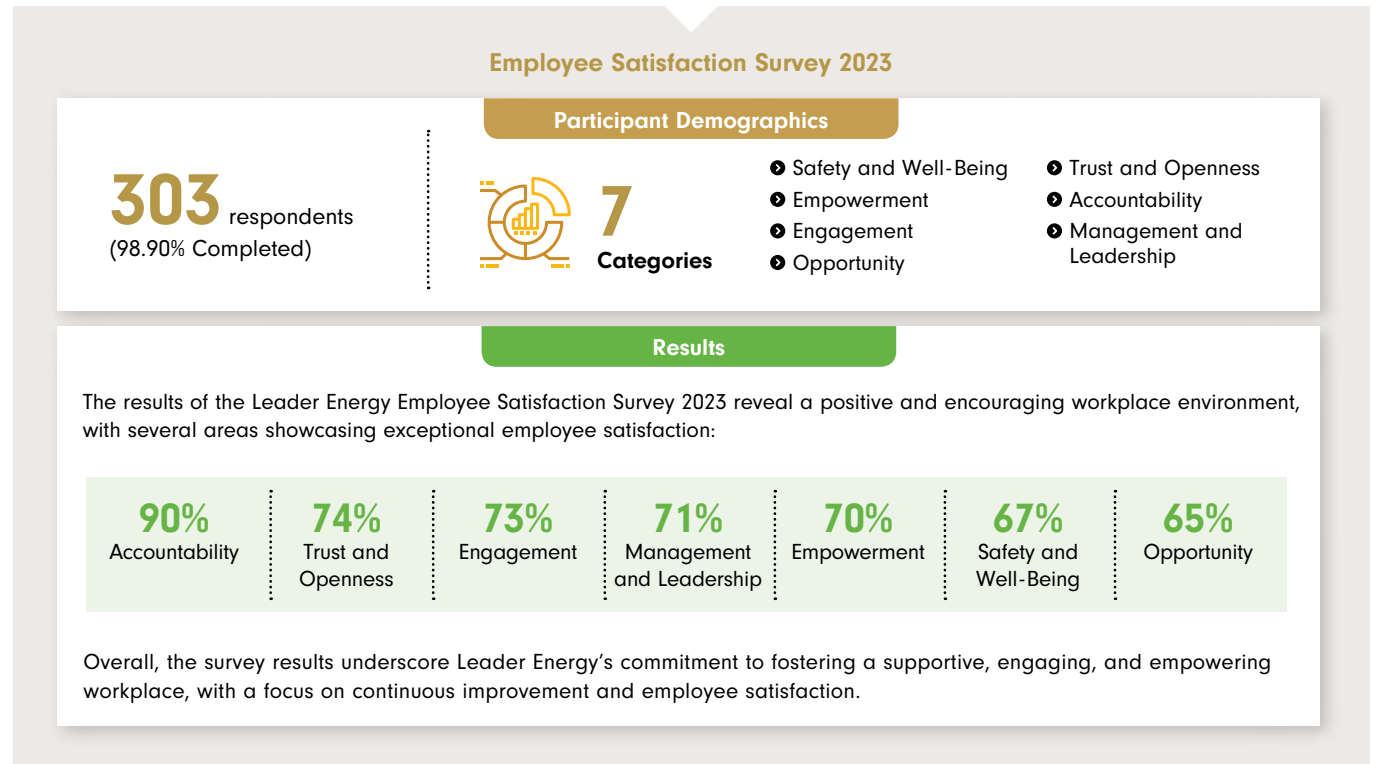
EMPLOYEE ENGAGEMENT ACTIVITIES

Our employees are our key asset and integral to our success. As part of our efforts to strengthen groupwide employee engagement and well-being, we are continuously conducting engagement activities. In 2023, we conducted employee briefings, dialogues, and roundtable discussions that facilitated open communication between the Management and employees, fostering a culture of transparency and trust. We also organised quarterly birthday celebrations, International Women's Day and Health and Safety events to honour our workforce and promote inclusivity, contributing to a positive workplace culture.

Our commitment extended to employee volunteering activities, such as educational support in Cambodia and Vietnam and environmental conservation in Penang, demonstrating our dedication to societal and environmental well-being. We also organised our annual dinner events and various festive celebrations to highlight our appreciation for cultural diversity and team achievements, while sports and team-building activities encouraged a healthy work-life balance and stronger team bonds. These efforts collectively underscore Leader Energy's commitment to cultivating a supportive, inclusive, and engaged workplace.

Annual Employee Satisfaction Survey

In 2023, we undertook an annual Employee Survey to better understand our employees' perspectives on areas like compensation, work-life balance, career development, and culture. The details of the 2023 survey follow:



Valued Partnerships

ENGAGEMENT WITH GOVERNMENTS/REGULATORS/AUTHORITIES

The Group actively engages with government bodies, regulatory authorities, and other relevant authorities in the markets we operate in to ensure compliance, foster collaboration, and contribute to shaping the regulatory landscape of their respective energy sectors. Our interactions are guided by a commitment to transparency, responsibility, and the shared goal of advancing sustainable energy solutions. Through these engagements, we aim to align our operations with national policies, contribute to the development of fair and effective regulations, and support initiatives that promote RE and environmental stewardship in those markets.

Collaborative Efforts in Establishing Fire Safety Standards

In a collaborative effort with the Singapore Civil Defence Force (SCDF) and the Sustainable Energy Association of Singapore (SEAS), LYS Energy, a part of Leader Energy, contributed to the development of a Fire Code Guidebook. This guidebook aims to assist photovoltaic (PV) solar developers and installers in complying with the SCDF's Fire Code, addressing the challenges and complexities of deploying solar PV systems on commercial and industrial buildings. This initiative underscores our commitment to championing safety and regulatory compliance in solar energy installations.

Promoting Workplace Safety and Health Excellence

We actively participated in the Workplace Safety and Health Conference, organised by the WSH Council under Singapore's Ministry of Manpower. This event provided valuable insights into the latest developments and trends in workplace safety and health, including the impact of the COVID-19 pandemic, technological advancements, and the importance of mental well-being. Through forums and seminars on various topics, such as heat stress management and safety in the logistics, transport, and waste management industries, we were inspired to enhance our workplace safety and health performance and resilience, bolstering our culture of safety and collaboration across our operations.

Promoting Sustainable Practices

In 2023, we continued to engage with key Cambodian government agencies, including the Council for the Development of Cambodia and the Ministry of Mines and Energy Cambodia, to present our sustainability initiatives and plans. These discussions provided an opportunity to align our sustainability efforts with national priorities and receive valuable feedback.

CUSTOMER-CENTRIC ENGAGEMENT ACTIVITIES

Elevating Customer Satisfaction in the Transmission Line Business

In 2023, our Transmission Line Business Segment conducted a customer satisfaction survey involving key personnel from Electricité du Cambodge (EDC) and the National Control Centre (NCC). The feedback was largely positive, with EDC expressing satisfaction with our services. The NCC, however, suggested the implementation of hotspots at all substations for monitoring heating equipment and connections. In response, CTL II committed to monthly thermography scanning of all substation equipment and provided comprehensive training to staff, aiming to enhance customer satisfaction. This proactive approach resulted in an average customer feedback score of 92.15% for the year.

Enhancing Solar Rooftop Services through Customer Feedback

Our Solar Rooftop Business Segment conducts an annual customer satisfaction survey to gauge the effectiveness of its services and identify areas for improvement. The feedback we receive is instrumental in refining our offerings and ensuring that our solar rooftop solutions meet the evolving needs of our customers. By actively seeking and incorporating customer feedback, we continue to improve our service quality and strengthen our position as a trusted energy partner.

VENDOR AND SUPPLIER ENGAGEMENT

Leader Energy is dedicated to fostering a culture of sustainability and ethical practices, extending beyond our internal operations to include our entire supply chain. Recognising the crucial role that our vendors and suppliers play in this ecosystem, we have embarked on a series of targeted engagements to ensure alignment with our ESG principles.

Engaging Vendors in Our Sustainability Journey

In 2023, a pivotal part of this engagement involved conducting five ESG Briefing sessions tailored for our critical suppliers.

The briefing sessions served as a platform for open dialogue and knowledge sharing, covering essential topics such as the fundamentals of sustainability, the specifics of the Group's Sustainability Strategy and its targets, our groupwide ESG practices, and the ESG standards we expect our suppliers to uphold.

Through these vendor engagement activities, Leader Energy is reinforcing its commitment to sustainable and responsible business practices. By setting clear ESG expectations and fostering open communication with our suppliers, we are working collaboratively towards a more sustainable and ethical future, ensuring that our supply chain reflects our values and contributes positively to our sustainability goals.



For more details, refer to the 'Sustainable Supply Chain' subsection within our 'Upholding Good Governance' section.



Valued Partnerships

ENGAGEMENT WITH BUSINESS ASSOCIATES

For Leader Energy, cultivating relationships with our business associates in an industry as dynamic and interconnected as energy, is paramount. Collaboration with like-minded organisations augments our ability to innovate, enhances our operational efficiency, and broadens our impact on sustainability initiatives. These relationships also enable us to leverage diverse expertise, access new markets, and drive technological advancements, ensuring we remain at the forefront of the energy sector. Moreover, by aligning with partners who share our values, we reinforce our commitment to ethical practices, environmental stewardship, and community engagement, thereby strengthening our reputation and contributing to a sustainable future.

International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) 2023

In 2023, we made good strides forward in our business associate engagement activities, marked by the establishment of three pivotal Memorandums of Understanding (MOUs) forged during the International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) 2023.



From left: BASF SE Head of Global Sales, Uwe Fuchs, BASF SE Managing Director, Frank Precht, Leader Energy Executive Deputy Chairman, Dato' Sean H'ng Chun Hsiang, Leader Energy Executive Director and Group Chief Executive Officer, Ir. Gan Boon Hean.

Strategic Alliance with BASF:

Our collaboration with BASF SE, through an MOU, signifies a strategic alliance aimed at advancing long-duration energy storage (LDES) projects across Southeast Asia. This partnership with BSES, a BASF subsidiary, leverages the advanced NAS® Batteries from NGK Insulators, Ltd., Japan, to embark on eight LDES projects valued at RM1.8 billion. This MOU, signed in the presence of Malaysia's Deputy Prime Minister, YAB Dato' Sri Haji Fadillah Bin Haji Yusof, reflects our shared commitment to energy innovation and sustainability.



From left: Leader Energy Malaysia Country Manager, Izwan Rasul, BMW Group Malaysia Head of Corporate Communications & Sustainability, Sashi Ambaihaipahan, Natural Resources, Environment and Climate Change Minister, Nik Nazmi bin Nik Ahmad, Energy Commission Malaysia Chief Executive Officer, Dato' Ir. Abdul Razib Dawood, Leader Energy Executive Deputy Chairman, Dato' Sean H'ng Chun Hsiang, Leader Energy Executive Director and Group Chief Executive Officer, Ir. Gan Boon Hean, Leader Energy Head of Business Development, Tawfique Roselli.

Collaboration with BMW Group Malaysia:

In a groundbreaking move, we signed an MOU with BMW Group Malaysia to enhance electric vehicle (EV) charging options within Leader EV's solar-integrated Galaxy Charge stations. This collaboration focuses on expanding Malaysia's EV charging infrastructure, particularly along the North-South Highway, contributing to the nation's sustainable mobility landscape. The formalisation of this MOU, witnessed by key Malaysian government officials, namely YB Nik Nazmi bin Nik Ahmad, Minister of Natural Resources, Environment and Climate Change, and Dato' Ir. Ts. Abdul Razib Bin Dawood, Chief Executive Officer (CEO) of Suruhanjaya Tenaga (the Energy Commission), marks a pivotal step towards a greener future.



From left: Leader Energy Head of Business Development, Tawfique Roselli, Solarvest Chief Operating Officer, Vincent Yap Pei Koon, Solarvest Executive Director and Group Chief Executive Officer, Davis Chong Chun Shiong, Natural Resources, Environment and Climate Change Minister, Nik Nazmi bin Nik Ahmad, Energy Commission Malaysia Chief Executive Officer, Dato' Ir. Abdul Razib Dawood, Leader Energy Executive Deputy Chairman, Dato' Sean H'ng Chun Hsiang, Leader Energy Executive Director and Group Chief Executive Officer, Ir. Gan Boon Hean.

Renewable Energy with Solarvest Holdings Berhad:

Our MOU with Solarvest Holdings Berhad sets the stage for exploring RE opportunities within Southeast Asia. This partnership emphasises solar energy, battery-energy storage systems, and Energy-as-a-Service, aligning with our mission to achieve change to: Net Zero GHG emissions by 2050. Witnessed by Malaysia's Minister of Natural Resources, Environment and Climate Change, and the CEO of Suruhanjaya Tenaga, this collaboration during IGEM 2023 highlights our commitment to sustainable energy solutions.

Valued Partnerships

COMMUNITY ENGAGEMENT EFFORTS

Leader Energy is deeply committed to making a positive impact on the communities we serve, guided by our comprehensive Corporate Social Responsibility (CSR) Strategy. This strategy is structured around three strategic themes: Environment Conservation and Climate Action, Community Health and Well-Being, and Community Livelihood Improvement.

This calls for us to engage in conservation efforts, support circular economy principles, and conduct environmental clean-ups. Additionally, we contribute healthcare support and aid for disaster relief, alongside investing in sustainable infrastructure, aiding marginalised communities, and enhancing educational opportunities. Through these initiatives, we aim to not only address immediate community needs but also contribute to their long-term sustainable development, embodying our commitment to corporate responsibility and societal progress.

In 2023, we undertook a total of 54 CSR initiatives, benefited 16,880 beneficiaries and invested 4,143 employee volunteer hours, of which 1,672 and 2,471 hours were devoted to environmental and social activities respectively.



The finer details of these activities are spelt out in our 'Care for Communities' sub-section under our 'Enriching Communities' section.



Leader Energy Mangrove Planting programme in Nibong Tebal, Penang.

54 CSR initiatives completed with a total of **16,880** beneficiaries impacted.

IN SUPPORT OF TRADE ASSOCIATIONS AND CONFERENCES

In 2023, Leader Energy continued to actively participate in trade associations and conferences, contributing valuable insights and expertise through the involvement of our Group CEO, Mr. Gan Boon Hean, and other key Senior Management team members. Such engagements provide platforms for discussing industry trends, challenges, and innovations, furthering our commitment to advancing the energy sector.

In addition, our Group CEO, Mr. Gan Boon Hean has actively participated as a panellist for the following conferences:

Conferences	Topics
World Power Plant Innovation Conference 2023	Benefits and Challenges with Low-Carbon Fuels
ASEAN Clean Energy Week 2023	Empowering ASEAN's RE Transition
MARC Malaysian Bond & Sukuk Conference 2023	The Future of RE

Second Solar Energy Storage Future Malaysia Conference

At the second Solar Energy Storage Future Malaysia Conference, Leader Energy played a pivotal role in panel discussions focused on Malaysia's energy transition. Mr. Gan Boon Hean, our Group CEO alongside Mr. Tawfique Roseli, Head of Business Development, delved into the advancements in solar and energy storage projects in Malaysia, highlighting the potential for viable finance insights and sustainable development in the region.

Through these engagements, Leader Energy's representatives are not only sharing their expertise but gaining insights into global and regional trends, reinforcing the Group's position as a forward-thinking leader in the energy sector and our dedication to promoting sustainable energy solutions.

Valued Partnerships

MEMBERSHIPS IN ASSOCIATIONS

Leader Energy is deeply committed to advancing sustainable practices and climate governance within the corporate landscape. As part of this commitment, we have taken significant steps to engage with key industry associations and contribute to pivotal discussions on sustainability and governance.

Active Engagement with Climate Governance Malaysia

As a corporate member of Climate Governance Malaysia (CGM), the Malaysian chapter of the World Economic Forum's Climate Governance Initiative, Leader Energy actively supports the mission to enhance awareness, share best practices, and implement effective climate governance within corporate boards. Our membership with CGM reflects our dedication to leading the charge in promoting sustainability at the board level and across corporate operations.

Leadership Role at the National Climate Governance Summit

Our commitment was further demonstrated in September 2023 when Leader Energy proudly participated as a Gold sponsor at the National Climate Governance Summit Malaysia, organised by CGM. This summit represents a crucial gathering for leaders to address the pressing challenges of climate governance and to explore actionable solutions.

A highlight of our involvement was the workshop titled, "Demystifying ESG: The Sustainability Imperative for SMEs", curated by Ms. Evelyn Chee, our Chief Sustainability Officer. This workshop aimed to demystify the complexities surrounding ESG for SMEs, offering them practical insights and strategies to integrate sustainability into their business operations. Our leadership in this session underscores our commitment to empowering businesses of all sizes to embrace sustainable practices and contribute to a more sustainable economic landscape.

Through these engagements, Leader Energy is not only reinforcing its position as a sustainability leader but also actively contributing to the broader dialogue on climate governance and sustainable business practices, driving positive change within the corporate sector and beyond.



LIST OF AWARDS AND ACCOLADES RECEIVED

Since our inception, the Leader Energy Group has been recognised with a broad spectrum of awards, highlighting our achievements in sustainability, leadership, operational excellence, and innovation within the energy sector. These accolades include leadership and visionary awards for our contributions to green energy and sustainability, operational excellence recognitions for compliance and best practices, as well as innovation awards for advancements in solar energy technology and services. These honours reflect our comprehensive commitment to driving the energy industry towards a more sustainable and innovative future.

Name of Award/Recognition	Year	Description of Award
Green Energy Visionary Investor	2023	The 2 nd Solar Energy Storage Future Malaysia Conference
The 2023 ASEAN Sustainability Leadership Award	2023	2023 ASEAN Leadership & Partnership Forum
Solar Company of the Year: Developer Ground Mounted	2023	The Solar Week Malaysia 2023 Leadership Awards
2022 ASEAN Business Excellence Award	2022	2022 ASEAN Leadership and Partnership Forum



For a full listings of our awards received by our subsidiaries, please visit our website or scan the QR code.

Appendices

For a comprehensive details of our Performance Data Table, Sustainability Reporting Principle and Data Assumption, Sustainability Reporting Standards and Disclosures, please visit our website or scan the QR code below:



Performance Data Table



Sustainability Reporting Principles & Data Assumptions



Sustainability Reporting Standards & Disclosure





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