REPORTING PRINCIPLES

&

DATA ASSUMPTIONS

Sustainability Reporting Framework

The ESG Quarterly Report has been prepared in accordance with several local and international sustainability standards and frameworks:

- Global Reporting Initiative ("GRI") Standards
- Sustainability Accounting Standards Board ("SASB")
- Bursa Malaysia Reporting Sustainability Reporting Guide (3rd edition)
- National Sustainability Reporting Framework

Reporting Approach

The sustainability reporting principles of stakeholder inclusiveness, sustainability context, materiality and completeness have been applied when defining the content. Accuracy, balance, clarity, comparability, reliability, and timeliness have also been considered.

Precautionary Principles

We support a precautionary approach to social and environmental challenges. We have also collaborated with industry partners and both professional and technical organisations.

We have established a group-wide risk management system that identifies and assesses risks systematically. This system ensures that Leader Energy's focus and stakeholders' expectations are balanced when combined with a thorough materiality assessment.

Scope

All sustainability performance data are reported based on the operational control scope. Data reflects assets or facilities directly controlled by Leader Energy, with the authority to introduce and implement our policies and procedures.

Consolidation

In the consolidation of our operational data, we report 100% of the data where Leader Energy has operational control, irrespective of the percentage of ownership. Conversely, data from assets and operations outside our operational control are excluded in this report.

Information on Exclusions

Our approach to exclusion is based on our Group-wide sustainable business risk framework. Additionally, information that cannot be verified is omitted from the report.

Data Rounding and Summation Variance Disclaimer

Data figures are rounded to the nearest whole number. As a result, total values may vary by ±1 due to the cumulative effect of rounding adjustments applied to decimal values in the data working sheets.

RESPECTING THE ENVIRONMENT

Greenhouse Gas (GHG) Emissions Inventory Data

Organisational Boundary

Leader Energy adopts the operational control approach to define its organisational boundary for GHG emissions reporting. This means that all entities under operational control are included in the inventory.

- This inventory includes all entities within Leader Energy where it holds operational control.
- If structural changes (e.g., acquisitions, divestment) occur, the inventory is adjusted using a Pro-Rata/Same-Year Adjustment approach.

Reporting Boundary

The GHG emissions reporting boundary follows the GHG Protocol framework, covering Scope 1, Scope 2, and Scope 3 emissions.

- **Scope 1:** Direct GHG emissions occur from sources owned or controlled by Leader Energy.
- **Scope 2:** Indirect GHG emissions from purchased energy.
- **Scope 3:** Other indirect GHG emissions that are a consequence of the activities of Leader Energy but not owned or controlled by the company.

GHG Protocol Scope	Description	Reporting Status
Scope 1	Direct GHG emissions	Included
Scope 2	Indirect GHG emissions from purchased electricity from the national grid	Included
Scope 3	Category 1: Purchased goods and services	Included
	Category 2: Capital goods	Included
	Category 3: Fuel- and energy-related activities.	Included
	Category 4: Upstream transportation and distribution	Included
	Category 5: Waste generated in operation	Included
	Category 6: Business travel	Included
	Category 7: Employee commuting	Included
	Category 8: Upstream leased assets.	Excluded

GHG Protocol Scope	Description	Reporting Status
	Category 9: Downstream transportation and distribution.	Excluded
	Category 10: Processing of sold products.	Excluded
	Category 11: Use of sold products.	Included
	Category 12: End of life treatment of sold products.	Included
	Category 13: Downstream leased assets.	Included
	Category 14: Franchises	Excluded
	Category 15: Investments	Included

Methodology

Emissions Calculation Methodology

Activity Data	Calculation Methodology	Data Estimation Assumptions
Scope 1 (Direct Emissions)		
Diesel and Petrol	CO_2e (tCO_2e) =(Fuel Consumption (L) x Density (kg/L) x [(CO_2 EF) + (CH_4 EF x GWP of CH_4) + (N_2O EF x GWP of N_2O)]) / 1000	Fuel consumption is estimated based on recorded purchase invoices and fuel logs.
Refrigerant Release	CO_2e (tCO_2e) = [Refrigerant Charge (kg) x GWP100 of Respective Refrigerant ($kgCO_2e/kgRefrigerant$)]/1000	Emissions are estimated based on the amount of refrigerant refilled during maintenance operations, assuming all refilled refrigerant represents leakage.
Methane (CH_4) Emissions from Domestic Wastewater	CO_2e (tCO_2e) = Number of Employees x Number for Working Days per Year x Methane Correction Factor (fraction) x Biochemical Oxygen Demand (g/person/day) x Maximum CH_4 Producing Capacity ($kgCH_4/kgBOD$) x GWP CH_4 / 10^6	Estimated based on: • Respective entity number of employees and working days. • Methane correction factor depending on the type of sewerage tank. • Country- and region-based BOD_5 value (2006 IPCC Guidelines). • Default maximum CH4 producing capacity (2006 IPCC Guidelines).
Switchgear SF_6 Release	CO_2e (tCO_2e) = SF_6 Charge (kg) x GWP of SF_6 ($kgCO_2e/kgSF_6$) /1000	Estimated based on the amount of SF6 gas refilled during

Activity Data	Calculation Methodology	Data Estimation Assumptions
		maintenance, assuming all refilled gas represents leakage due to system losses.
Fire Extinguisher CO_2 Release	CO_2e (tCO_2e) = CO_2 Refill (kg) x GWP of CO_2 ($kgCO_2e/kg\ CO_2$) /1000	Estimated based on the amount of CO2 discharged from CO2 fire extinguishers during maintenance or actual usage.
Scope 2 (Indirect Emissions from Purchased Energy)		
Purchased Electricity	CO_2e (tCO_2e) = Purchased Electricity Consumption (kWh) x Country Specific Grid Emission Factor (tCO_2e/MWh) / 1000	Estimated based on recorded electricity bill invoice for each entity.
Scope 3 (Other Indirect Emissions)		
Business Travel	Distance-Based Method • Air Travel: ICAO Carbon Emission Calculator. • Land Travel: CO_2e (tCO_2e) = Total Distance (km) x DEFRA Emission Factor of respective transport mode.	Air Travel • Employees travel in standard economy class for air travel unless otherwise specified in travel records. • Travel within the destination country after an international is excluded. Land Travel • Business travel by car, rail, or other local transport modes is only included if the round-trip distance exceeds 100 km from the employee's place of work. • Travel distance to the airport is included. • Google Map is used to estimate travel distances for land travel. It is acknowledged that this may not account for route variations or actual kilometers travelled. • Indirect activities such as hotel stays and incidental

Activity Data	Calculation Methodology	Data Estimation Assumptions
		emissions during business travel are not considered.
Employee Commuting	Distance-Based Method CO_2e (tCO_2e) = Total Distance (km) x DEFRA Emission Factor of respective transport mode. Note: Total distance data is obtained from the Employee Commuting Survey responses carried out annually.	Assumes the most direct route between home and workplace. The primary mode of transport used for the longest distance from home to the workplace (in cases where employees use more than one mode) is considered for emissions calculations.
Other Scope 3 Categories	Spend-Based Method CO_2e (tCO_2e) = Spending (USD) x Country- and Activity-Based EXIOBASE Emission Factor Solar-Specific Calculation: CO_2e (tCO_2e) = In Operation GIC OR Spending on Purchase and replacement of solar panels and related components x Country- and Activity-Based EXIOBASE Emission Factor	Relevant financial expenditure data is used.

Note:

- EF: Emission Factor
- GIC: Gross Installed Capacity

Consolidation

Our GHG emissions reporting is based on the operational control approach as per the GHG Protocol Corporate Standard, verified in line with ISO 14064-1:2018. All assets and facilities under operational control are fully accounted for in our GHG emissions data.

Third-Party Assurance

All activity data used for Leader Energy's emission accounting in the previous years have been verified by BSI – an independent third-party assurer. The verification process was conducted in accordance with ISO 14064-1:2018 Standard.

BSI's verification process included an assessment of our data collection, calculation, and reporting procedures, with a focus on the transparency of the methods used and the quality of the data reported.

Other Environmental Data

Indicators	Definition, Methodology & Assumptions
GHG Intensity	Definition GHG intensity quantifies GHG emissions relative to operational output (energy generation) as a key metric for evaluating operational emissions efficiency. Calculation Methodology $GHG\ Intensity = Total\ GHG\ Emissions / Total\ Energy\ Generation$ Assumptions Only Scope 1 and Scope 2 emissions are included in the total GHG emissions as they are directly controlled and measured by Leader Energy.
Avoided Emissions	Definition Refer to the reduction of GHG emissions achieved through renewable energy generation, which displaces the need for electricity from fossil fuel-based sources. Calculation Methodology $Avoided\ Emissions = Energy\ Generation \times Grid\ Emission\ Factor$ Assumptions • The grid emission factor is derived from the International Renewable Energy Agency (IRENA). • Avoided emissions calculations do not include CEVD assets, as they are not within Leader Energy's operational control. • Avoided emissions for commercial and industrial (C&I) rooftop solar projects only account for energy generation sold to the grid, excluding energy sold directly to customers.
Energy Consumption	Definition Energy consumption measures the total energy used across operations, including fuel combustion, purchased electricity, and renewable energy sources. Calculation Methodology Total energy consumption includes diesel, petrol, purchased electricity, and renewable energy, which are converted to gigajoules (GJ) using relevant conversion factors. Assumptions Fuel consumption is converted using fuel density and net calorific values, while electricity is converted using 1 MWh = 3.6 GJ.
Energy Intensity	Definition

Indicators	Definition, Methodology & Assumptions
	Energy intensity measures the total energy consumed per unit of energy generated as an indicator of operational efficiency. Calculation Methodology $Energy\ Intensity = Total\ Energy\ Consumption / Total\ Energy\ Generation$ Assumptions • Total energy consumption includes diesel, petrol, purchased electricity, and renewable energy – converted to GJ.
Waste Generation	Definition Waste generation measures the total amount of waste produced across operations, categorised into general waste, recycled waste, and hazardous waste. Calculation Methodology Total waste generation is tracked in tonnes and categorised as: • General Waste – Non-hazardous, non-recyclable waste sent to landfill or incineration. • Recycled Waste – Waste materials recovered and processed for reuse. • Hazardous Waste – Waste requiring special handling due to potential environmental or health risks. Assumptions • Waste data is obtained from disposal records, third-party waste contractors, and internal tracking systems. • Insignificant or non-reportable waste streams may be excluded if deemed immaterial.
Utilisation of Renewable Energy Certificates	Definition A Renewable Energy Certificate (REC) represents the verified environmental attributes of one megawatt-hour (MWh) of electricity generated from a renewable energy source. "Utilisation" occurs when a REC is permanently claimed by an organisation to reduce its indirect greenhouse gas (GHG) emissions footprint. Once retired in an official registry, the REC cannot be sold, transferred, or claimed by any other entity, thereby preventing double counting.

Indicators	Definition, Methodology & Assumptions
	Calculation Methodology To comply with the dual-reporting requirements of ISO 14064-1:2018 (Annex E), Leader Energy accounts for these emissions using both the Location-Based and Market-Based approaches. The formula for calculating the baseline emissions from purchased electricity is: $E_{Baseline}$=$Electricty\ Consumption\ (MWh)\ x\ Grid\ Emission\ Factor\ tCO2e$ If the entity utilises RECs to neutralise a portion of its footprint, the Market-Based emissions shall be recalculated by applying a 0 tCO2e/MWh factor to the retired volume. The Location-Based figure remains unchanged. Assumptions • Data Source: Purchased electricity consumption (MWh or kWh) derived from monthly utility invoices. • Market Instruments: Validated Renewable Energy Certificates (RECs) retired in the entities' organisation name.
Spills	Definition Spills refer to unintentional releases of hazardous substances into the environment, which may pose risks to ecosystems and human health. This includes spills of oil, chemicals, or other materials that require containment and remediation. Calculation Methodology • Number of Spills – The total recorded spill events. • Average Volume of Spills – The estimated volume (liters) of substances released into the environment. • Quantity of Spills Recovered – The volume (liters) successfully contained and removed. Assumptions • Spill volumes are recorded based on direct measurements where available or estimated based on loss from the container.
Water and Effluents	Definition Water and effluents refer to the total volume of water withdrawn, discharged, and consumed in operations. This includes surface water, groundwater, and municipal water use, as well as wastewater discharge. Calculation Methodology

Indicators	Definition, Methodology & Assumptions
	• Water Withdrawal: Total volume of water withdrawn from surface water, groundwater, and municipal sources. • Water Discharge: Total volume of water released back into natural water bodies. • Water Consumption: The difference between water withdrawal and water discharge. <u>Assumptions</u> • Water withdrawal from surface water and discharge volumes are associated with hydropower plant operations. • Data is derived from water meters, operational records, and third-party waster providers.
Environmental Fines, Penalties, and Audits	<u>Definition</u> This indicator tracks regulatory compliance by measuring fines and penalties for environmental non-compliance, as well as environmental-related audits conducted. <u>Calculation Methodology</u> • Fines/Penalties for Environmental Non-Compliance: The total number of recorded violations resulting in regulatory fines or penalties. • Environmental-Related Audits Conducted: The total number of internal or external environmental audits performed to assess compliance with environmental regulations and policies. <u>Assumptions</u> • Only officially recorded fines and penalties from regulatory bodies are included. • Audit coverage includes internal audits, third-party audits, and regulatory inspections. • Minor warnings or advisory notices without financial penalties are excluded.

CARE FOR OUR PEOPLE

Indicators	Data Assumptions
Workplace Health & Safety	
Safe Manhours Worked	Definition Safe hours worked refers to the total number of hours worked by Leader Energy's employees, including both permanent and contract employees, within a 12-month period under Leader Energy's operational control. Calculation Methodology • The sum of all recorded working hours of employees under operational control, including permanent and contract employees. • Does not include third-party contractors not under direct operational control. Assumptions • Only includes hours worked in entities where Leader Energy has full operational control.
Fatality and Fatality Rate	Definition Fatality rate measures the number of fatalities occurring in the workplace per 1 million hours worked, serving as an indicator of workplace safety performance. Calculation Methodology $$Fatality\ Rate = \frac{Total\ Fatalities}{Total\ Hours\ Worked} \times 1{,}000{,}000$$ Assumptions • Includes recordable fatalities occurring within Leader Energy's operationally controlled entities.
Lost-Time Injury (LTI) & LTI Frequency (LTIF) Rate	Definition • Lost-Time Injury (LTI): A work-related injury that results in an employee being unable to perform their regular work duties for at least one full day/shift after the day/shift of the injury. • Lost-Time Injury Frequency (LTIF): The total number of LTI cases per 1 million hours worked as a measure of workplace safety performance. Calculation Methodology $$LTIF\ Rate = \frac{Total\ LTI\ Cases}{Total\ Hours\ Worked} \times 1{,}000{,}000$$

Indicators	Data Assumptions
	Assumptions • Includes recordable LTI occurring within Leader Energy's operationally controlled entities.
Near Miss and Near Miss Frequency Rate	Definition • Near Miss: A potential hazard or incident in which no property was damaged, and no personal injury was sustained, but where, given a slight shift in time or position, damage or injury easily could have occurred. • Near Miss Frequency Rate: The total number of near-miss cases per 1 million hours worked, serving as a proactive measure of workplace safety risk identification. Calculation Methodology $$Near\ Miss\ Frequency\ Rate = \frac{Total\ Near\ Miss\ Cases}{Total\ Hours\ Worked} \times 1{,}000{,}000$$ Assumptions • Includes recordable near miss cases occurring within Leader Energy's operationally controlled entities.
Occupational Diseases Cases and Occupational Disease Frequency Rate	Definition • Occupational Diseases Cases: Total cases of health conditions or illnesses that arise as a result of exposure to factors in the work environment. • Occupational Disease Frequency Rate: The total number of occupational disease cases per 1 million hours worked, measuring workplace health risks. Calculation Methodology $$Occupational\ Disease\ Frequency\ Rate = \frac{Total\ Occupational\ Disease\ Cases}{Total\ Hours\ Worked} \times 1{,}000{,}000$$ Assumptions • Includes recordable occupational diseases cases occurring within Leader Energy's operationally controlled entities.
Fines, Penalties, and Audits Related to Health & Safety	Definition

Indicators	Data Assumptions
	This indicator tracks regulatory compliance by measuring fines and penalties for health and safety non-compliance, as well as health and safety-related audits conducted. Calculation Methodology • Fines/Penalties for Health and Safety Non-Compliance: The total number of recorded violations resulting in regulatory fines or penalties. • Environmental-Related Audits Conducted: The total number of internal or external health and safety audits performed to assess compliance with environmental regulations and policies. Assumptions • Only officially recorded fines and penalties from regulatory bodies are included. • Audit coverage includes internal audits, third-party audits, and regulatory inspections. • Minor warnings or advisory notices without financial penalties are excluded.
Nurturing Talent	
Employees (Breakdown by gender, age group, nationality, and employment type)	Definition Total number of employees, categorised by gender, age group, nationality, and employment type working under Leader Energy's operational control. Calculation Methodology The yearly employee number is calculated as the average of the monthly employee count at the end of each month, considering variation caused by new hires and turnover. Assumptions • Includes both permanent and contract employees under operational control. • Only employees within entities under Leader Energy's operational control are included. • Excludes temporary workers, interns, and third-party contractors.
Female to Male Ratio	Definition

Indicators	Data Assumptions
	The ratio of female employees to male employees within Leader Energy's operational control. Calculation Methodology $$Female : Male = \frac{Total\ Male\ Employees}{Total\ Female\ Employees}$$ Expressed as a ratio, representing the proportion of male employees for every female employee. Assumptions • Derived from the total employee count, considering only permanent and contract employees. • Only employees within entities under Leader Energy's operational control are included. • Excludes temporary workers, interns, and third-party contractors.
Key Senior Management	Definition Key senior management refers to employees in leadership roles responsible for strategic decision-making. Calculation Methodology The count of employees holding key senior management positions with gender breakdown. Assumptions • Does not include advisory roles, board members, or non-executive positions.
Employee Turnover and Voluntary Turnover Rate	Definition Total Turnover: The total number of employees leave Leader Energy voluntarily or due to dismissal, retirement, or death in service. Voluntary Turnover: The total number of employees who leave Leader Energy voluntarily (e.g., resignation). Calculation Methodology $$Voluntary\ Turnover\ Rate = \frac{Total\ Voluntary\ Turnover}{Total\ Employees}$$ Assumptions Refer "Employee".
Training Hours and Average Training Hours per Employee	Definition • Training Hours: The total hours that employees spend attending training, including physical instructor-led training (ILT) and virtual ILT.

Indicators	Data Assumptions
	• Average Training Hours per Employee: The average number of training hours per employee within Leader Energy's operational control. Calculation Methodology $$Average\ Training\ Hours\ per\ Employee = \frac{Total\ Training\ Hours}{Total\ Employees}$$ Assumptions Refer "Employee".
Care for Community	
Corporate Social Responsibility-Related Indicators	Definition These indicators track Leader Energy's corporate social responsibility (CSR) initiatives, including employee participation, social impact, and financial contributions. Calculation Methodology • Number of CSR Activities Conducted: Total count of CSR initiatives organised during the reporting period. • Number of Employees Volunteering Hours: Sum of hours contributed by employees to CSR activities. • Number of Direct Beneficiaries: Total number of individuals positively impacted by CSR programs. • Total CSR Investment: Sum of financial resources allocated to CSR programs, reported in USD. Assumptions • Includes all CSR activities directly organised or funded by Leader Energy. • Does not include informal employee volunteering activities that are not tracked or funded by the company.
Upholding Human Rights	
Human Rights-Related Indicators	Definition These indicators track Leader Energy's commitment to human rights, including employee training, due diligence efforts, and recorded grievances. Calculation Methodology • Employees Trained on Human Rights: Percentage of employees who have completed human rights training relative to the total workforce. • Human Rights Due Diligence on Own Operations: Number of internal assessments conducted. • Human Rights Due Diligence on Supplier: Number of assessments conducted on critical suppliers.

Indicators	Data Assumptions
	• Number of Grievances Recorded: Total recorded human rights-related grievances from employees, suppliers, or other stakeholders. Assumptions • Derived from training records, due diligence assessments, and grievance mechanism reports. • Covers all employees under operational control and key critical suppliers assessed for human rights compliance.

STRONG BUSINESS GOVERNANCE

Indicators	Data Assumptions
Anti-Bribery and Anti-Corruption	Definition These indicators track confirmed incidents of bribery and corruption and the financial impact of legal proceedings. Calculation Methodology • Total Confirmed Incidents: The number of verified cases of bribery or corruption involving employees, suppliers, or other stakeholders. • Monetary Losses from Legal Proceedings: The total financial impact of fines, settlements, or other penalties resulting from bribery and corruption-related legal actions. Assumptions • Derived from internal investigations, legal proceedings, and compliance reports.
Whistleblowing	Definition These indicators track reported whistleblowing cases and their outcomes to assess ethical compliance and corporate integrity. Calculation Methodology • Total Cases Received: The total number of whistleblowing cases reported through official channels. • Ongoing Investigations: The number of cases currently under investigation at the end of the reporting period.

Indicators	Data Assumptions
	• Closed Without Further Action: The number of cases reviewed and closed due to insufficient evidence or lack of policy breaches. • Confirmed Breaches: The number of cases where investigations confirmed a policy violation or misconduct. Assumptions • Derived from internal compliance reports, whistleblowing mechanisms, and case resolution records.
Cybersecurity and Personal Data Protection	Definition These indicators track cybersecurity incidents, regulatory compliance, and employee training, along with breaches of customer privacy and data protection. Calculation Methodology • Major Cybersecurity Breaches: Total number of cybersecurity breaches that have a major impact on Leader Energy's assets, data, environment, functionality, personnel, or reputation. • Incidents of Non-Compliance: Number of recorded incidents where physical or cybersecurity regulations and standards were not met. • Employees Trained on Cybersecurity: Percentage of employees who have completed cybersecurity training relative to the total workforce. • Breaches of Customer Privacy: Total number of confirmed incidents where customer personal data was compromised. Assumptions • Covers cybersecurity incidents and compliance breaches affecting Leader Energy's internal operations and customer data.