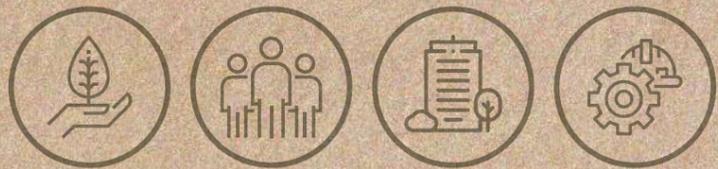




Ranhill



EXPANDING POSSIBILITIES, OPTIMISING VALUES

SUSTAINABILITY REPORT 2021

8th

Annual General Meeting

Date

2 June 2022, Thursday

Time

2.30 p.m.

Venue

Grand Ballroom, Level G,
Grand Hyatt Kuala Lumpur,
12 Jalan Pinang,
50490 Kuala Lumpur.

COVER RATIONALE

The cover design uses icons as a motif to reflect Ranhill's strategic focus on sustainability towards realising value creation. Sustainability as defined over a triple bottomline of people, planet and profit is pursued through a circular economy based business model that is progressively implemented or realised through a wide range of business strategies that address material sustainability issues, aspirations and targets.

For more information:
Scan the QR code to view
our SR2021 online

<https://www.ranhill.com.my/sustainability-reports.php>

OUR REPORTS

REPORTING SUITE



ANNUAL REPORT 2021

The AR2021 provides a comprehensive account of Ranhill's financial performance including audited financial accounts of the Group.

It also provides information pertaining to the Group's business and operational strategies, risks and opportunities, outlook and prospects as well as information pertaining to the business model and industry value chain.

CORPORATE GOVERNANCE REPORT ("CG2021")

The CG2021 demonstrates how Ranhill has applied corporate governance practices of the Malaysian Code of Corporate Governance 2021 ("MCCG 2021") including updates prescribed by the code.

SUSTAINABILITY REPORT 2021

The SR2021 provides a detailed account of the Group's sustainability performance as per its identified material economic, environment and social ("EES") topics.

SR2021 is developed in accordance with the Global Reporting Initiative 2020 – Core Option ("GRI"), Bursa Malaysia FTSE4Good Index, Sustainability Accounting Standards Board ("SASB") sustainability disclosures and (where relevant), the Task force on Climate Change Financial Disclosures ("TCFD").

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CORPORATE PHILOSOPHY



OUR MISSION

TO BE A REGIONAL LEADER IN WATER, WASTEWATER AND ENERGY WITH EMPHASIS ON CIRCULAR ECONOMY.



OUR VISION

ENRICHING LIVES THROUGH SUSTAINABLE SOLUTIONS

ENRICHING LIVES

Ranhill aspires to lift the quality of life by being at the forefront of nation building through sustainable environment and energy solutions using innovative and clean technology.

SUSTAINABLE SOLUTIONS

Ranhill aspires to meet the needs for an enhanced quality of life and a cleaner planet through innovation.

We subscribe to the triple-bottom-line approach, to the Environment (Planet) and Communities (People) whilst achieving our Financial Objective (Profit).

We inspire our employees to be innovative in providing solutions beyond customers' expectations.



OUR VALUES



RESPECT

Respect for the environment, communities we serve and for our employees.



RESOURCEFUL

Determination in sourcing and adopting innovative solutions.



RESULT

Focused on delivering growth and value to our stakeholders.

RANHILL FACT SHEET



Provides Clean Water to **3.8 Million** Consumers in Johor, Malaysia



99.8% Clean Water Supply Coverage (Rural)

100.0% Clean Water Supply Coverage (Urban)



46 Water Treatment Plants



716 Active Treated Water Reservoirs

Over the past years, RBSB had engineered...

WTP Over **800 MLD** Water Treatment Plant

Highways Over **601 km** of Highways

Landbank Over **70,000 Acre** of Landbank

Rail Over **200 km** of railways

Buildings Over **4 million sq.m** of building space

23,628.5 kilometres of Pipelines:



Mains Distribution: **3,528.6 Kilometres**

Reticulation: **20,099.9 Kilometres**

Total Capacity

Clean Water Treatment (Johor): **2,133 MLD**



Water, Wastewater & Reclaimed Water Treatment:
9 Water, Wastewater & Reclaimed Water treatment plants (Thailand): **112 MLD**
12 Wastewater treatment plants (China): **227 MLD**

Provides Electricity to **1.2 Million** people in Sabah, Malaysia



Own and Operates Combined Cycle Gas Turbine ("CCGT"):
190 Megawatt at Teluk Salut Power Station
190 Megawatt at Rugading Power Station

Total Potable Water, Wastewater and Reclaimed Water Capacity

86.2% Local

13.8% International



Ranhill is a constituent of the **FTSE4Good Bursa Malaysia Index since 2019**



Winner of the **MSWG-ASEAN Corporate Governance Award 2020** (Utilities Category)

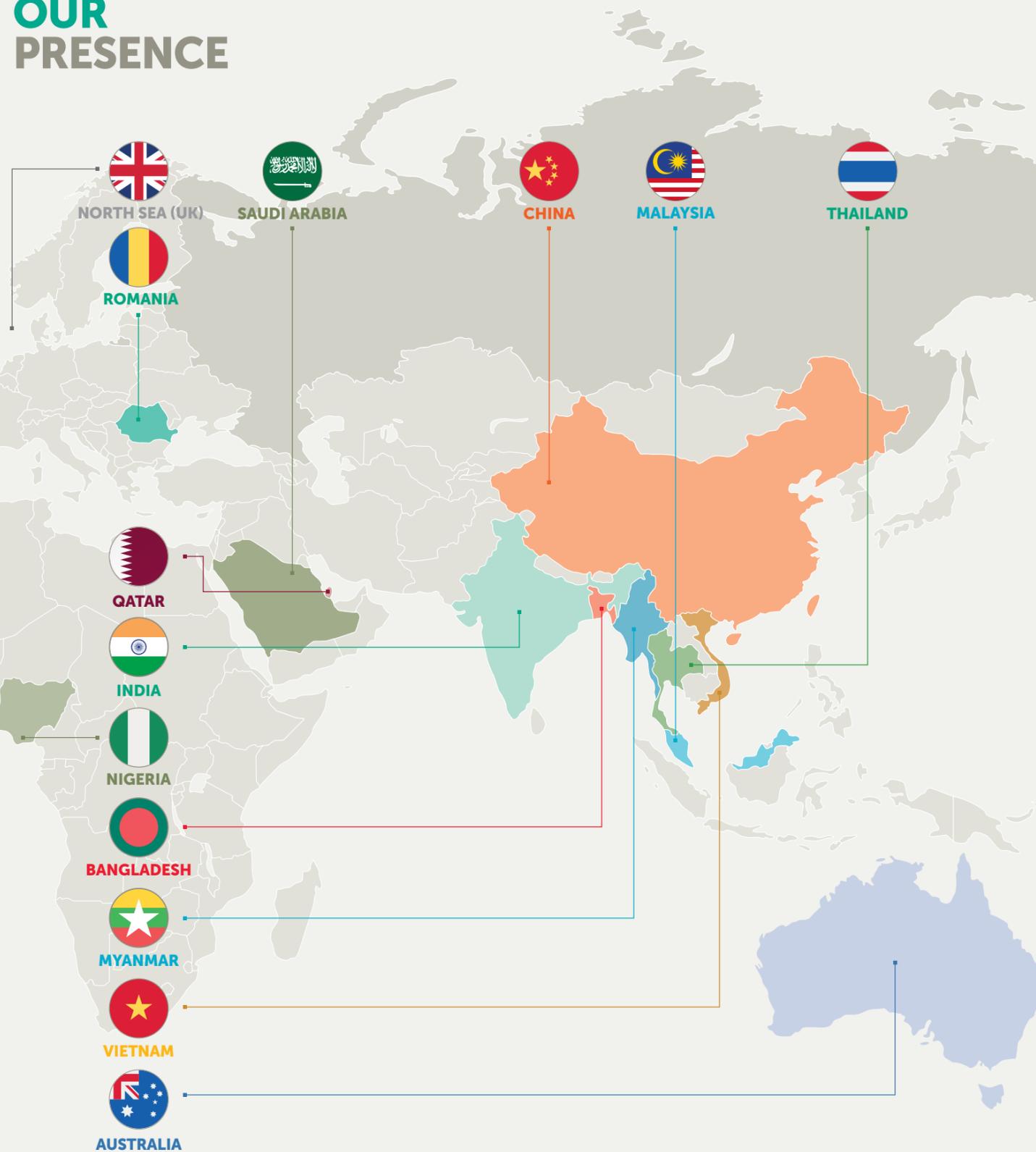
NRW Level 25.1%

Employees 3,909



OUR PRESENCE

OUR PRESENCE



MALAYSIA

Water Supply Services in Johor, Malaysia

- Exclusive license to provide source to tap water supply services throughout the State of Johor
- 46 Water treatment plants
- The second largest water operations in the country with total design capacity of 2,133 MLD

Engineering and Infrastructure Solution Specialist

- EMEPMI - Provision of Engineering, Procurement and Construction Management (EPCM) Services
- Develop the Kasawari Gas Development Project as part of the overall block SK316 development strategy off the coast of Sarawak
- SK318 Rosmari & Marjoram Offshore Project
- Shell Rosmari & Marjoram Project Onshore Gas Plant (FEED) Design Competition
- Reference design of the KL-Singapore High Speed Rail

CHINA

- Concession agreement with local authorities or industrial park management councils
- 12 Wastewater treatment plants ranging from 25-30 years
- Total treatment design capacity of 227 MLD

- Senai-Pasir Gudang-Desaru Expressway (with 500m main span cable stayed bridge)
- Kuala Lumpur International Airport and KLCC

Power Business in Sabah, Malaysia

- The largest IPP in Sabah, Malaysia
- Own and Operates two (2) 190MW CCGT power plants in Kota Kinabalu Industrial Park
- 21-year PPA with SESB for the sale of up to 380 MW of electrical generating capacity and electricity production

NRW Specialist:

- 726 MLD of water saved through various regional contracts
- 17,707 km of pipeline surveyed and geo-coded in a geographic
- Develop 251 strategic and all mains models with over 1 million total number of connections
- Design and establish over 1,600 District Metered Areas ("DMAs")

THAILAND

- 9 Water, wastewater treatment plant and reclaimed water treatment plant
- Total treatment design capacity of 112 MLD

SAUDI ARABIA

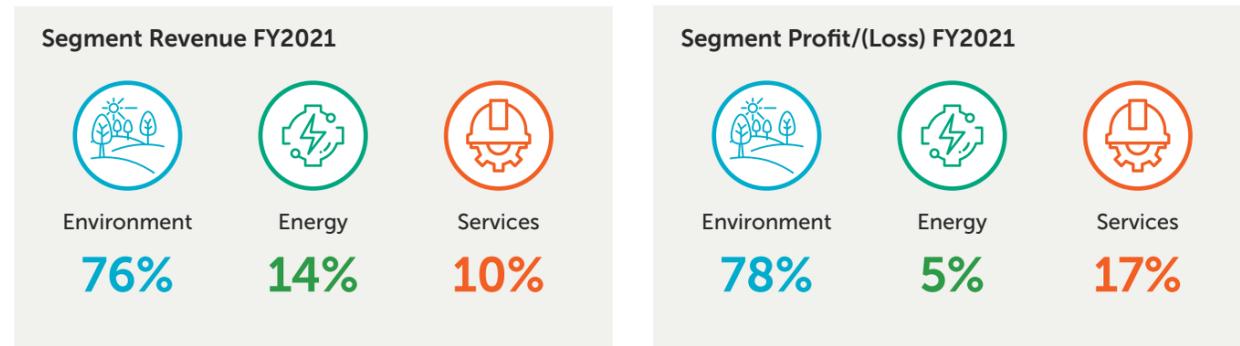
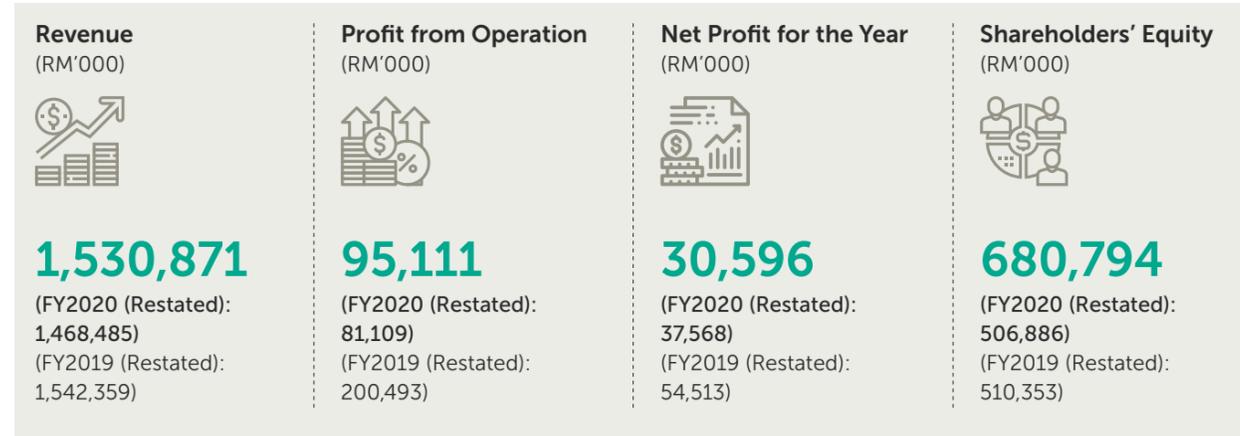
Multi Disciplinary Consultancy Services

- Provide the project management services to Saudi Aramco, King Abdullah University of Science and Technology (KAUST)
- Provide the management and construction of King Saud University for Girls (KSUG) in Riyadh

OTHER COUNTRIES

- Engineering works for Santos WHP EPCI with Sapura Engineering, Western Australia
- Pre-FEED for HI Development Project, Nigeria
- Engineering Support to Sembcorp Marine under an EPCI contract awarded by North Oil Company (NOC) for Gallaf Batch 2 project, located in Al Shaheen field, off Qatar
- Block 15-1/05 Lac Da Vang Oil Development, Vietnam
- Neptune Deep Project, a FEED for gas de-hydration fixed platform (NNM CPP) in 120m of water in the Black Sea off the coast of Romania
- Zawtika M-9 Development Project, Offshore, Myanmar
- Marina Doha Residential Tower and Marina Doha Office Tower, Qatar
- Built a 113.5 MLD potable water treatment plant for Haldia Development Authority in West Bengal
- Bangladesh-Engineering for Public Sanitation Facility for 26 districts funded by Islamic Development Bank
- First designed for float over project and detailed design, procurement support in Offshore Bombay, India for the B193 Development Project
- Detailed engineering and project management services of 10,800 residential unit in Tajura, Libya

GROUP FINANCIAL HIGHLIGHTS



	FY2019 (Restated) (RM'000)	FY2020 (Restated) (RM'000)	FY2021 (RM'000)
Revenue	1,542,359	1,468,485	1,530,871
Profit from operation	200,493	81,109	95,111
Net Profit for the year	54,513*	37,568**	30,596
Weighted average number of ordinary share	1,065,975	1,067,057	1,168,044
Basic earnings per ordinary share (sen)	5.11	3.52	2.62
Total Asset	2,856,498	2,363,266	3,281,183
Shareholders' Equity	510,353	506,886	680,794
Net Asset per share	0.48	0.48	0.58

Note:
 * Adjusted for IC. 12
 ** The drop in profit (from RM54.5 million to RM37.6 million) is due to lower contribution from RPI and RanhillSaj (due to discount to B40, COVID-19 contribution and non-recurring income recognition in FY2019)

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE



Tan Sri Hamdan Mohamad
Chairman and Chief Executive

Guided by our selected United Nations Sustainability Development Goals ("UNSDGs"), Ranhill has continued to push forward in managing its material topics to achieve positive results as measured across economic, environmental and social ("EES") indicators. This also includes strengthening of corporate governance in line with the requirements of the MCCG 2021.

HIGHLIGHTS

1. Reduction of NRW to 25.1%.
2. Commencement of the 50 MW Large Scale Solar 4 ("LSS4") project in Bidor, Perak.
3. Mini-hydro pilot project at the Gunung Ledang Water Treatment Plant.
4. The establishment of Ranhill's Net Zero Carbon by 2050 goal.



Our continued progress is based on our continued adoption and propagation of a circular economy model. The model is explained in detail and subsequent pages, but at the heart of this approach is sustainable business operations based where resources are optimised and preserved and businesses serve as a force for good, creating mutual wealth for itself and its stakeholders.

Among our FY2021 highlights include reducing NRW in Johor state to 25.1%, securing the Group's maiden large scale solar 4 ("LSS4") project and successfully using solar and hydro based electricity to power our water treatment plants. We have also increased water supply capacity in Johor while increasing

the reserve margins in several water stressed locations in the state.

Amidst a world of finite and depleting resources, Ranhill's focus is to enable businesses to transition towards renewable energy ("RE") and to decarbonise operations. We are also taking the same path with the proposal to set-up a 75 MW floating photovoltaics ("FPV") plant for self consumption, to partially power our water operations through RE. This is in line with our macro aspiration of progressively transitioning into a net zero carbon business by 2050.

MESSAGE FROM CHAIRMAN AND CHIEF EXECUTIVE

Equally important, we continue to play a leading role as in the conservation and preservation of water resources, addressing non-revenue water ("NRW") loss and promoting the use of treated wastewater or greywater for non-potable commercial use.

Water, as identified under UNSDG 6 remains a primary concern for the world today. Freshwater sources continue to face mounting pressure due to increased consumption demand and depleting quantities exacerbated by climate change and global warming.

As a responsible water operator, Ranhill, together with other stakeholders, continue addressing a significant role in addressing both energy and water related challenges in Malaysia. Specific details are provided in the subsequent pages and we endeavour to do more in promoting water security and realising the national target of 20% of the nation's energy mix to be derived from Renewable Energy ("RE") sources.

Both the COVID-19 pandemic and the recent UN Climate Change Conference ("COP26") summit serve as catalysts in driving much-needed change in the world today. The pandemic has awakened a stronger conviction on the importance of good governance, while COP 26 has reinforced the urgency towards expediting and increasing the implementation of action plans to prevent irreversible climate change impacts. Foremost is ensuring the world is realigned towards ensuring that global temperature does not exceed the 1.5°C limit.

Ranhill has established its net zero carbon by 2050 goal. This long-term,

One of the biggest highlights is of Ranhill's decision to establish a net **zero carbon** by 2050 goal.



overarching aspiration will be supported by short and mid-term performance targets.

The target reflects our commitment to bring positive change across our supply chain and also to our clients. We aim to continue serving as a force of good, by creating not just awareness and conviction, but in actively providing solutions that will support both business and ESG performance.

The world must stay vigilant and motivated to address climate change, global warming and many other issues and challenges that humanity faces today.

Ranhill has and shall remain a company driven by the aspiration to create a better world and to ensure sustained value creation for all stakeholders well into the future. I thank you for your interest in Ranhill's journey of sustainability.

TAN SRI HAMDAN MOHAMAD
Chairman and Chief Executive

ABOUT THIS REPORT



INTRODUCTION

Ranhill Utilities Berhad ("Ranhill" or "the Group") is pleased to present its 6th standalone Sustainability Report ("SR2021").

SR2021 provides a comprehensive account of the Group's ongoing efforts in managing its economic, environmental and social ("EES") performance.

Among the identified material topics are climate change, water scarcity, water pollution, talent and labour and others.

Performance is measured against key performance indicators ("KPIs") and targets, as well as positive outcomes created in reference to selected United Nations Sustainability Development Goals ("UNSDG").

SR2021 also demonstrates how sustainability comes under the oversight of the Board of Directors and Senior Management, which is achieved through a robust sustainability governance structure.

REFERENCES

All references to "Ranhill", "the Company", "the Organisation", "the Group", "us", "our" and "we" shall refer to Ranhill Utilities Berhad.

REPORTING PERIOD

SR2021 covers the reporting period from 1 January 2021 to 31 December 2021 ("FY2021").

Most statistics presented in this report are given based on a 3-year time frame. This enables the development of trend lines and allows readers to better assess the Group's performance.

APPLIED FRAMEWORKS

SR2021 has been prepared in accordance with the Global Reporting Initiative ("GRI") Sustainability Reporting Standards: Core Option. The GRI content index is provided at the end of this report.

The following frameworks have also been referenced either partially or fully in the development of SR2021:

- Bursa Malaysia Sustainability Reporting Guide Second Edition
- FTSE4Good Bursa Malaysia Index
- Sustainability Accounting Standards Board ("SASB") Sector Specific Disclosures
- Task Force on Climate-Related Financial Disclosure ("TCFD") Disclosures
- United Nations Sustainability Development Goals ("UNSDGs")

REPORTING SCOPE AND BOUNDARY

SR2021 covers the business operations and activities of the holding Company, Ranhill Utilities Berhad, and all business divisions and major subsidiaries and operating companies. These are:

- Ranhill SAJ Sdn Bhd ("RanhillSaj")
- Ranhill Water Services Sdn Bhd ("RWS")
- Ranhill Water Technologies Sdn Bhd ("RWT")
- Ranhill Powertron Sdn Bhd ("RPI")
- Ranhill Powertron II Sdn Bhd ("RPII")
- Ranhill Bersekutu Sdn Bhd ("RBSB")
- Ranhill Worley Sdn Bhd ("RW")

Excluded are outsourced activities and operations of joint venture companies that the Group does not have management control of.

Where meaningful and accurate data is available, Ranhill has endeavoured to provide disclosures on its value chain. We exercise a "local-where-we-operate" practice.

Ranhill has used the GRI principle of materiality to determine content for SR2021. Materiality is determined based on the following criteria:

- Topics that impact the Group's value creation capabilities, including financial values.
- Topics that impact stakeholders.
- Topics that have high environmental and social impacts.

ABOUT THIS REPORT

EXCLUSIONS

Ranhill is cognisant that data-gathering challenges still exist. The Group is implementing more robust data tracking and gathering mechanisms to close these reporting gaps. This includes data from the Group's supply chain.

REPORT QUALITY & DATA ASSURANCE

Report quality is achieved based on the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. All data contained within SR2021 has been sourced internally and has been verified by the respective business units or information owners.

Where possible, data has been internally assured by Ranhill's Group Corporate Assurance Division ("GCAD"). GCAD is Ranhill's in-house internal audit function whose role is to audit and verify data.

STATEMENT OF USE

The General Manager of Group Corporate Communications ("GCC") acknowledges responsibility for the following statement of use: The information reported by the Group for the financial year ended 31 December 2021 ("FY2021") has been prepared in accordance with the GRI Standards.

FORWARD-LOOKING STATEMENTS DISCLAIMER

Any forward-looking statements such as targets, future plans, operations and forecast figures is based on reasonable current assumptions. Readers are advised not to place undue reliance on such statements as Ranhill's business is subject to risks and uncertainties beyond its control.

REPORT AVAILABILITY AND FEEDBACK

SR2021 is available for download at: www.ranhill.com.my.

Only a limited number of printed copies are available towards reducing paper consumption. To request a printed copy or to submit feedback / questions on this report, please contact:

Group Corporate Communications,
Ranhill Utilities Berhad
Bangunan Ranhill SAJ,
Jalan Garuda, Larkin,
80350 Johor Bahru,
Johor, Malaysia
Tel: +607 2255 300 Fax: +607 2255 310
Email: sustainability@ranhill.com.my

MEMBERSHIP IN ASSOCIATIONS

Ranhill is a member of the following industry bodies and associations:

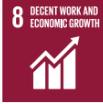
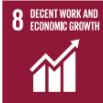
WATER INDUSTRY	<ul style="list-style-type: none"> Malaysia Water Association ("MWA") Construction Industry Development Board ("CIDB") National Institute of Occupational Safety and Health ("NIOSH") Institution Engineers Malaysia ("IEM")
ENERGY INDUSTRY	<ul style="list-style-type: none"> Akaun Amanah Industri Bekalan Elektrik ("AAIBE") Sabah Labuan Grid Code ("SLGC") Industrial Advisory Panel for Universiti Tenaga Nasional
ENGINEERING INDUSTRY	<ul style="list-style-type: none"> Board of Engineers Malaysia Malaysian Oil and Gas Engineering Council ("MOGEC") Malaysian Oil and Gas Services Council ("MOGSC") Malaysia Institute of Management ("MIM") Malaysia Employers Federation ("MEF") Board of Engineers Malaysia ("BEM")

MEASURING PROGRESS

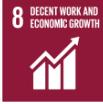
Ranhill measures its sustainability progress against its four pillars of its sustainability and selected United Nations Sustainable Development Goals ("UNSDGs").

RANHILL SUSTAINABILITY PILLARS	ACHIEVEMENTS AND HIGHLIGHTS	FUTURE PLANS	UNSDGs
 Environmental Awareness & Preservation	<p>RanhillSaj, RWTT and AnuRak:</p> <ul style="list-style-type: none"> 5 MLD increase in reclaimed water capacity, 85.3% achievement of 400 MLD target capacity for international water and wastewater operations. 25.1% (FY2020: 26.7%) NRW level reduction in Johor. As at end 31 December 2021, the total of NRW savings for Johor is 450 MLD. 5.3% increase or 2.1 MLD increase in total treatment capacity for Johor. Increase in reserve water margin in several water stressed areas. 14 additional District Metered Areas ("DMAs") established in Johor. Implementation of Pollutant Removal System ("PRS") at the Simpang Renggam WTP to reduce ammonia levels to below 10 part per million ("ppm"). Use of solar and mini-hydro to power WTPs. Imposition of RM1.45 million for 1,447 water theft cases of water, thereby recouping 613,000 m³ of unpaid water. 8.2% reduction in total carbon emissions (Scope 1, 2 and 3). 19.4% and 8.6% reduction in direct and indirect energy consumption respectively. <p>RPI & RPII:</p> <ul style="list-style-type: none"> Secured first large scale solar ("LSS") project. Reduced heat rate at both Rugading and Teluk Salut power plants. Continued compliance with all KPIs set by Sabah Electric Sdn Bhd ("SESB"). 17.7% improvement in direct energy consumption efficiency. 5.8% savings in direct energy (gas) consumption. 	<ul style="list-style-type: none"> Long Term NRW Target Level of 7.5%. Carbon Neutrality by 2050. Increase reclaimed plant capacity. Realisation of 75 MW FPV solar farm for self-consumption. Increased use of solar and mini-hydro at more WTPs. Increase efficiency of GHG Scope 1, 2 and 3 Emissions. Continuous enforcement against polluters and water thieves in concerted efforts with regulatory authorities. 	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">6 CLEAN WATER AND SANITATION</div> <div style="background-color: #FFC000; color: white; padding: 2px; margin-bottom: 5px;">7 AFFORDABLE AND CLEAN ENERGY</div> <div style="background-color: #8B4513; color: white; padding: 2px; margin-bottom: 5px;">12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div style="background-color: #556B2F; color: white; padding: 2px;">13 CLIMATE ACTION</div> </div>

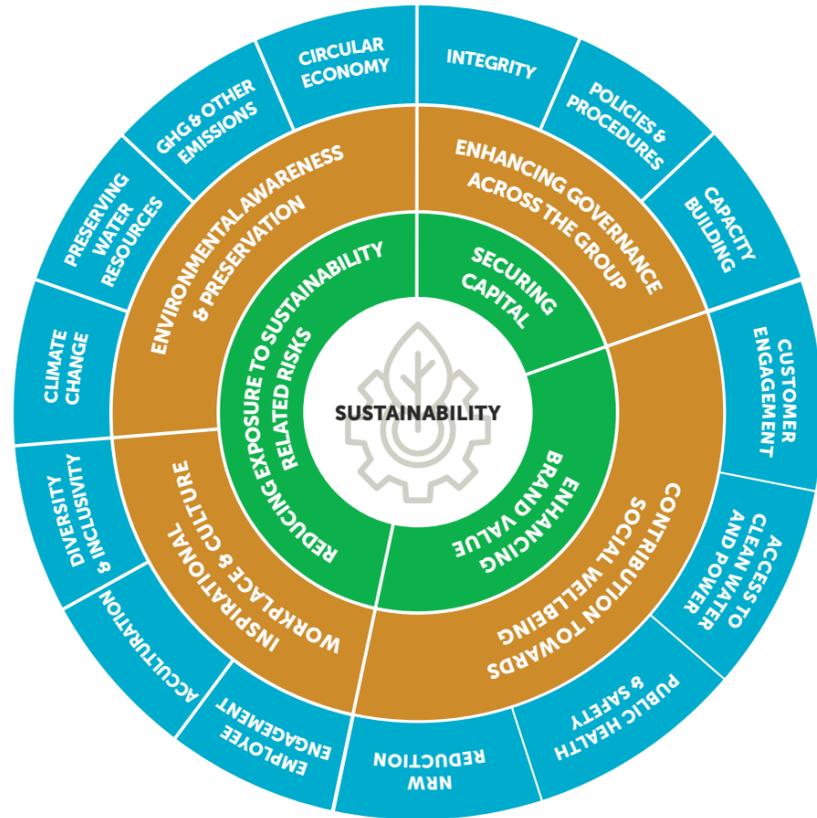
MEASURING PROGRESS

RANHILL SUSTAINABILITY PILLARS	ACHIEVEMENTS AND HIGHLIGHTS	FUTURE PLANS	UNSDGs
 <p>Contribution Towards Social Wellbeing</p>	<p>RanhillSaj and RWT:</p> <ul style="list-style-type: none"> • RM0.86 million in water rebates provided to 3,237 poor and hardcore poor Johor households. • RM25,000 donation in support of MIC Fund Raising Event for COVID-19. • Contributions to poor and hardcore poor households during Ramadan. • Contributions to flood victims at Yan, Kedah. • 100% customer complaints resolution rate. <p>RPI & RPII:</p> <ul style="list-style-type: none"> • Financial and non-financial contributions to several villages located in the vicinity of the Teluk Salut and Rugading power plants. Total monetary value of contributions was RM75,000. • Development of a 10 kW Hybrid Micro Hydro and Solar Project at Kampung Walou, Ranau. 	<ul style="list-style-type: none"> • Provide access to underserved areas (water & power). • Capacity building - Collaboration with the Ministry of Higher Education and universities to develop talents for both the water and power industry. • Continuation of 100% customer complaints resolution rate. 	  
 <p>Inspirational Workplace & Culture</p>	<p>Group wide:</p> <ul style="list-style-type: none"> • 237 new hires, 56 women, 122 below 30 years old. • First time disclosure of male-female salary ratios. • 100% return to work post parental leave. • High employee satisfaction scores. • RM273.2 million paid in salaries and benefits. • RM30.3 million paid to employees retirement funds. • RM3.1 million paid for employee medical care and healthcare. 	<ul style="list-style-type: none"> • Encourage greater employee diversity and inclusivity across the Group. • Provide opportunities for person with disability ("PWD"). • Drive succession planning. • Identify and equip employees with Industry 4.0 knowledge. 	 

MEASURING PROGRESS

RANHILL SUSTAINABILITY PILLARS	ACHIEVEMENTS AND HIGHLIGHTS	FUTURE PLANS	UNSDGs
 <p>Enhancing Governance Across the Group</p>	<ul style="list-style-type: none"> • Continued high worker representation across all companies on Health and Safety Committees. • RM244,161.9 in total spent Group wide for health and safety training. • Adoption of SASB reporting standards for sustainability reporting. • 7.4 million manhours without a loss time incident ("LTI"). • Zero fatalities and LTIs. • For the Health and Safety Performance, the reduction in Incidence and Frequency rates of 6.3 and 3.3 respectively (FY2020: 13.6 and 5.5). • Zero public health and safety incidents. • Low number of COVID-19 cases. 	<ul style="list-style-type: none"> • Implementation of ISO Certification group wide (ISO 45001 Occupational health and safety). • External assurance on our Sustainability practices for SR reporting. 	  

MANAGEMENT'S APPROACH TO SUSTAINABILITY



Ranhill's approach to sustainability is driven by its **four strategic pillars**. These pillars are: **Environmental Awareness & Preservation, Contribution Towards Social Wellbeing, Inspirational Workplace & Culture and Enhancing Governance Across the Group.**

Collectively, the four pillars provide Ranhill with a Group wide EES framework that enables the identification of material topics, risks and opportunities.

In effect, material EES topics are linked to business goals and objectives. Subsequently, management approaches towards mitigating or addressing these material topics are developed and implemented. Supporting the framework is the Group's commitment to adopting the circular economy business model.

Progressively, Ranhill has looked to cascade its four-pillar EES framework to its supply chain, with the aim of creating larger, positive environmental and social impacts.

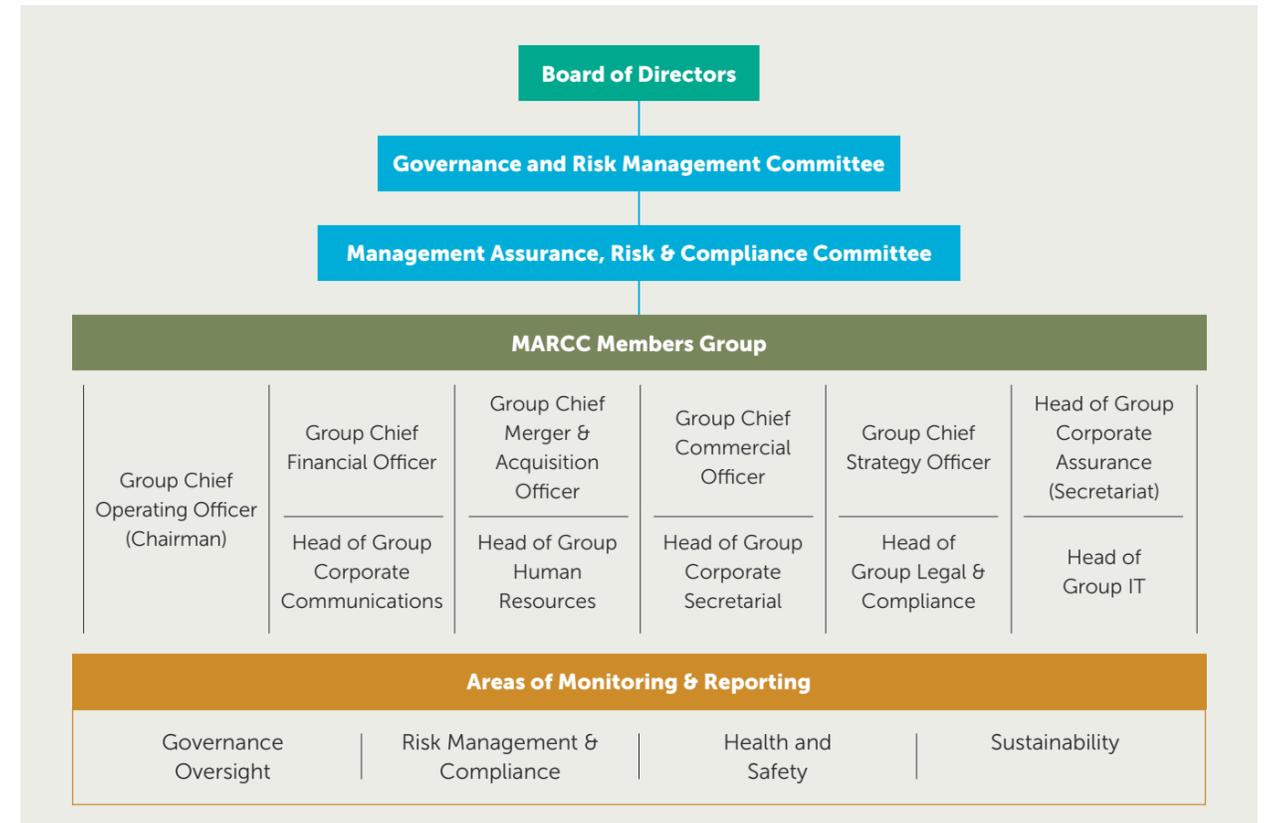
Without a doubt, a large proportion of issues still resides in the supply chain of organisations and Ranhill continues to engage suppliers and business partners towards becoming embracing sustainability.

Hence, Ranhill, through its sustainability framework continues to play a lead role in driving positive transformation in the industries in which it operates in.

The Board and Senior Management of the Group provide oversight of the Ranhill sustainability framework.

They in turn helm a robust sustainability governance structure, which provides the necessary resources, capabilities, knowledge and reporting mechanism to drive effective management of the sustainability agenda.

SUSTAINABILITY GOVERNANCE STRUCTURE



Ranhill's sustainability governance structure enables sustainability matters to be brought to the Board and Senior Management for deliberation and decision-making. On-ground feedback from working teams reaches the Board and Senior Management who now have a stronger grasp of working level realities and challenges.

Equipped with this knowledge, the Board and Senior Management can make more informed decisions that empower working level personnel to take the necessary and most effective action to mitigate risks or to improve environmental and social performance.

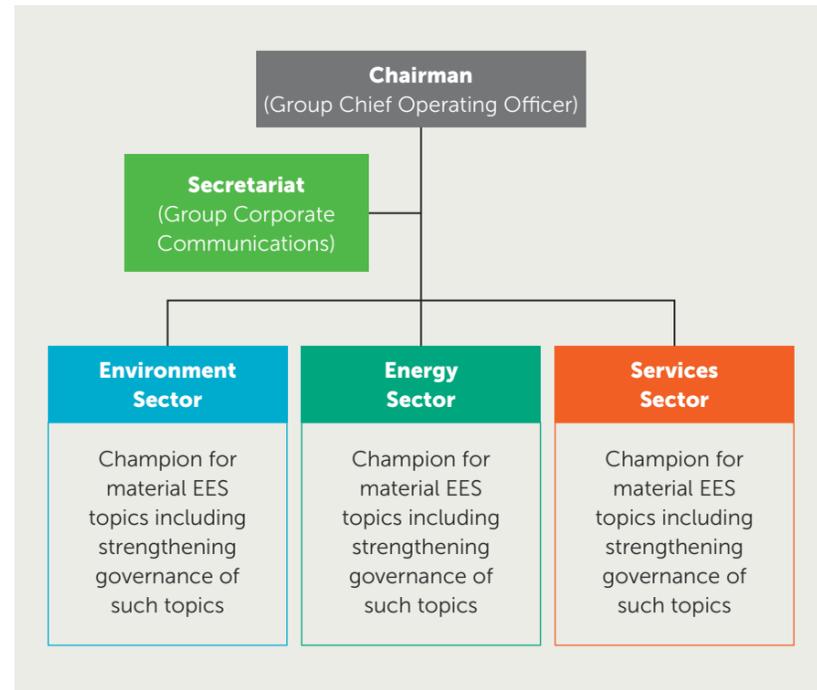
The inclusion of the Governance and Risk Management Committee ("GRMC") enables more comprehensive coverage of risks arising from material EES topics.

The involvement of the GRMC reflects Ranhill's high commitment to prioritise EES matters and to integrate these into Group business and operational strategies and decision making.

The GRMC is supported by the Management Assurance Risk & Compliance Committee ("MARCC"). The MARCC is in turn, supported by Senior Management and Department Heads.

The Group's working committee, the Sustainability Working Group ("SWG") is tasked to develop sustainability programmes and action plans. The SWG is a cross functional working team whose members come from RanhillSaj, RWS, RWT, RPI and RPII, RBSB and RW.

SUSTAINABILITY GOVERNANCE STRUCTURE



KEY ASPECTS OF THE RANHILL SUSTAINABILITY GOVERNANCE STRUCTURE

- 1 Comprehensive Board oversight on material EES topics and well positioned to drive strategic focus on the sustainability agenda.
- 2 Board and Senior Management receive timely reports on EES matters, thereby enabling them to feel the pulse of sustainability initiatives and programmes.
- 3 Governance structure facilitates Group wide participation and the development of a cross functional approach to managing sustainability.
- 4 Progressive inclusion of EES matters within the overall risk management framework to sustain value creation.

BOARD REMUNERATION AND SUSTAINABILITY TARGETS

Ranhill is cognisant of the regulator’s (Bursa Malaysia) recommendation for listed companies to link Board and Senior Management remuneration to the realisation of ESG goals and targets. This is in addition to any linkages to business and financial performance. The Group continues to explore mechanisms to establish such linkages.

PROMOTING GOOD GOVERNANCE THROUGH INTERNAL POLICIES

In addition to its sustainability governance structure, Ranhill also promotes good governance via the implementation of the following guidelines and policies:

- Board Charter (inclusive of Terms of Reference (“TOR”)) for all respective Board Committees.
- Ranhill Authority Manual (“RAM”).
- Code of Conduct & Business Ethics (“CCBE”).
- Whistleblowing Policy and Procedures.
- Ranhill’s Rules of Life for Health and Safety.

SUSTAINABILITY GOVERNANCE STRUCTURE

Ranhill has also implemented other policies as follows:



When policies are updated with new clauses and provisions, such updates are also communicated to all relevant stakeholders including staff and Management.

Ranhill also aligns itself to the recommended corporate governance practices of the regulator, Bursa Malaysia and the Malaysian Code on Corporate Governance (“MCCG”) 2021. For further details on the Board’s roles and responsibilities as well as Board composition, Board independence and performance, kindly refer to the Corporate Governance (“CG”) Report for FY2021: <https://www.ranhill.com.my/reports-pesentations.php>. The CG report also showcases how Ranhill has applied the stipulated practices of the MCCG 2021.

GOVERNANCE THROUGH STRINGENT REGULATORY COMPLIANCE

The water and energy operations are highly regulated sectors and Ranhill continues to ensure stringent adherence to the regulations set by enforcement authorities.

SUSTAINABILITY GOVERNANCE STRUCTURE

Ranhill continues to ensure compliance with the following which are the main regulations for its business operations:

Water Industry
<ul style="list-style-type: none"> Water Services Industry Act (WSIA) 2006 and subsidiary laws (Malaysia) Industrial Estate Authority of Thailand – Thailand and all other related laws and regulations SPAN Permit IPA Jenis C1 (Bekalan Air) – Semenanjung Malaysia, Wilayah-Wilayah Persekutuan Putrajaya dan Labuan SPAN Permit IPA Jenis C1 (Pembentungan) – Semenanjung Malaysia, Wilayah-Wilayah Persekutuan Putrajaya dan Labuan SPAN Permit IPA Jenis D (Pembentungan) – Johor SPAN Permit IPA Jenis D(Bekalan Air) – Johor Lembaga Pembangunan Industri Pembinaan Malaysia (LPIPM) – Perakuan Pendaftaran Kementerian Kewangan Malaysia ISO 9001:2015 Quality Management Systems CIDB SCORE Certificate
Energy Industry
<ul style="list-style-type: none"> Purchasing Power Agreement with the Sabah Electricity Board Malaysian Ambient Air Quality Standard Schedule 3 of the Planning Guidelines for Environment Noise Limits and Control Standard B of the Fifth Schedule and Eight Schedule as stated in the Environment Quality (Industrial Effluents) Regulations, 2008 Malaysia Marine Water Quality Standard, Class E for wastewater disposal
Services Industry
<ul style="list-style-type: none"> CIDB license

OPERATIONAL SITE CERTIFICATION

As part of the approach to enhancing operational and service quality, Ranhill continues to ensure that all subsidiary companies obtain necessary and recommended quality certifications and maintain active status of the same.

Where necessary, the Group advocates upgrading certification to the latest industry benchmarks.

ISO 9001: Quality Management System (for headquarter, 8 WTPs and company-wide practices)

To integrate customers' needs, compliance obligations, and other applicable requirements into its business process, company's goals, and strategic direction. Customer satisfaction is enhanced, and compliance obligations are fulfilled through proactive monitoring and evaluation.

ISO 45001: Occupational Health & Safety Management System (for headquarter, 8 WTPs and company-wide practices)

To provide a healthy and safe workplace, to protect the well-being of all persons in the workplace, to eliminate hazards, and to reduce occupational health and safety risks.

ISO/IEC 17025: Laboratory Accreditation Scheme of Malaysia (Central & Mini Laboratory)

To ensure reliable and accurate monitoring of water quality supplied to consumers.

ISO/IEC 27001: Information Security Management System (Billing Information System)

To protect business information assets from all threats and maintain customers' information security.

ISO 50001: Energy Management System (headquarter & 5 WTPs)

To procure energy-efficient products and services that impact energy performance and design for energy performance improvement.

MS 1480: Hazard Analysis Critical Control Point (44 WTPs)

To produce safe treated water for customers by implementing HACCP principles.



SUSTAINABILITY GOVERNANCE STRUCTURE

Both Teluk Salut and Rugading power plants, owned and operated by Ranhill Powertron Sdn Bhd ("RPI") and Ranhill Powertron II Sdn Bhd ("RPII") have obtained the ISO 9001:2015 certification.

Similarly, RWS has also been certified ISO 9001:2015 for its operations. RWT was certified to the ISO 9001:2015 Quality Management System standard.

RWT has also completed the Stage 1 audits for ISO 45001 and ISO 14001 respectively. The audits were undertaken by Malaysia-based Certification Body, SIRIM on 5 January 2022. Stage two audits for HSE certification are expected to be received by end FY2022.

REGULATORY NON-COMPLIANCE PERFORMANCE

For FY2021, Ranhill has had zero major incidents of non-regulatory compliance. The Group has not incurred any monetary fines, shutdown of operational sites or any non-monetary censures or warnings.

RanhillSaj also continues to achieve a declining number of minor reports from the industry regulator, Suruhanjaya Perkhidmatan Air Negara ("SPAN"). For the second consecutive year, RanhillSaj has achieved a 100% complaints resolution rate for complaints received from SPAN.

No. of complaints received	81 2020	55 2021
No. of complaints resolved	81 2020	55 2021

CODE OF CONDUCT AND BUSINESS ETHICS

Good governance within Ranhill is further reinforced through the Group's Code Of Conduct And Business Ethics ("CCBE"). The CCBE can be viewed here: <https://www.ranhill.com.my/corporate-governance.php>

The CCBE was developed in accordance to local legislation (including Section 17A of the MACC Act 2018) towards ensuring ethical business conduct and corporate integrity is practiced across Ranhill, Group wide. This includes Section 17A of the MACC Act 2018.

Ethical business conduct and corporate integrity supports the cultivation of a sustainability oriented organisational culture.

The CCBE stipulates what is deemed as acceptable behaviours and professional conduct for the Board, Senior Management and employees. The CCBE determines what constitutes as conflict of interest, sexual harassment, discrimination, acts of corruption and other forms of unethical conduct. The CCBE also covers anti-corruption and money laundering.

In essence, it provides a clear understanding to internal stakeholders of the expectations placed on them as representatives of the company. Annually, a briefing on the CCBE is held for all Board members, senior management and staff.

All new employees are briefed on the Code by Group Human Resources ("GHR") during their induction session. Likewise, all incoming directors are also briefed on the Code. The CCBE is published in the employee handbook that is distributed to all staff during their induction session.

The Code is also extended to the Group's supply chain comprising contractors, suppliers of goods and services, business partners and anyone who has a business dealing with Ranhill.

All operating companies under Ranhill comply with Section 17A and have developed procedures and controls to ensure compliance. In FY2021, there were zero cases of non-compliance with the CCBE.

The CCBE is periodically reviewed to ensure congruence with changes in the law and present marketplace norms and guidelines.

SUSTAINABILITY GOVERNANCE STRUCTURE

STRONG ANTI-CORRUPTION STANCE

Ranhill has always maintained a zero-tolerance approach towards any form of bribery, favouritism or misconduct in any business dealing involving the Group, its subsidiaries or suppliers and business partners.

Ranhill's CCBE defines what constitutes as corrupt acts. The CCBE states that both the beneficiary and the giver of the corrupt act will be censured by the company and if necessary, reported to the relevant authorities for further enforcement action.

Ranhill is against the practice of providing any forms of gratification as an inducement for the awarding of contracts, for employment in the Group or any other form of benefit. Gratification comprises monetary inducements, gifts and entertainment, favours, travel benefits and more.

Beyond the Board, Senior Management and employee, Ranhill's no compromise stance on anti-corruption also covers any individual and organisation that has a dealing with the Group. This includes consultants, advisors, suppliers, community leaders, politicians and others.

Awareness on anti-corruption is cascaded to all staff during their induction sessions and also periodically through refresher sessions. Various company channels such as email, townhalls, posters and others are used to reinforce the anti-corruption stance among staff and stakeholders.

In FY2021, the Board of Directors received two hours of training on anti-corruption policies and procedures. 100% of Board Directors have received some form of anti-corruption training with their knowledge and awareness refreshed through various programmes and courses attended in FY2021. New employees receive an anti-corruption briefing during their company induction.

At RanhillSaj, employees are required to sign an anti-corruption declaration as a pre-requisite for recruitment. Several of the Group's companies have also strengthened their internal processes and controls. For example, RBSB shall be adopting the ISO 37001 Anti Bribery Management System in FY2022.



Code of Conduct Business Ethics in Ranhill have been a fundamental foundation to its good governance based on a culture of ethics and compliance

BOARD OVERSIGHT ON ANTI-CORRUPTION

Through the aforementioned sustainability governance structure, Ranhill's Board maintains oversight on the material topic of anti-corruption. Regular reports are submitted to the Board on the progress achieved with regards to anti-corruption training, implementation of processes and internal controls, audit findings and more. Whistleblowing reports are also submitted to the Board.

The Integrity Working Committee ("IWC") has been established to assist the MARCC and GRMC in matters pertaining to ethics and integrity within Ranhill.

The IWC continues to be the champion for ethical conduct and corporate integrity, which includes anti-corruption. It is supported by the Group Legal Compliance ("GLC") department as well as GHR department.

ASSESSMENT OF OPERATIONS AT HIGHER RISK TO CORRUPTION

In FY2021 Ranhill has undertaken a Group-wide anti-corruption gap analysis carried out by the GLC together with an external consultant. Findings from the audit indicated that there were no high risk departments or high risks scenarios for corruption within the Group. Findings were derived after assessing the present level of anti-corruption controls and internal processes put in place.

SUSTAINABILITY GOVERNANCE STRUCTURE

INCIDENTS OF CORRUPTION AND WHISTLEBLOWING

The Group has had zero incidents of corruption reported for FY2021.

EXTENDING ANTI-CORRUPTION STANCE TO THE VALUE CHAIN

All tender documents, and request for proposals ("RFPs") come attached with the Group's anti-corruption requirements. Suppliers must acknowledge their understanding of the anti-corruption documents and provide written affirmation to be free from corrupt practices and will remain as such throughout their business dealings with the Group.

Where relevant, audits or background checks may be conducted on suppliers, prior to the awarding of contracts.

Any supplier who is found to have engaged in corrupt practices will be reprimanded accordingly. Action taken can range from immediate contract termination to reporting the offender to the authorities for legal action.

Reminder letters and memo are sent to all suppliers on a periodic basis reminding them to continue adopting a zero-tolerance stance on corruption, especially bribery.

ANTI-CORRUPTION TRAINING

All Ranhill operating companies in FY2021, held the Briefing on Corruption and Bribery, and Section 17A MACC Act for staff. Other forms of training or briefings were the CCBE briefing for all staff.

On average, staff have received at least two hours of anti-corruption training achieved through the aforementioned activities.

POLITICAL VIEWS AND CONTRIBUTIONS

Ranhill remains an apolitical organisation and does not favour, promote or support any political party. The Group has not made any donations to any political parties in FY2021.

However, the Group from time to time may participate in charitable or nation-building events organised by the

government of the day or its ministries and agencies. The Group may also support corporate social responsibility ("CSR") events or programmes that could see the involvement of political parties or politicians.

As provided for in the laws of the country and Ranhill's commitment to freedom of association, staff have the right to join and support political parties of their choosing or any civil society or NGO, so long that these entities are recognised by law to be legal entities.

WHISTLEBLOWING CHANNEL

In accordance with the Whistleblower Protection Act 2010 ("Act 711"), Companies Act 2016 and Capital and Market Services Act 2007, Ranhill has established a confidential Whistleblowing ("WB") Channel.

The WB channel also serves as a confidential grievance mechanism for any internal or external stakeholder to channel a grievance to the Board. Provided the report is made in good faith, all whistleblowers are accorded confidentiality unless such information is required by enforcement authorities to facilitate further investigation. The whistleblower will not face any form of reprisal, harassment or pressure from the Group for his or her report.

The Group WB channel comes under the purview of Group Corporate Assurance Department ("GCAD"). All whistleblowing reports will be investigated impartially with the findings presented to the Whistleblowing Committee.

Anyone wishing to make a whistleblowing report can do so via the following channels:

- Website: www.we-care.my
- Telephone/Hotline: 1700-81-5333
- Email: whistle@we-care.my
- Letter:
 - a) PO Box 11258, 50740 Kuala Lumpur
 - b) Head, Group Legal & Compliance, Ranhill Utilities Berhad, Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor Darul Takzim.

SUSTAINABILITY GOVERNANCE STRUCTURE



Customer service and data protection of the customer is certified by RanhillSaj's Information Security Management system (ISM) ISO 27001:2013 certification

In addition, specific whistleblowing channels have been developed at the operating company levels with their respective investigation and reporting processes.

If allegations are proven true, action will be taken against the perpetrator including internal disciplinary proceedings or if appropriate, reported to the enforcement authorities for further action.

SAFEGUARDING DATA

Ranhill's management of data is based on the Personal Data Protection Act ("PDPA 2010"). All confidential data is collected only with the consent of data owners and such data is only used for the purpose of the engagement with said customer.

RanhillSaj's Customer Service Department has been certified to the ISO 27001:2013 Information Security Management System standard. This attests to the department's systematic and secure approach to managing customer information.

Data is not provided or sold to third parties unless officially requested by enforcement authorities such as the police department or the government. Ranhill continues to harden its ICT security systems and databases. There have been zero cases of data breach throughout Ranhill's operations.

STAKEHOLDER ENGAGEMENT

Despite the many COVID-19 related effects in FY2021, Ranhill has continued to actively engage its many stakeholders using a wide range of communication channels.

Collectively, the engagements have provided the Group with useful insights and perspectives to ensure a more effective approach to driving sustainability and creating value for stakeholders.

Our definition of stakeholders is individuals, groups or entities that have the potential to influence or impact Ranhill's operations. Individuals or groups who are, or may be potentially impacted by the Group's presence or business operations are also regarded as stakeholders.

Following is a snapshot of the Group's stakeholder engagement activities for the financial year:

STAKEHOLDER	ENGAGEMENT METHOD	FOCUS AREA	RESULT / OUTCOME
 Employees	Virtual Town Hall Session: "Tanyalah Pengurusan" (TaP) forum	Employee engagement forum to provide staff with a channel to voice their concerns and aspirations to Management.	Improved staff morale. Higher awareness and understanding of the Group's business plans. Reduced attrition rates. Improved organisational culture. Greater sense of belonging to the Ranhill brand among staff.
	Virtual R-CARE H+ Program: Wellness activities, dietary plan, health screening and coaching	With the COVID-19 pandemic, R-Care in collaboration with Naluri emphasizes on the employees' mental and emotional well-being.	Employees remained in good spirits and health throughout the pandemic year. The R-care programmes continues to see increased staff participation.
	Sijil Kemahiran Malaysia – Convocation Ceremony	To enhance employee's technical & learning competencies, social and human development.	542 employees were certified since 2019.
	Virtual Workshop, Project Session: F.L.E.X: Knowledge sharing session	Towards communicating key company information such as business plans, goals and strategies for the financial year.	Employees have a cleared understanding of company's goals and expectations.
 Frontliners, operators, receptionist and customer service staff	Customer Service Efficiency Blueprint	Improving the skills and service levels of frontliners such as operators, receptionists & customer facing staff.	Improved customer service levels which lead to customer satisfaction.
	Exhibition	Malaysia International Water Convention (Virtual). Water Conservation Demonstration.	Consumer behavioural change requires long term effort. Through this programme, the practices on water conservation were successfully shared with the public.
	Website and Social Media / SAJ Info Center	Information on Planned / Unplanned water disruption and issues on water supply.	Faster and efficient notification to customers, which reduces concern and frustration. Contributes to reduce complaints during water disruptions and water supply issues.

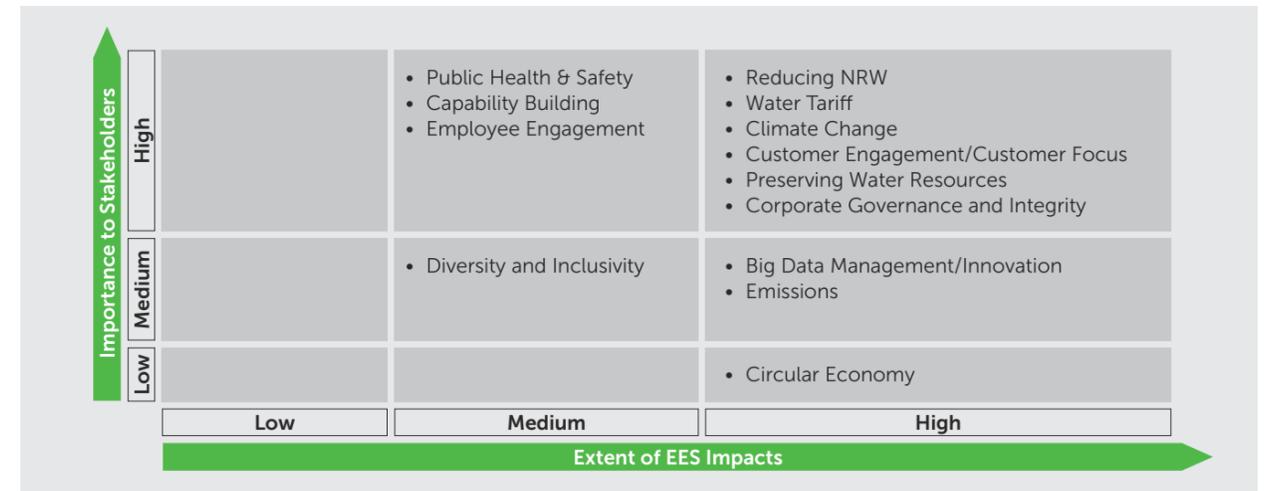
STAKEHOLDER ENGAGEMENT

STAKEHOLDER	ENGAGEMENT METHOD	FOCUS AREA	RESULT / OUTCOME
 Financial Community	Annual General Meeting / Financial performance / Operational performance / Regulatory Compliance / Reputation / Investor Relations / Initiatives	Open communication with shareholders, analysts and investors beyond key events of the corporate calendar. This includes platforms such as domestic and international roadshows, seminars and conferences.	Our shareholder engagement programme provides a direct avenue for shareholders, investors or clients to access information and engage with the company.
 Government and Regulators	Briefing and Presentation Exhibition	Briefing on RanhillSaj matters to EXCO Johor State, Parliament and ADUN. Presentation at Iskandar Malaysia Ecolife Challenge organised by Iskandar Regional Development Authority and Johor Education Department on water consumption and conservation awareness. Display information on operational and services.	One of the recommended ways to advertise to a target market and create brand awareness and also for operational efficiency. The Group is complying with various regulatory requirements set by our regulators and clients.
 Local Communities	Post Flood Humanitarian Aid at Kota Tinggi - "Kembara Ramadhan RanhillSaj 2021" CSR - "Program Bantuan Asnaf Flat Larkin" CSR - "Program Bantuan kepada Persatuan Orang Cacat" CSR - 200 sets of "Bantuan Bakul Makanan Negeri Johor" CSR - Contribution of mineral water to vaccination centre	Contribution of groceries to underprivileged families and individual through various CSR programmes.	Creating brand awareness and gives back to the community.
 Media	Press Conferences Familiarisation Visit	Launch of World Water Day at Sungai Skudai. Awareness on RPI and RPII as Independent Power Producer in Sabah. Awareness on projects and technology carry out by RWT at several water treatment plants ("WTPs") in Johor.	Dissemination of information through mainstream media.
 NGOs	Briefing & Presentation	Virtual presentation with Kind Malaysia.	Support from NGOs is important to influence public opinion towards the Company.
 Suppliers / Vendors	Regular supplier and vendor meetings, tender briefings and tender site visits	Engagement with suppliers is important to ensure that proper transparency and governance are being practiced in procuring their services.	A fair, transparent and win-win relationship with our vendors and suppliers.

ASSESSING AND PRIORITISING MATERIAL TOPICS

The materiality matrix for FY2021 is a restatement from the previous year after findings from an internal assessment concluded that the previous year's matrix remained relevant in the context of Ranhill's business operations. This was due to the fact the COVID-19 impacted business environment for FY2021 remained relatively the same as per the previous years.

The Group is cognisant that with having attained full management control of RW and RBSB, a reassessment of materiality is warranted going forward. This will be undertaken by the SWG, likely in FY2022.



RELEVANCE OF MATERIALITY MATTERS TO OUR STAKEHOLDERS

MATERIAL TOPICS / IMPACTED STAKEHOLDERS	Employees	Financial Community	Government & Regulators	Local Communities	Media	NGOs	Suppliers / Vendors
Reducing NRW			√	√	√		
Water Tariff		√	√	√	√	√	√
Climate Change		√	√	√	√	√	√
Customer Engagement / Customer Focus				√	√	√	
Preserving Water Resources			√	√	√	√	
Corporate Governance and Integrity	√						√
Big Data Management / Innovation	√	√	√				
Emissions			√	√		√	
Circular Economy		√	√	√		√	√
Public Health & Safety		√	√	√		√	√
Capacity Building	√			√			√
Employee Engagement	√						
Diversity & Inclusivity	√			√		√	√

ENVIRONMENTAL AWARENESS & PRESERVATION



Ranhill has developed performance ratios, towards **establishing efficiency** or intensity benchmarks.



DIRECT ECONOMIC VALUES CREATED

Robust financial performance, typically reflected in growing or stable revenues and earnings, is essential for any business. In addition, robust financial performance is necessary to fund sustainability related programmes and action plans.

For example, the transition to greater renewable energy use, necessitates capital expenditure, which requires internally generated funds or external borrowings. Financiers are more inclined to provide financial support for instance loans, to companies with a good track record of revenue and earnings growth.

Specific analysis of Ranhill's financial and business performance, including segmental performance is provided in the Ranhill FY2021 Annual Report. A snapshot of financial highlights and achievements is provided here for easier reference.

DIRECT ECONOMIC VALUES CREATED

INDICATOR	FY2019	FY2020	FY2021
Group revenue (RM'000)	1,542.4	1,468.5	1,530.9
Group profit before tax (RM'000)	204.0	95.5	93.3
Group profit after tax and minority interests (RM'000)	54.5	37.6	30.6
Shareholders' equity (RM'000)	510.4	506.9	680.8
Total assets (RM'000)	2,856.5	2,363.3	3,281.2
Cash flow and bank balances (including cash and cash equivalents) (RM'000)	453.9	258.2	339.8
Earnings per share (sen)	5.11	3.52	2.62
Market capitalisation (RM'000)	1,140.6	964.3	699.4
Dividends (sen)	5.0	2.79	1.98
Dividend pay-out ratio to profits	97.9	79.2	41.6

ECONOMIC IMPACT VS ENVIRONMENTAL FOOTPRINT

Ranhill has developed performance ratios, towards establishing efficiency or intensity benchmarks. These intensity measurements demonstrate that business growth and improved financial performance can be achieved while managing environmental footprint. In FY2021, Ranhill has measured Group revenue performance against Group electricity consumption and Group emissions.

ENVIRONMENTAL AWARENESS & PRESERVATION

Financial Year	2019	2020	2021
Revenue (RM'million)	1,542.4	1,468.5	1,530.9
Direct Energy Consumption (MJ)	1,388,003.7	1,388,003.7	1,388,003.7
Direct Energy Efficiency / Intensity (MJ / revenue RM)	0.90	0.95	0.91
Indirect Energy Consumption (Electricity) (kWh)	385,556,581.2	351,326,731.2	321,100,678.8
Indirect Energy Efficiency / Intensity (kWh / revenue RM)	0.25	0.24	0.21
Total Carbon Emissions (metric tonnes CO2e)	253,964.5	226,796.4	207,277.8
Carbon Emissions Efficiency / Intensity (tCO2e / revenue RM)	0.000165	0.000154	0.000135
Total Water Consumption (m ³)	703,710,541	706,511,648	692,901,991
Water Efficiency / Intensity (m ³ / revenue RM)	0.46	0.48	0.45

Going forward, Ranhill aims to introduce additional intensity indicators for water, waste and more.

INDIRECT ECONOMIC VALUES CREATED

Direct financial values aside, Ranhill's business operations also generate a wide range of indirect economic values. These include distribution of dividends to shareholders, payment of taxes to the government (which enables social and infrastructure development), repayments to financiers and contributions to social causes.

INDICATOR	FY2019 (RM'million)	FY2020 (RM'million)	FY2021 (RM'million)
Payments to Employees (Salary and emoluments)	249.4	241.9	289.8
Payments to Suppliers and Partners (Operating expenses)	1,355.8	1,397.1	1,471.2
Government (Income tax)	102.7	40.4	26.6
Returns to Shareholders (Dividends)	53.4	29.8	12.7
Repayment to Financiers	124.1	160.5	161.7

SUPPORTING LOCAL PROCUREMENT AND LOCAL SUPPLY CHAINS

Ranhill's approach to procurement is to source all products locally. Foreign suppliers are only used when a specific product or service is unavailable locally or is not available at competitive pricing. Local is defined as in local as to where Ranhill or its subsidiary companies operate.

Local procurement offers several benefits. This includes shorter supply chains, which translates to faster service response and replenishment of inventory, as well as reduced environmental impacts due to reduced fuel consumed across the supply chain to ship goods or provide services. Local procurement also supports local employment, promotes entrepreneurship opportunities and skills development as well as knowledge transfer for local talents.

ENVIRONMENTAL AWARENESS & PRESERVATION

Interested vendors may bid under an open tender system where contracts are awarded based on the best value proposition offered; in terms of cost, quality and other set criteria. All Ranhill contracts must have multiple tender bids prior to awarding. In FY2021, an overwhelming majority of contracted suppliers were local.

Percentage of Local Procurement

Operating Companies	FY2019 (%)	FY2020 (%)	FY2021 (%)
RanhillSaj	100	99	100
RWS	57.7	100	100
RWT	97	98.2	96.4
RPI & RPII	97	94	98
RBSB	80	87	93
RW	72	81	71

ENVIRONMENTAL CONSERVATION AND PRESERVATION

Ranhill’s approach in managing environmental impact is based on good operating practices and adherence to international and local standards. These include ISO standards as well as standards set for energy, water, waste and resource management by regulatory authorities such as the Department of Environment (“DOE”), SPAN and other bodies. However, Ranhill intends to go beyond regulatory compliance. The Group intends to enable clients and its supply chain to adopt the circular economy model towards delivering greater environmental impacts. FY2021’s data for energy, emissions and water consumption as well as waste management has been scoped to the following:

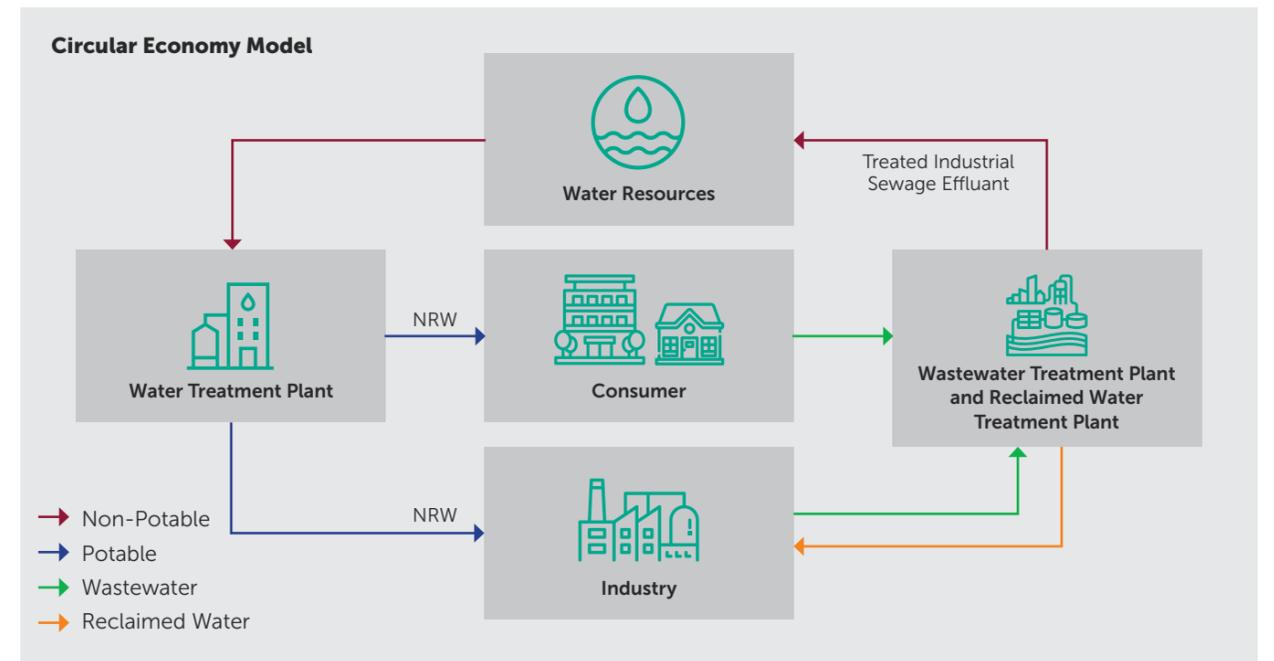
Operating Companies	Specific Operational Sites
RanhillSaj	All WTPs, reservoirs, dams and headquarters
RWS	Office
RWT	All wastewater treatment and reclaimed water plants
RPI & RPII	Teluk Salut and Rugading power plants
RBSB	Office
RW	Office

At the direction of the Board and Senior Management of Ranhill, all subsidiary companies are encouraged to undertake a thorough assessment of their operations to identify opportunities to yield operational efficiencies while improving environmental footprint. Such assessments support continued improvement in productivity, potentially cost reduction, especially in the medium to long-term and also reduces environmental impact.

ENVIRONMENTAL AWARENESS & PRESERVATION

CIRCULAR ECONOMY

Ranhill continues to be an active proponent of the circular economy approach. In essence, the circular economy model is based on the concept of producing zero waste and reusing or recycling resources consumed in a complete cycle.



Guided by the International Water Association’s (“IWA”) guideline, “Water Utility Pathways in a Circular Economy”, Ranhill’s adoption of the circular economy approach is exemplified in the Group’s reclaimed water treatment operations and its combine cycle gas turbine (“CCGT”) fired power plants.

DRIVING RECLAIMED WATER USE FOR ZERO DISCHARGE

Through RWT, Ranhill has brought a circular economy approach to the management of wastewater in Malaysia and Thailand.

At the Amata Industrial Park in Rayong, Thailand and at Forest City, Johor, Malaysia, RWT’s Wastewater Treatment Plants (“WWTPs”) provide a zero-discharge solution. At the end of the production cycle, instead of just treating and discharging effluents, effluents are channelled to a separate reclaimed plant for further treatment. This process produces reclaimed water, also known as “greywater”. Reclaimed water can be used for a wide range of non-potable industrial and commercial applications.

The use of reclaimed of greywater reduces demand for treated water. Companies save on water bills. There is zero discharge into rivers, thus improving river water quality. Cleaner rivers require less chemical treatments and there is less risks of water contamination that causes WTP shutdowns.

ENVIRONMENTAL AWARENESS & PRESERVATION



Forest City Sewerage Treatment Plant known as STP4 was designed by RWT



One of the 10 facilities with a total aggregate capacity of 114 MLD at Amata Industrial Park in Rayong & Chonburi

Ultimately, greywater offers a long-term, solution for commercial customers, who are the biggest consumers of treated, potable water. Cumulatively, from its reclaimed water operations in Thailand and Malaysia, RWT produces 28 million litres daily ("MLD") of greywater; 17 MLD from Thailand and 11 MLD from operations at Forest City in Johor, Malaysia.

PROMOTING CLEANER ENERGY PRODUCTION

Ranhill own and operates two CCGT plants. CCGT power plants are regarded as the cleanest of all fossil fuels due to the use of natural gas. According to the American Gas Association, natural gas emits 90,000 fewer pounds of CO₂ per billion British Thermal Unit ("BTU") than coal.

In addition, CCGT plants can operate in a combined cycle mode, that is producing electricity from gas fuel as well as from the steam generated from the production process.

In a single cycle system, steam generated is considered a waste product and is released into the atmosphere. In contrast, RPI and RPII's CCGT operations consumes the steam to produce electricity. Thus, in effect, CCGT plants generate up to 50% more electricity from the same fuel source than a simple-cycle plant.

Using the combined cycle approach enables reduced consumption of fossil fuels to generate the same quantity of electricity.

Presently, carbon emissions as well as emissions of other gases from both plants remain below the DOE's threshold for emission levels.

ENVIRONMENTAL AWARENESS & PRESERVATION

INCREASED ADOPTION OF THE CIRCULAR ECONOMY WITHIN RANHILL'S OWN OPERATIONS

In FY2021, Ranhill has proposed to the Energy Commission ("EC"), plans for the development of a 75 MW FPV solar farm, that will partially power RanhillSaj's WTP operations. This would effectively mean that the entire water supply operations of the state of Johor would be 100% solar powered.

The plan entails constructing the solar farm, which will feed generated electricity into the existing grid of the offtaker, Tenaga Nasional Berhad (Peninsular Malaysia's national power company). This removes the need to develop existing power transmission infrastructure. The plan is presently under discussion and the Group hopes to see it being realised in the near future.



63 kWp solar panel installation at Sultan Iskandar Water Treatment Plant extension project

At the same time, RanhillSaj's Sultan Iskandar WTP has completed a 63 kWp pilot rooftop solar installation. Separately, a 73 kW mini-hydro project was also completed at the Gunung Ledang WTP. Both installations have yielded significant savings in OPEX while reducing environmental footprint, notably greenhouse gas emissions.



Gunung Ledang Dam reserves the water supply to Ledang Water Treatment Plant and sources out the water to consumers

At its power plant operations, in FY2021, the average Heat Rate reductions achieved for RPI and RPII is 8.3% and 8.0% respectively year-on-year.

CONTRIBUTING TO RENEWABLE ENERGY GROWTH IN MALAYSIA

Ranhill shall be constructing a 50 MW Solar Plant in Bidor, Perak. The project was secured via open tender and marks Ranhill's first large scale solar 4 ("LSS4") contract award.

Construction has commenced since January 2022 with the expected Commercial Operation Date ("COD") slated for June 2023, six months earlier than the power purchase agreement completion date of 31 December 2023.



The groundbreaking ceremony of the Large Scale Solar Photovoltaic (LSSPV) project in Ladang Bikam, Bidor

ENVIRONMENTAL AWARENESS & PRESERVATION

ADDRESSING NON-REVENUE WATER CHALLENGES IN MALAYSIA

As a sustainable water operator, Ranhill, working together with regulatory and other stakeholders continues to tackle the serious issue of non-revenue water ("NRW") loss.

Malaysia's average NRW loss is at 36.8%. This means for every 100 MLD of water produced, 36.8% is lost, primarily due to leaky pipes. Other reasons include faulty meter readings as well as water theft.

In some states in Malaysia, NRW levels go up to 40%-50%. However, in Johor, where most of Ranhill's NRW operations are located, the NRW levels are at 25.1%.

Malaysia's NRW levels is far off the pace set by developed countries and remains far short of the national NRW target of 25% set by the Ministry of Water and Natural Resources ("KASA").

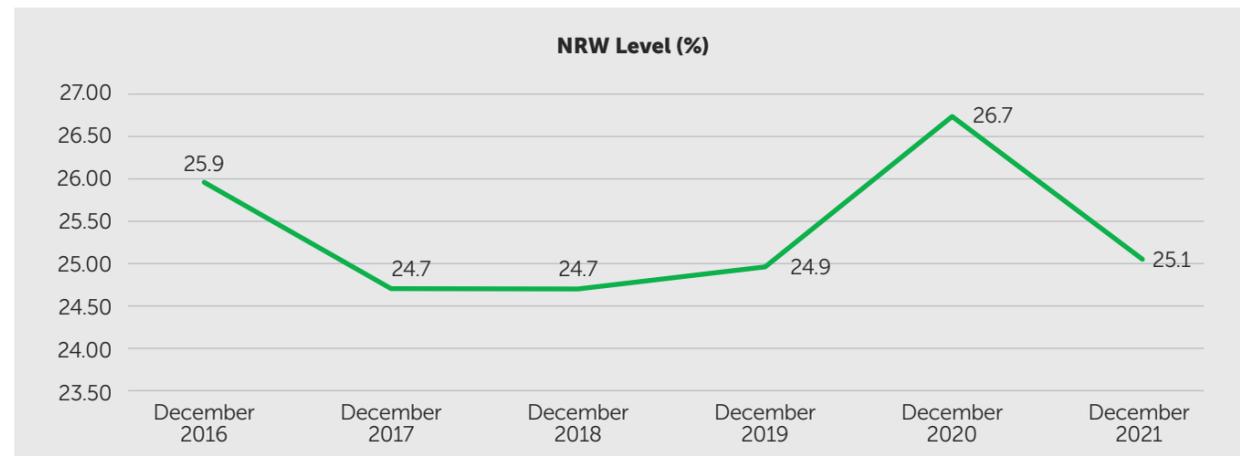
Beyond significant revenue loss, high NRW loss contributes to other issues. This includes increased need to abstract more fresh water from upstream river sources which in many states in Malaysia, are already at low levels.

Increased water abstraction translates into higher water treatment costs, increased environmental footprint due to power consumption and emissions from WTPs and increased workload on the existing water assets and infrastructure. NRW loss is also a loss of revenue.

Coupled with increased consumption due to industrialisation, population growth, pollution and other factors, the pressure placed on the river system as well as the water supply system continued to increase exponentially.

Hence, reducing NRW levels is imperative to sustainable water operations in the medium to long-term. Addressing NRW loss will lead to less water lost, increased revenues, increased water reserve margins, especially at high consumption demand or water stressed areas and reduces the need to abstract more water from rivers. It also reduces the stress placed on WTPs.

RANHILL'S EFFORTS IN ADDRESSING NRW



In Johor, Ranhill through RWS, has significantly reduced NRW loss.

Despite pipe rehabilitation and replacement activities being affected by the COVID-19 pandemic, RWS has attained significant savings resulting in NRW levels decreasing in Johor to 25.1%. Johor effectively has the lowest NRW losses per kilometre per day in the whole of Malaysia.

ENVIRONMENTAL AWARENESS & PRESERVATION

CLIMATE CHANGE

Climate change directly contributes to global warming and changes in weather patterns. Both of which have and continue to cause significant impacts on Ranhill's water operations in Johor.

Climate change can impact the level and quality of upstream rivers, which are crucial for the supply of water to millions of households and industrial and commercial premises across the state.

Following are some of the effects to the water supply directly or indirectly due to climate change:

CLIMATE CHANGE EFFECTS ON WATER SUPPLY

Disrupted Rainfall

Erratic or declining rainfall impacts water river level. This affects the quantity of river water available for extraction. Reduced water levels increases concentration of contaminants in rivers thus leading to increased number of water pollution incidents.

Rising Sea Levels

Rising sea levels pushes saltwater into freshwater rivers: (saline intrusion), rendering water unusable for drinking or irrigation for extended periods of time. Additional costs is incurred to treat and restore water to usable conditions. Rising sea levels, especially in coastal areas may cause flooding and damages to infrastructure.

Adverse Weather Impacts

Climate change can exacerbate the effect of moonsoon storms causing severe flooding, which will cause damage to infrastructure and disrupt operations.

Worsened Drought Conditions

Longer and more frequent droughts may necessitate water rationing activities. Water will need to be transported via tankers to affected locations.

Exacerbates Water Scarcity

As water becomes a scarcer resource, costs of production and selling price of water may increase.

RWS has also undertaken various NRW projects in other parts of the country delivering further water savings. Full details of these are provided in the Chairman and Chief Executive and the Management Discussion and Analysis sections of the Ranhill Annual Report FY2021.

Ranhill is positive that given its present NRW management track record, the 15% NRW loss target for Johor can be achieved by 2030.

NRW AND INDUSTRY RELATED STAKEHOLDER ENGAGEMENT

RanhillSaj has continued to actively engage regulatory and industry stakeholders and the general public with regard to NRW loss.

While these engagement activities have been effective, more strategic, multi-stakeholder efforts are required. Beyond consumer awareness and education, reducing water consumption per capita, requires political will, effective policies and active industry participation and input.

One of the ways proven effective is the upward revision of water tariffs. Please see page 42 for more information.



The AquaSMART enables the trigger of early response to potential leakage and preventing water losses



Early leak detection to prevent non-revenue water losses

ENVIRONMENTAL AWARENESS & PRESERVATION

FINANCIAL COSTS ASSOCIATED WITH CLIMATE CHANGE RISKS AND IMPACTS

Ranhill acknowledges that climate change can lead to financial impacts. Ranhill's costs would be costs attributed to the physical, transitional and reputational or legal risks arising from climate change.

As part of its strategic planning, Ranhill is considering making provisions in its budgeting in relation to climate change impacts.

OPPORTUNITIES PROVIDED BY CLIMATE CHANGE

The growing awareness and urgency towards the issue has also contributed to positive developments. This includes increased awareness among regulatory stakeholders and the increased receptiveness to adopt new technologies and alternative methods to conserve water resources and to supplement and increase supply. These include groundwater supply, offriver storage ("ORS") as well as increased enforcement action on water polluters.

The government of Malaysia is looking to establish a domestic carbon trading mechanism, which will enable companies such as Ranhill to purchase carbon credits to offset against emissions produced.

BOARD AND MANAGEMENT OVERSIGHT ON CLIMATE CHANGE

Climate change comes under direct oversight of the Board and Management. Both have identified present and future impacts of climate change on the business model. This includes physical, transitional and legal as well as reputational risks. The Board and Management have also pledged their support and are progressively aligning to the TCFD recommendations.

Operations Significantly Affected by Climate Change

DISTRICT	WTP	COMMENCEMENT OF RATIONING	END OF RATIONING	NO. OF DAYS	REASON FOR RATIONING
Kota Tinggi	Sg. Gembut	25 March 2021	6 April 2021	12	Water level below critical level

RESPONDING TO CLIMATE CHANGE

ESTABLISHING CARBON REDUCTION TARGETS

On its part, Ranhill has established its long-term target of net zero carbon by 2050. In realising the 2050 aspiration, Ranhill is establishing interim milestones goals and supporting strategies. The journey of achieving net zero carbon will be driven by the development of a Net Zero Carbon Policy that will centre on the following:

- Increased use of RE to power water and energy operations.
- Greater use of low-carbon technologies to produce lower carbon water and power.
- Performing Lifecycle Analysis on existing business processes.
- Development of a clear climate change roadmap.
- Development of an internal carbon price for the Group.

ENVIRONMENTAL AWARENESS & PRESERVATION

In early FY2022, Ranhill commenced collaboration with the Malaysian Green Technology and Climate Change Corporation ("MGTC") towards undertaking preliminary assessments of RanhillSaj's WTP operations.

Research and development ("R & D") efforts in relation to climate change will also be undertaken going forward. R & D will be centred on the development of innovations that enable reduced energy consumption and increased energy efficiency.



A technical visit by MGTC to the Gunung Ledang Dam

RAW WATER TRANSFER

Ranhill has in the past, increased the volume of raw water transfer from rivers to designated dams. Example of this include water transfer activities from Tasik Biru and Chabang Tiram River to the Upper Layang Dam.

Aside from ensuring sufficient supply and to avoid rationing, the raw water transfer activities preserve oxygen levels in water. Higher water levels in dams mean larger water surface areas which increases oxygen levels.

The Group is also looking to initiate the Sembrong raw water transfer project. The feasibility study has been completed and the focus, going forward is to obtain state government approval for commencement of the project.



Layang Dam acts as raw water supply for Sultan Iskandar Water Treatment Plant

GROUND WATER EXPLORATION

Collaborating with Department of Mineral and Geoscience Malaysia ("DMGM"), RanhillSaj has achieved partial success in tapping groundwater sources. In FY2021, RanhillSaj successfully conducted groundwater exploration at the Sultan Ismail WTP with a potential of 1.5 MLD. Production wells and abstraction systems have been installed at the site.

Ground wells have also been built at other WTPs such as the Lok Heng WTP and Skudai WTPs. Thus far, total groundwater capacity has reached 1.5 MLD. The amount is still comparatively small and further collaboration with DMGM shall be undertaken towards increasing groundwater supply.

OFF RIVER STORAGE

RanhillSaj continues to propose ORS as part of the overarching strategy to ensure sustainable water supply in Johor. The proposal for the 450 MLD ORS has reached the design stage. It will be presented to all stakeholders, including SPAN and the state and federal governments.

The Group looks forward to approval by end FY2022. ORS facilities require substantial CAPEX, and we continue to work with relevant parties to ensure sufficient financial support to fund construction.

ENVIRONMENTAL AWARENESS & PRESERVATION



PRESERVING WATER RESOURCES

WATER CONTAMINATION AND POLLUTION

Water supply for Johor comes from the state's upstream rivers, which remain at high risk to pollution.

In FY2020 and FY2021, the number of pollution incidents decreased significantly. The decline is attributed to the Movement Control Orders ("MCOs") imposed to prevent the spread of COVID-19. Certainly, the increased enforcement activities and more stringent approach taken by authorities have played a role in the decline of pollution cases.

However, with the relaxation of pandemic related restrictions, it is expected that pollution will increase in tandem with increased business activities.

Contaminated river water caused by excessive ammonia or other substances is a major issue. The causes of upstream water pollution are industrial, agriculture and domestic discharge, untreated sewerage as well as effluent and discharge from upstream sand mining activities.

Many conventional effluent treatment systems do not adhere to regulatory standards for effluent discharge or are poorly maintained. As a result, discharge into rivers exceeds permissible levels, thus causing river water contamination.

Once the level of contaminants exceeds a certain threshold, WTPs must be shut down. Shutting down WTPs is the only option to prevent contaminated water from being distributed through the network and to consumers.

Consequently, this leads to disruption in water supply.

COSTS ASSOCIATED TO WATER POLLUTION

Financial costs associated with upstream river pollution is caused by the shutdown of WTPs that causes disruptions in water supply. With no or less water supply available, the business incurs revenue loss on an hourly or daily basis. Hence, interruptions can potentially run into hundreds of thousands or millions if prolonged over an extended period of time.

Beyond losses to RANHILL, customers also incur losses. Both industrial and commercial customers may experience disruption to their business operations, which, subsequently would lead to losses. Residential customers would suffer various inconveniences when there are water supply disruptions.

Access to clean water is a basic human right and hence RANHILL would need to rely on alternatives to supply water during prolonged periods of disruption. This includes supplying customers via mobile tankers. This increases operational costs (petrol, staff, etc.) and results in higher greenhouse gas ("GHG") emissions and fuel consumption.

There is also the danger of pipes bursting once water supply resumes due to the build-up of air locks within the piping system. This can potentially lead to higher maintenance outlay as well as increased water loss due to burst or leaky pipes. Frequent shutdowns would also affect RANHILL's brand credibility as a reliable water operator.

Total No. of Water Pollution Incidents and WTP Shutdowns

YEAR	INTERRUPTION DUE TO CONTAMINATION IN RAW WATER (NO. OF CASES)	TOTAL HOURS OF SHUTDOWN	FINANCIAL LOSSES (RM' Million)
2016	27*	2,384.14*	3.3
2017	38*	319.47*	0.9
2018	30*	962.72*	1.8
2019	24*	1109.25*	1.1
2020	5	115.20*	0.1
2021	2	16.2*	0.04

* Data includes all types of interruption including ammonia contamination.

ENVIRONMENTAL AWARENESS & PRESERVATION

ADDRESSING AND PREVENTING WATER POLLUTION

RANHILL's responsibility as a private water operator only starts at the intake; that is ensuring the quality of raw water supplied to domestic and non-domestic customers. The responsibility of ensuring the quality and quantity of river water supply rests with other stakeholders within the water supply ecosystem.

However, given the severity of pollution related impacts on water operations, RANHILL has taken the initiative to deploy a pollutant removal system ("PRS") at pollution prone sites. At a cost of RM7.0 million, the PRS, deployed by RANHILL subsidiary, RWT is designed to treat pollutants from river water. The PRS has been effective in ensuring ammonia levels in river water remain less than 10 ppm.



Air stripper and gas scrubber with treatment capacity up to 500 ppm of ammoniacal nitrogen content operation at Pollutant Removal System ("PRS") Simfang Renggam Water Treatment Plant

RANHILL's Environmental Crime Prevention Unit or UCJAS continues to work closely with enforcement authorities. They include Badan Kawalselia Air Johor ("BAKAJ"), the Department of Environment ("DOE"), Ministry of Health ("MOH"), SPAN and the Royal Malaysian Police ("PDRM").

Through UCJAS, RANHILL has been effective in quickly identifying pollution incidents and reporting these to the authorities. The use of technology has also enabled more effective evidence gathering, which has enabled legal action to be taken against perpetrators.

Online monitoring probes at raw water sources and unmanned aerial vehicles ("UAVs") enable early detection of pollution incidents while collecting data as evidence.



MGTC working visit to the Pollutant Removal System (PRS) Simfang Renggam, Johor

ENVIRONMENTAL AWARENESS & PRESERVATION

Enforcement aside, RanhillSaj continues to undertake awareness and education activities, especially to business premises or villages situated adjacent to rivers. This is part of the preventive approach towards addressing river pollution.

Incidents of Raw Water Pollution and Action Taken

Date	Issue	Action
4 July 2021	Chemical spill from illegal factory at Sengkang, Kulai Raw water source: Sungai Skudai Root cause: Chemicals spill at riverside	Clean up of chemical spill and monitoring by JAS.
6 August 2021	Sembrong Timur WTP shutdown due to increase of turbidity and raw water turn to blackish colour Raw water source: Sungai Sembrong Kiri Root cause: Palm oil plantation drain cleaning activities	Reported to BAKAJ and JAS for further action.
17 September 2021	Increase of turbidity, colour and raw water turn to whitish colour Raw water source: Sungai Johor Root cause: Inland sand mines have reclaimed the Tengkil River and diverted the original route of the river to the ponds of the former mine	BAKAJ has instructed the sand mine operator to reopen the embankment on the river.
11 December 2021	Sultan Ismail WTP shutdown due to foam formation at plant intake and treated water (filter) Raw water source: Sungai Skudai Root cause: Unable to verify source of contamination due to no foam formation were detected along Sungai Skudai	BAKAJ have been notified.

WATER QUALITY

REGULATORY COMPLIANCE (MALAYSIA WATER OPERATIONS)

RanhillSaj continued to meet or exceed almost all KPIs set by the industry regulator, SPAN. Kindly refer to Appendix One on page 90 for more details on the KPIs and compliance levels achieved.

RANHILL WATER SAFETY PLAN

RanhillSaj continues to implement its Water Safety Plan ("WSP") which focusses on identifying all hazards that affect the safety and acceptability of drinking water. Risk assessment starts from the catchment areas right through to treatment and distribution and extends to the consumers' premises.

Under the WSP, RanhillSaj undertakes various water security programmes and action plans:



ENVIRONMENTAL AWARENESS & PRESERVATION

- 1) Daily and quarterly raw water quality monitoring (7 parameters at WTPs) based on the set River Water Quality Index.
- 2) Water Treatment Plant (WTP) auditing. (3 times / year)
- 3) WTP intra-laboratory test. (3 times / year)
- 4) Water Supply System auditing. (2 times / year)
- 5) Water quality troubleshooting. (when necessary)
- 6) Raw water source awareness. (2 times / year at selected source)
- 7) Review WTP documents. (Once every 3 years)

REGULATORY COMPLIANCE (THAILAND WATER OPERATIONS)

As in previous years, RWT's WTP and WWTP operations in Thailand have continued to meet or exceed standards set out by the Thai regulatory authorities.

RWT Thailand Concessions / Operations and Maintenance Sites

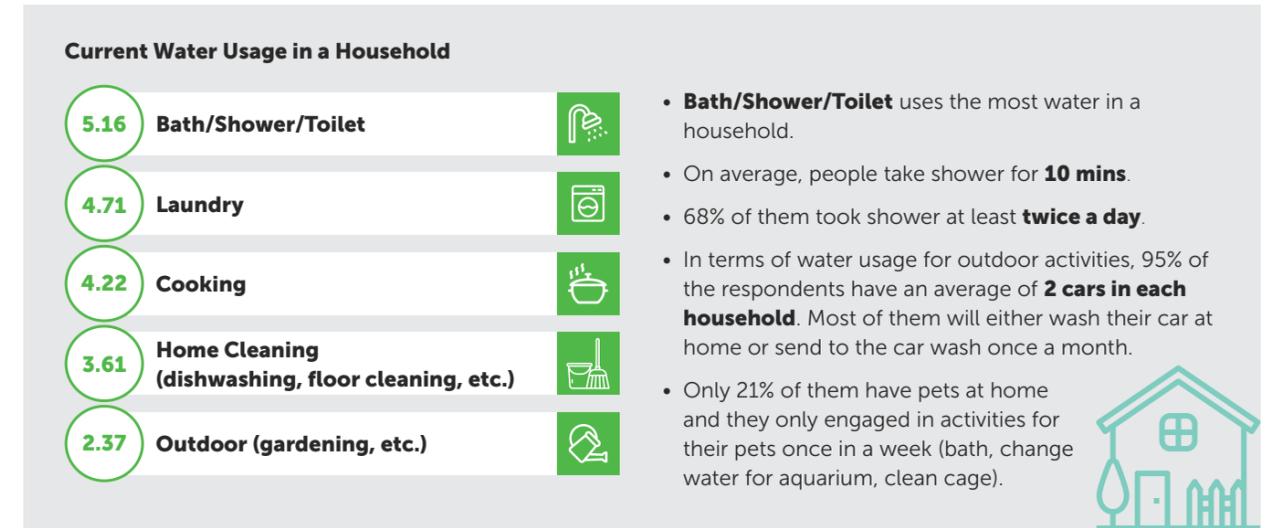
THAILAND	Target	Actual	
		YTD January 2022	YTD December 2021
1 Amata City Chonburi Industrial Estate WTP-2CB Stage 1 & Stage 2 (Concession)	Color	15	10
	Turbidity	4	0.68
	pH range	6.5 - 8.5	7.30
	Total Solids	600	300
	Influent Compliance	100	100
	Color	300	N/A
	pH at 25°C	5.5 - 9	6.70
	Total Dissolved Solids	3000	1,252
2 Amata City Chonburi Industrial Estate WWTP-1CB (Concession)	Suspended Solids	50	8.0
	BOD (5 days, at 20°C)	20	3.8
	COD	120	42
	TKN as N	100	2.10
	Oil & Grease & Fat	5	2.0
	Effluent Compliance	100	100
	Color	15	5
	Turbidity	4	0.50
3 Amata City Chonburi Industrial Estate WRTP-1CB (Concession)	pH range	6.5 - 8.5	6.90
	Dissolved Solids	600	440
	Influent Compliance	100	100
	Color	≤15	5
4 Amata City Rayong Industrial Estate WTP- 2RY (Concession)	Turbidity	4	0.50
	pH range	6.5 - 8.5	7.10
	Total Solids	≤600	124
	Influent Compliance	100	100

ENVIRONMENTAL AWARENESS & PRESERVATION

THAILAND		Target	Actual	
			YTD January 2022	YTD December 2021
5 Amata City Rayong Industrial Estate WWTP- 2RY (Concession)	pH at 25°C	5.5 - 9.0	7.30	7.20
	Total Dissolved Solids	<3000	780	720
	Suspended Solids	<50	3.0	3.0
	BOD (5 Day, at 20° CC)	<20	13.0	9.5
	COD	<120	40	39
	Total Kjeldahl Nitrogen as N	<100	7.00	5.60
	Oil & Grease & Fat	<5	3.0	<3
	Effluent Compliance	100	100	100
6 Amata City Rayong Industrial Estate WTP1/2-RY (Concession)	pH (25°C)	6.5 - 8.5	7.20	7.00
	Turbidity	4	0.50	0.65
	Colour	≤15	5	5
	Total Dissolved Solids (TDS)	≤600	236	144
	Total Hardness (as CaCO3)	≤300	52	45
	Chloride (Cl)	≤250	24	24
	Influent Compliance	100	100	100
7 Amata City Rayong Industrial Estate WWTP-4RY (Concession)	Color	300	N/A	N/A
	pH at 25°C C	5.5 - 9.0	7.00	6.60
	Total Dissolved Solids	<3000	1758	1248
	Suspended Solids	<50	4	5
	BOD (5 Day, at 20°C)	<20	6.6	5.0
	COD	<120	27	24
	Total Kjeldahl Nitrogen as N	<100	2.10	<3
	Oil & Grease & Fat	<5	2.0	<3
Effluent Compliance	100	100	100	
8 AIT Concession	pH	5.0 - 9.0	7.70	7.10
	BOD	<20	4.0	7
	Total Suspended Solids	<30	12.0	11
	Total Dissolved Solids	<500***	468	408
	Oil & Grease	<2.0	<3	<3
	Total Kjeldahl Nitrogen	<35	6.30	9.80
Effluent Compliance	100	-	100	
9 Amata City Rayong Industrial Estate W RTP2-RY (Concession)	Color	15	5	5
	Turbidity	4	0.63	0.94
	pH range	6.5 - 8.5	6.80	7.10
	Dissolved Solids	600	416	256
	Influent Compliance	100	100	100

ENVIRONMENTAL AWARENESS & PRESERVATION

ADDRESSING CONSUMER WATER CONSUMPTION



Source: Frost and Sullivan

As RanhillSaj focusses on addressing water supply challenges, it also focusses on reducing the high-water consumption per capita in Johor.

Typically, water consumption per capita across Malaysia is at 219 litres per capita per day. This consumption rate is far higher than the recommended 165 litres per capita per day by the World Health Organisation ("WHO"). By comparison, it is also higher than neighbouring Singapore, whose water consumption per capita is just 154 litres per capita per day. The Water Authority of Singapore charges considerably higher domestic and non-domestic rates compared to Johor and Malaysia.

WATER TARIFF REVISION

It is evident that higher equate to more conservative consumption of water. It also incentivises businesses to adopt water efficiency measures and even to use recycled water for their operations, where applicable.

Hence, the importance of approving the long-awaited tariff revision for both domestic and non-domestic water consumption in Johor.

The tariff revision will also support revenues, which presently are solely dependent on increased water consumption. Therefore, the sustainable revenues will lead to sustainable water operations.

Growing revenues are also essential under the present regime to facilitate CAPEX required for the development and expansion of WTPs and to undertake pipe rehabilitation and replacement works.

ENVIRONMENTAL AWARENESS & PRESERVATION

An upward increase in tariffs supports a more sustainable water industry. A revision has been overdue since 2016. However, revision of water tariffs remains a sensitive issue due to the social, political and economic ramifications.

Pros and Cons of Water Tariff Revision



- Increased revenues for the water operator.
- Increased revenues enable much needed pipe rehabilitation and replacement works, as well as expansion and construction of new WTPs.
- Projects such as ORS, raw water transfer and others can be undertaken.
- Likely reduction in water consumption per capita with more conservative water consumption by consumers.
- Rising potable water prices encourages usage of reclaimed water.



- Burdens consumers.
- Increased rebates required to ensure water for poor and hardcore poor households.
- Socio-political impacts due to rising water rates.



Environmental awareness education program, Sekolah Air The Series by RanhillSaj



PROMOTING CONSUMER WATER CONSERVATION

Despite COVID-19 lockdowns limiting the number of public engagement events, considerable efforts were still made to promote water conservation. Online campaigns were held to educate the public, and to remind customers to pay their bills promptly. Where possible, efforts were made to engage schools, universities and various public and private sector organisations.

ENVIRONMENTAL AWARENESS & PRESERVATION

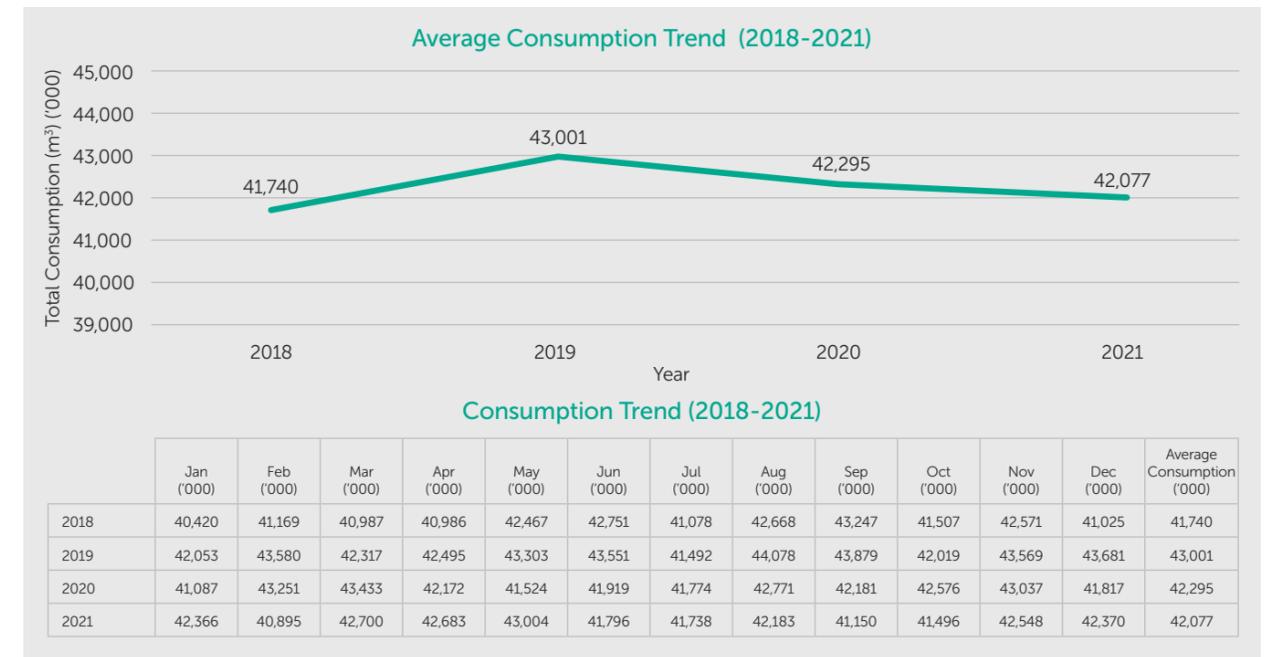
GROUP WATER CONSUMPTION

RanhillSaj

Despite non-domestic consumption receding by 3.65% year-on-year, domestic consumption had expanded significantly.

The change in water consumption trends in FY2021 is attributed to the COVID-19 related lockdowns. The lockdowns had led to many businesses cutting back or altogether halting their business operations in compliance with SOPs. At the same time, the higher number of people restricted to their homes led to a rise in domestic consumption.

Water consumption data is scoped primarily to RanhillSaj, RWT, RPI and RPII.



RanhillSaj: WATER CONSUMPTION (ABSTRACTION)

Year	Total (m ³)	Raw Water Abstractions River (m ³)	Raw Water Abstractions Dam (m ³)	Average (m ³ /month)
2017	644,084,373	393,886,741	250,197,632	53,673,698
2018	672,482,177	395,921,313	276,560,864	56,040,181
2019	693,301,475	411,299,327	282,002,148	57,775,123
2020	698,371,127	424,640,758	273,730,369	58,197,594
2021	682,992,899	417,036,351	265,956,548	56,916,075

ENVIRONMENTAL AWARENESS & PRESERVATION

RanhillSaj: WATER CONSUMPTION (TREATED WATER, IN PLANT USAGE AND SLUDGE)

Year	Raw Water (m ³)	Treated Water (m ³)	In Plant Usage (m ³)	Total Sludge (kg)
2017	644,084,373	613,206,307	30,878,066	86,502,141
2018	672,482,177	641,291,211	31,190,966	87,204,581
2019	693,301,475	663,261,141	30,040,335	90,724,787
2020	698,371,127	668,147,604	30,223,523	93,857,414
2021	682,992,899	653,207,737	29,785,162	91,935,416

Following are RanhillSaj's water sources across Johor:

WATER SOURCED FROM SURFACE WATER

Source	Name	Source	Name
 River	Sungai Pengeli	 Dam	Empangan Labong
	Sungai Mersing		Empangan Congok
	Sungai Sedili Besar		Empangan Lebam
	Sungai Lenggor		Empangan Bekok
	Sungai Kahang		Empangan Pulau 2
	Sungai Bekok		Empangan Pontian
	Sungai Pontian Besar		Empangan Upper Layang
	Sungai Sedili Kecil		Empangan Sembrong
	Sungai Gembut		Empangan Gunung Ledang
	Sungai Muar		Empangan Juaseh
	Sungai Pelepah		
	Sungai Sayong		
	Sungai Jementah		
	Sungai Segamat		
	Sungai Juaseh		
	Sungai Johor		
	Sungai Skudai		
	Sungai Sembrong		
	Sungai Benut		

RWTT AND ANURAK: WATER CONSUMPTION

	2019	2020	2021
Total Water Consumption (m ³)	10,249,559	8,003,125	9,775,278
Surface Water withdrawal (m ³)	10,270,058	8,019,131	9,794,829
Recycled Water (m ³)	4,338,856	4,282,064	4,749,304
Total Water / Effluents Discharged	5,828,868	5,227,066	5,631,211

ENVIRONMENTAL AWARENESS & PRESERVATION

RPI & RPII

At both the Group's Teluk Salut and Rugading power plants, water is primarily consumed for maintenance works. Maintenance works include the following:

- Gas turbine offline water wash
- Boiler tube leaking
- Valves passing works
- Other purposes

Raw water is sourced from state provider, Jabatan Air Sabah. The raw water will be filtered and cleaned to produce demineralised water for the boilers.

RPI – TELUK SALUT AND RPII – RUGADING: WATER CONSUMPTION (m³)

Year	Teluk Salut	Rugading	Total
2016	86,165	48,117	134,282
2017	81,427	46,638	128,065
2018	89,581	53,187	142,768
2019	91,266	68,241	159,507
2020	81,937	55,459	137,396
2021	91,704	43,110	134,814

RPI & RPII: OFFSITE WATER TREATMENT TOTAL DISCHARGE

	Teluk Salut	Rugading	Total
Off-site Water Treatment total discharge (m ³)	11,163	3,205.4	14,368.4

CARBON EMISSIONS

Ranhill continues to monitor and to seek effective means to reduce its emissions. The Group's largest contributors to Scope 1 and Scope 2 emissions are its water supply and power plant operations.

In addressing emissions, Ranhill has set its target of achieving carbon neutrality by 2050. This will be achieved via a wide range of strategic plans and measures.

One of which is the proposed development of a 75 MW FPV to power RanhillSaj's operations. This would substantially reduce emissions. Other measures taken included installing solar panels and building mini-hydro power generation at WTPs.

For power plant operations, efforts to improve heat rate efficiency has enabled a decline in gas consumption. This has contributed to a reduction in carbon emissions as well. The use of a combine cycle system, which enables both gas and steam turbines to be used also supports reduced gas combustion and thus, lesser emissions compared to a single cycle system.

ENVIRONMENTAL AWARENESS & PRESERVATION

Emissions are measured in accordance with the recognised industry standard – MS 1596:2003. Emission levels remain within the thresholds set by the Department of Environment in Malaysia and Thailand. This includes exhaust gas emissions released from the gas turbine combustion which complies with MS 1596:2003.

RanhillSaj: TOTAL CO₂ EMISSIONS

Performance Measure	mt CO ₂ eq			
	2018	2019	2020	2021
Total CO ₂ e emissions (mt)	263,391	253,964.5	226,796.4	207,277.8
Scope 1 CO ₂ e emissions (mt)	2,957.7	3,735.3	4,351.5	3,492.0
Scope 2 CO ₂ e emissions (mt)	235,611.5	225,550.6	205,526.1	187,843.9
Scope 3 CO ₂ e emissions (mt)	24,821.8	24,678.6	16,918.9	15,841.9

RanhillSaj: TOTAL CARBON INTENSITY

Performance Measure	kg CO ₂ eq/m ³ of raw water			
	2018	2019	2020	2021
Carbon Intensity	0.34	0.34	0.31	0.30



Ranhill is transitioning its fleet of vehicles to electric vehicles starting FY2022

ENVIRONMENTAL AWARENESS & PRESERVATION

A comprehensive carbon footprint analysis for RanhillSaj is provided as below:

RanhillSaj: Carbon Footprint Analysis FY2021

SCOPE	DESCRIPTION	QUANTITY	EMISSIONS FACTOR	CO ₂ EMISSIONS (mt CO ₂ eq)	TOTAL CO ₂ EMISSIONS (mt CO ₂ eq)	ENERGY (kWh)	ENERGY INTENSITY (kWh/m ³)
Scope 1: Direct	Fuel (Generator Set): Diesel (litre)	385,047	0.00267620	1,030.5	3,492	3,850,469.7	0.0056
	Fuel (Company Transport): Diesel (litre)	787,834.1	0.00267620	2,108.4			
	Fuel (Company Transport): Petrol (litre)	153,391	0.00230250	353.2			
Scope 2: Indirect	Electricity (kWh)	321,100,678.8	0.58500000	187,843.9	187,843.9	321,100,678.8	0.4701
Scope 3: Others Indirect	Purchased of Chemical: Chlorine (kg)	4,261,494.5	1.12400000	4,789.9	15,941.9		
	Purchased of Chemical: Aluminium Sulphate (kg)	16,733,086.8	0.23170000	3,877.1			
	Purchased of Chemical: Soda Ash (kg)	2,751,241.8	0.55300000	1,521.4			
	Purchased of Chemical: Hydrated Lime (kg)	7,241,760.7	0.49850000	3,610			
	Purchased of Chemical: Fluoride (kg)	535,785.2	0.10000000	53.6			
	Purchased of Chemical: PAC (kg)	308,813	0.53700000	165.8			
	Purchased of Chemical: Caustic Soda (kg)	1,093,811.3	1.12400000	1,229.4			
	Purchased of Chemical: Polymer (kg)	20,581.3	1.18200000	24.3			
	Purchased of Chemical: CK 442 (kg)	725,039.9	0.53700000	389.4			
	A4 Paper (kg)	195,950	1.39010000	272.4			
Employee Commuting (km)	44,419,459.5	0.00019184	8.5				
Water	Raw Water Volume (m ³)	682,991,959					
	Treated Water Volume (m ³)	653,207,737					
	Billed Consumption (m ³)	504,928,899					

Grand Total	207,277.8	mt CO ₂ eq
Total Carbon Intensity	0.3	kg CO ₂ eq / m ³ raw water

ENVIRONMENTAL AWARENESS & PRESERVATION

RanhillSaj: Carbon Footprint Analysis FY2020

SCOPE	DESCRIPTION	QUANTITY	EMISSIONS FACTOR	CO ₂ EMISSIONS (mt CO ₂ eq)	TOTAL CO ₂ EMISSIONS (mt CO ₂ eq)	ENERGY (kWh)	ENERGY INTENSITY (kWh/m ³)
Scope 1: Direct	Fuel (Generator Set): Diesel (litre)	626,615.2	0.00267620	1,677	4,351.5	6,266,152.40	0.0084
	Fuel (Company Transport): Diesel (litre)	849,494.5	0.00267620	2,273.4			
	Fuel (Company Transport): Petrol (litre)	174,217.5	0.00230250	401.1			
Scope 2: Indirect	Electricity (kWh)	351,326,731.2	0.58500000	205,526.1	205,526.1	351,326,731.17	0.4726
Scope 3: Others Indirect	Purchased of Chemical: Chlorine (kg)	4,315,505	1.12400000	4,850.6	16,918.8	mt CO ₂ eq	
	Purchased of Chemical: Aluminium Sulphate (kg)	16,094,355	0.23170000	3,729.1			
	Purchased of Chemical: Soda Ash (kg)	2,186,220.8	0.55300000	1,209			
	Purchased of Chemical: Hydrated Lime (kg)	7,077,248.5	0.49850000	3,528			
	Purchased of Chemical: Fluoride (kg)	460,330.6	0.10000000	46			
	Purchased of Chemical: PAC (kg)	1,780,720	0.53700000	956.3			
	Purchased of Chemical: Caustic Soda (kg)	110,709	1.12400000	124.4			
	Purchased of Chemical: Polymer (kg)	18,458.7	1.18200000	21.8			
	Purchased of Chemical: CK 442 (kg)	2,960,752.4	0.53700000	1,589.9			
	A4 Paper (kg)	615,150	1.39010000	855.1			
Water	Employee Commuting (km)	44,418,368.9	0.00019184	8.5			
	Raw Water Volume (m ³)	743,448,429.9					
	Treated Water Volume (m ³)	652,637,843.2					
	Billed Consumption (m ³)	463,229,016.8					
Grand Total				226,796.4	mt CO ₂ eq		
Total Carbon Intensity				0.3	kg CO ₂ eq / m ³ raw water		

ENVIRONMENTAL AWARENESS & PRESERVATION

RPI and RPII: Total CO₂ and Other Emissions

SCOPE 1 BREAKDOWN (BY GHG TYPE)	2019	2020	2021
CO ₂ (%)	HRSG 11 : 3.6	HRSG 11 : 3.5	HRSG 11 : 4.0
	HRSG 12 : 3.3	HRSG 12 : 3.3	HRSG 12 : 3.4
	HRSG 21 : 3.5	HRSG 21 : 3.2	HRSG 21 : 3.6
	HRSG 22 : 3.6	HRSG 22 : 3.2	HRSG 22 : 3.3
Total Particulate Matter (TPM)/TSP (µg/m ³)	18.3	11.4	15.4
NO _x emissions (in mg/m ³)	HRSG 11 : 63.2	HRSG 11 : 48.2	HRSG 11 : 49.8
	HRSG 12 : 51.6	HRSG 12 : 52.0	HRSG 12 : 40.3
	HRSG 21 : 61.5	HRSG 21 : 77.8	HRSG 21 : 46.0
	HRSG 22 : 49.4	HRSG 22 : 85.5	HRSG 22 : 40.1
CO emissions (in mg/m ³)	HRSG 11 : 68.0	HRSG 11 : 62.6	HRSG 11 : 55.6
	HRSG 12 : 73.0	HRSG 12 : 56.0	HRSG 12 : 47.4
*SO _x Changed with CO	HRSG 21 : 70.1	HRSG 21 : 59.9	HRSG 21 : 41.7
	HRSG 22 : 58.9	HRSG 22 : 73.2	HRSG 22 : 40.1

Note: Station's emission limit complied with Third Schedule, part A(2), Environmental Quality (Clean Air) Regulations 2014 (first enforced in June 2019), based on emission sources and O₂ references corrected at 15%.

Measurement of results is based on SOPs set by the Department of Environment ("DOE") of Sabah and is conducted by an independent third party environmental consultant. Results can also be influenced by the following:

- Quality of gas supplied to the gas turbine during the measurement period.
- Load demand during sampling.
- Operational conditions of the gas turbine i.e., temperature, efficiency, and other ambient factors.

NO _x EMISSIONS	CO ₂ EMISSIONS
<ul style="list-style-type: none"> • Data for FY2019 and FY2020 are presented in mg / m³ compared to previous years, which uses g / m³. Hence, the disparity in figures. 	Effective 2017, a differing parameter has been used to measure and assess CO ₂ emissions. Sampling is performed on different Gas Turbine loads as per requests from the offtaker, Sabah Electricity Sdn Bhd ("SESB").
<ul style="list-style-type: none"> • NO_x readings for RPI are higher as the power plant does not have a dry low NO_x ("DLN") system for its turbines. 	

ENVIRONMENTAL AWARENESS & PRESERVATION

ENERGY CONSUMPTION & MANAGEMENT

Ranhill continues to pursue energy efficiency towards reducing environmental impacts and to achieve improved cost efficiencies.

The biggest consumer of energy within the Group is RanhillSaj, RPI and RPII.

RanhillSaj's approach to energy consumption is guided by its MS ISO 50001:2011 Energy Policy. Beyond WTP operations, RanhillSaj's consumes energy for plant upgrading and maintenance works as well as introduction of new WTPs into the WTP network.

RPI and RPII is guided by the Grid Code For Sabah and Labuan (Amendments) 2017. RPI and RPII consumes energy for the operations of its turbines at the Teluk Salut and Rugading power plants.

Separately, RWT consumes energy sourced from the national electricity grid for the operations of its WWTP and reclaimed WTPs in Malaysia and Thailand.

Meanwhile, RW is subscribed to government GreenEnergy initiative to reduce carbon emission equivalent to 10,000kw-hr/month. RW have save a total of 44,369 kw-hr of Green Energy since the start in September 2021 up to February 2022.

RanhillSaj: Direct and Indirect Energy Consumption

	2019	2020	2021
Total Direct Energy Consumption (fuel in terms of diesel, petrol, etc. in Litres or Gigajoule's ("GJ"))	1,388,003.7	1,650,327.2	1,326,272
Total Indirect Energy Consumption (Electricity in kWh)	385,556,581.2	351,326,731.2	321,100,678.8
Total RE (solar)(in kwh)	N / A	N / A	113,219
Total Indirect Energy Efficiency / Intensity (as measured against revenue, profits or productivity i.e. number of units built, kWh, GJ)	N / A	0.0249	0.0205
Total Indirect Energy Efficiency / Intensity (as measured against revenue, profits or productivity i.e. number of units built, kWh, Joules)	0.5170	0.4726	0.4701
Average Energy Efficiency / Intensity (kWh, Joules)	N / A	0.4975	0.4906
Total energy consumption within the organization, in GJ	N / A	1,331,516.1	1,206,273.1

Note: Usage of RE (solar) only commenced in FY2021.

RPI and RPII: Direct Energy Consumption

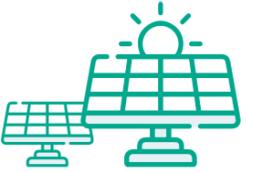
	2019	2020	2021
Total Scope 1 Energy Consumption (fuel in terms of diesel, petrol, etc. in Litres)	11,524,348.5	8,358,230.2	289,039.3
Total Scope 1 Energy Consumption (fuel in terms of natural gas in MMBtu)	11,325,448.1	10,747,173.1	10,131,129.2
Average Energy Efficiency / Intensity (kJ/kWh)	9,392	9,828.7	9,737.5
Total energy consumption within the organisation (GJ)	13,419,989.8	11,640,545.3	10,699,339.6

The significant variance in Direct energy consumption is due to reduced number of gas supply interruptions by Petronas in FY2021. Hence, there was reduced requirement to use diesel as a fuel source to power turbine, unlike in previous years where frequent interruption necessitated the use of fuel as an alternative source.

ENVIRONMENTAL AWARENESS & PRESERVATION

RENEWABLE ENERGY GENERATION

The recent installation of solar panels at the Sultan Iskandar WTP and mini-hydro power generation at the Gunung Ledang WTP has enabled RanhillSaj to generate 48,397 kWh and 64,822 kWh of solar and hydro derived electricity for FY2021. Though small, the numbers are expected to grow with increased adoption of RE across business operations going forward.



HEAT RATE GENERATED

Heat rate data is for heat generated from the operations of the Group's two CCGT power plants. Heat rate can be reduced under a Combine Cycle system at the same time improve the Thermal Efficiency. The latter reuses heat generated to produce additional energy for the turbine. The use of combined cycle technology significantly reduces atmospheric heat emissions; by an average of 110 Celsius to 500 Celsius.

Ranhill's Energy division's preference is to operate on Combined Cycle, though this decision is also dependent on the preferences of the offtaker, SESB. Heat emitted can also be reduced through proper routine and preventive maintenance.

HEAT RATE FROM POWER PLANT OPERATIONS (kJ/kWh)

	kJ/kWh			
	2018	2019	2020	2021
RPI	9,512.8	9,402	9,833.1	9,745.6
RPII	8,724.7	8,691.3	8,657.4	8,566

GAS CONSUMPTION

Gas consumption is confined to RPI and RPII where liquefied natural gas ("LNG") is used as fuel for the Teluk Salut and Rugading power stations.

The LNG consumed by the RPI Power Plant is higher due to the older gas turbines installed. This is an early model of a Frame 6B Gas Turbine. At RPII, the Frame 6FA is used, which is one of the world's most fuel-efficient gas turbines in the market today.

Gas Consumption At Power Plants (MMBtu)

	2017	2018	2019	2020	2021
RPI	10,458,924.9	10,417,143.2	11,325,448.1	10,747,173.1	10,841,917
RPII	8,364,335	8,981,377.3	8,404,764.4	9,152,081.5	9,512,059.4

ENVIRONMENTAL AWARENESS & PRESERVATION

WASTE MANAGEMENT

Drawing from the circular economy approach, all of Ranhill's operating companies adopt the 3R approach of reduce, reuse and recycle with regard to managing waste. Waste management is material as waste products produce carbon emissions and when not well managed, can pollute water systems, contaminate land, dirty the environment and impact society.

All hazardous and non-hazardous waste is managed and disposed off, in accordance with regulatory requirements set by DOE. Waste disposed off by DOE licensed third party contractors at government approved landfill sites.

Among the key waste products produced by Ranhill's operation is sludge. Sludge is produced from water and wastewater treatment operations, in Malaysia and Thailand. Sludge is sent to designated areas within the confines of the respective WTP area. In Malaysia, sludge is treated and managed according to the DOE's Environment Act 1974 Effluent Standard A and Effluent Standard B.

In Thailand, sludge is managed in accordance to Notification of Ministry of Industry Re: Industrial Waste Management and Disposal, B.E.2548 (2005).

RanhillSaj: Sludge Production

Year	Total (kg)	Average (kg /month)
2017	86,502,141	7,208,512
2018	87,204,581	7,267,048
2019	90,724,787	7,560,399
2020	93,857,414	7,821,451
2021	91,935,416	7,661,284

Hazardous Waste

	2019	2020	2021
RanhillSaj	NIL	NIL	NIL
RPI & RPII	34.6 ton	26.1 ton	88.4 ton
RWT	NIL	NIL	NIL
RBSB	0.04 ton	NIL	0.48 ton

ENVIRONMENTAL AWARENESS & PRESERVATION

ENVIRONMENTAL REGULATORY COMPLIANCE

Ranhill's operating companies comply with the respective regulatory standards for noise, effluent discharge, air and other requirements.

Operating Companies	Environmental Standard
RanhillSaj	Complies with KPIs set by SPAN and Environmental Quality Regulation of DOE
RPI & RPII	DOE standard, Environmental Quality Act 2009 Environmental Quality Regulation, DOE
RBSB	RBSB uses Environment Aspect Impact Register ("EAIR") as part of monitoring, eliminating and reducing environmental aspect of the organisation. Environmental Quality Act 1974, Manual Saliran Mesra Alam ("MASMA") and other standards which is recorded in the organisation legal requirement document
RW	Certified under ISO 14001:2015 – Environmental Management System

Ranhill or its operating companies have had zero incidents of fines, censures or any other form of punitive action for non-compliance to environmental regulatory standards.

BIODIVERSITY

Ranhill acknowledges that biodiversity is vital to ensuring food security, the health of ecosystems, traditional livelihoods and medicine as well as for the tourism industry. Biodiversity is also important in sustaining healthy environments. Hence, while biodiversity may not be directly material to Ranhill, the topic is material to the Group's stakeholders.

The Board and Management have included biodiversity in the overall assessment of material EES topics. Beyond this, focus is being placed on how Ranhill can play a role either through its influence as a notable business entity or via direct or indirect impacts on societal stakeholders.

Ranhill presently has no IUCN Red List species or any national conservation list species residing in its operational sites. Neither are any of the Group's sites located in or adjacent to areas deemed to be biodiverse.

Full Environmental Impact Assessments ("EIAs") are performed where required prior to the commencement of any construction works. Thus far, all discharge, effluents and emissions from operations remain within the permissible levels as stipulated by the DOE and other regulatory bodies.

The Group has not conducted any biodiversity audits at its sites. However, it is exploring possibilities of working with NGOs and other bodies towards providing support for their environmental related activities. Efforts may also be made to directly engage local communities such as the Orang Asli or indigenous people of Malaysia.

The Group will continue to monitor the environmental impact of its business presence and operations.

CONTRIBUTION TOWARDS SOCIAL WELLBEING & CAPACITY BUILDING



Ranhill aspires to support local talent, local supply chains and other stakeholders.



CONTRIBUTIONS TOWARDS SOCIAL WELLBEING & CAPACITY BUILDING

Through its business model and business operations, Ranhill aspires to support local talent, local supply chains and other stakeholders. The Group as per its selected UN SDGs, aims to develop community infrastructure and services while providing monetary and non-monetary assistance to underprivileged groups or worthy causes.

This includes provision of water rebates to poor and hardcore poor households. The past two years has also seen Ranhill contribute significantly in the fight against the COVID-19 pandemic with various forms of assistance provided to the government, society and the healthcare sector.

COMMUNITY ENGAGEMENT AND ASSISTANCE

RanhillSaj	RM0.86 million in water rebates provided to 3,237 poor and hardcore poor Johor households. Financial assistance provided to poor and hardcore poor households during the month of Ramadan. Assistance provided to flood victims at Yan, Kedah.
RWT	RM25,000 donation in support of the MIC Fund Raising Event for COVID-19.
RPI & RPII	Financial and non-financial contributions to several villages located in the vicinity of the Teluk Salut and Rugading power plants. This included donations for the construction of a surau and cash contribution to fire victims. Total monetary value of contributions was RM75,000. Development of a 10 kW Hybrid Micro Hydro and Solar Project at Kampung Walou, Ranau, which now ensures that villagers have uninterrupted 24/7 electricity supply. Previously, villagers relied on diesel gensets to provide electricity. This incurs costs as well as pollutes the environment. The transition to mini-hydro and solar is an eco-friendly improvement while also providing cost savings.
RBSB	Total corporate donations in FY2021 amounted to RM25,000 distributed to a wide range of charitable causes.

PROGRAM "JOM SEMBANG"

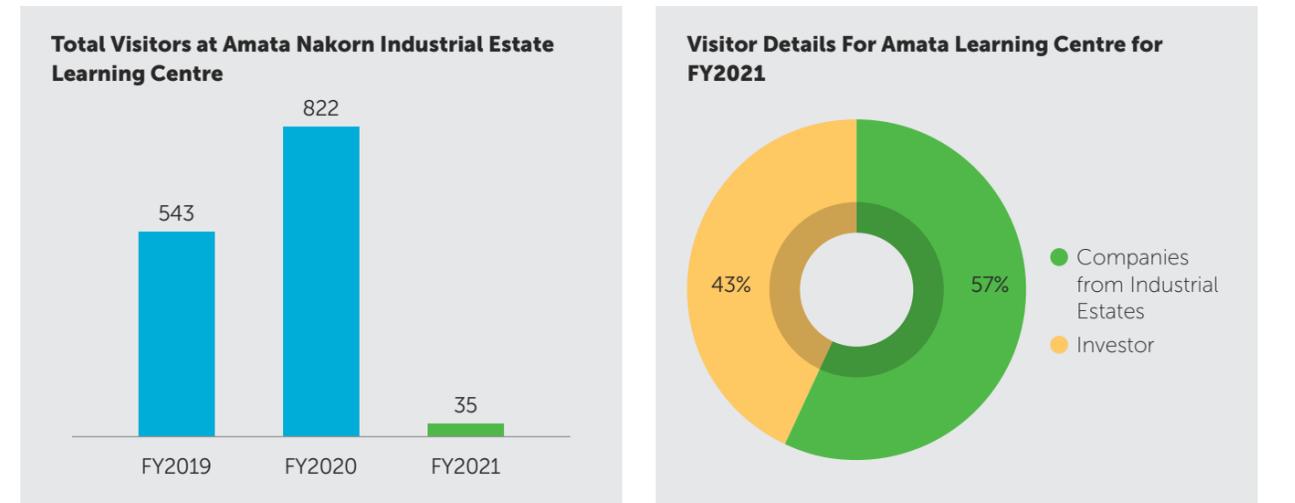
RanhillSaj continued to initiate its Kempen Mesra Pelanggan, which is a customer engagement campaign, aimed at promoting consumer awareness on the importance of prompt water bill payment. The campaign involves RanhillSaj staff, including its Chief Executive Officer ("CEO"), meeting domestic and non-domestic customers.

Engagement efforts by RanhillSaj focus on educating people how water is the most affordable of all utilities in Malaysia, but perhaps the most important. Hence, it is imperative that customers pay their bills on time towards ensuring efficient and proper maintenance of the water system and its infrastructure.

CONTRIBUTION TOWARDS SOCIAL WELLBEING & CAPACITY BUILDING

AMATA NAKORN INDUSTRIAL ESTATE LEARNING CENTRE (THAILAND)

Another highlight of Ranhill's community engagement efforts is RWT's Amata Learning Centre. The centre aims to promote awareness and knowledge on the latest technologies in water and wastewater treatment.



With adherence to COVID-19 SOPs, the centre has reopened and continues to receive visitors comprising investors, local government officials, students, individuals from private companies as well as members of the local community.



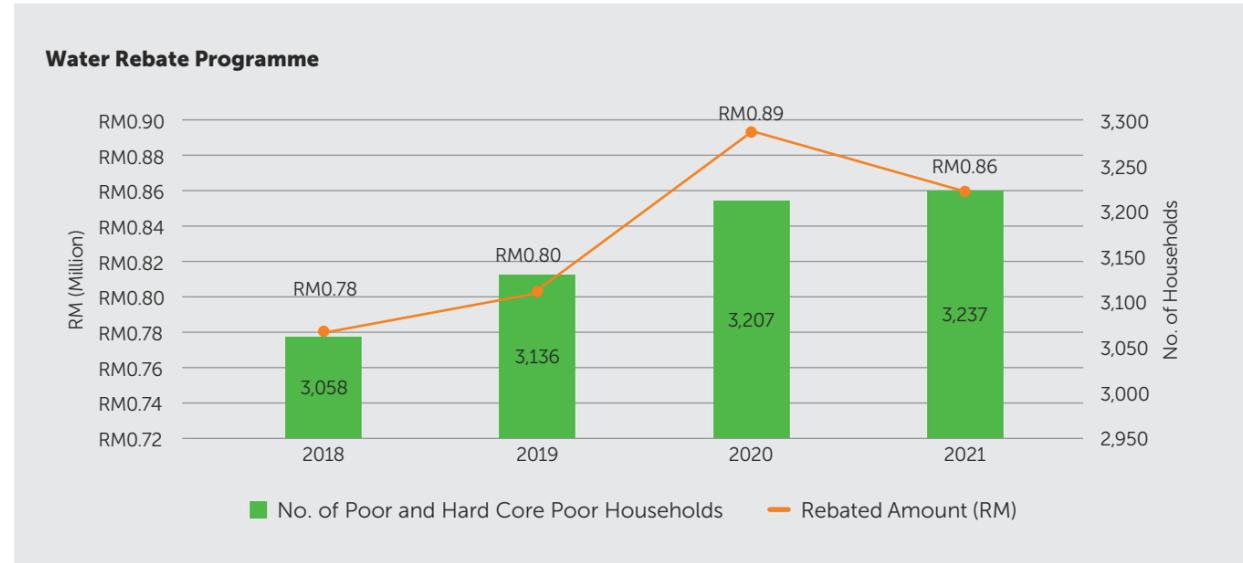
Ranhill Water Technologies ("RWT") Learning Center at Amata Nakorn Industrial Estate, Thailand

CONTRIBUTION TOWARDS SOCIAL WELLBEING & CAPACITY BUILDING

SUPPORTING THE BASIC HUMAN RIGHT TO WATER (WATER REBATE PROGRAMME)

In support of UN SDG 6: Clean Water and Sanitation, RanhillSaj continues to provide water rebates to poor and hardcore poor households across Johor. In effect, this is free water provided to the neediest members of the community and reflects the Group's commitment to uphold the basic human right of access to clean water for all.

In FY2021, over 3,154 poor and 83 hardcore households have benefited from the water rebate programme. Households who qualify for the water rebate programme are based on Johor State's e-kasih programme list, which provides a comprehensive register of urban and rural poor and hardcore poor households.



Humanitarian Aid donation for flood victims at Balai Raya Taman Kota Jaya, Johor



RanhillSaj donated to Persatuan Orang Cacat Johor Bahru for facilities improvement fund

CONTRIBUTION TOWARDS SOCIAL WELLBEING & CAPACITY BUILDING

YOUNG WATER PROFESSIONAL

Ranhill's Young Water Professional ("YWP") Programme continues to see strong participation. YWP participants are selected from staff and are trained to facilitate various water-related community outreach programmes.

Among activities held for them were various development programs and teambuilding sessions, public speaking engagements and industry networking opportunities.



Young Water Professional Programme at Taman Negara Selai, Johor

INSPIRATIONAL WORKPLACE & CULTURE



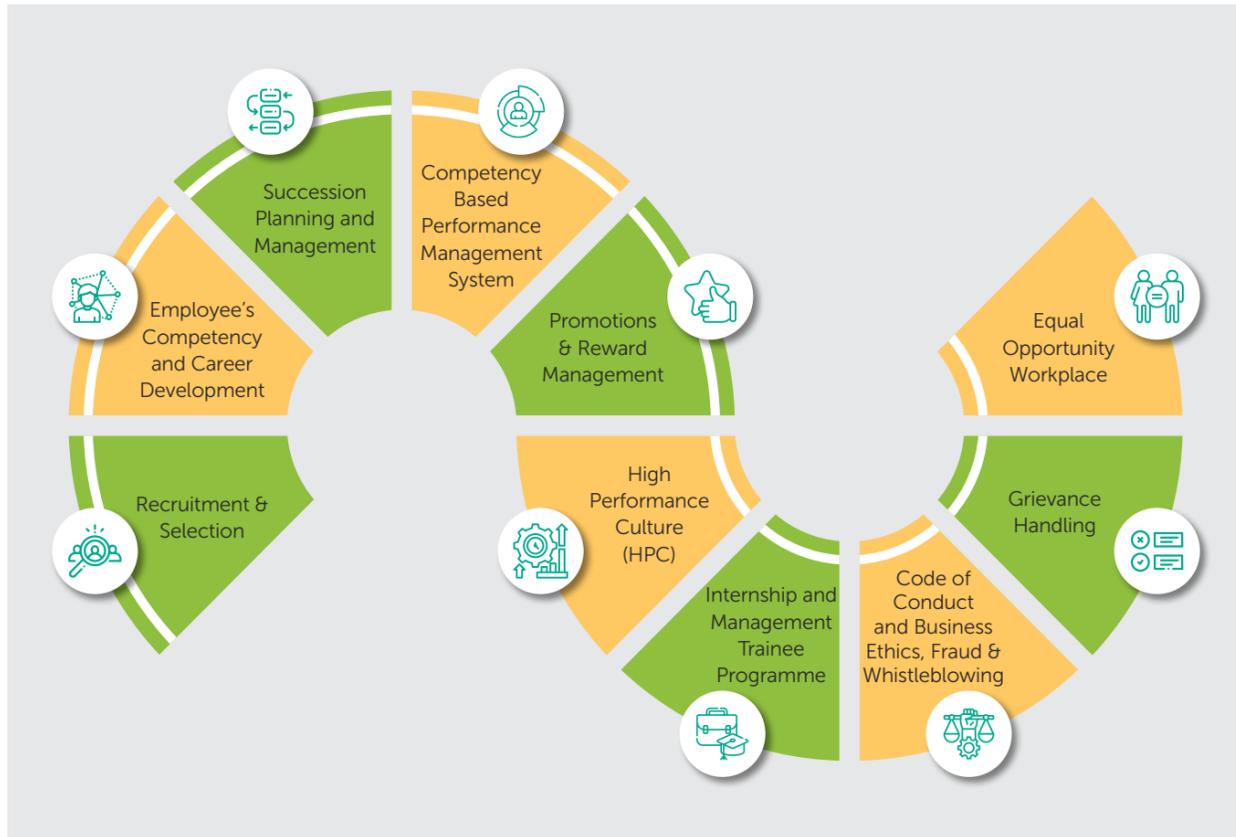
Talent management, comprising the recruitment, retention, rewarding and development of staff is a significant material topic for Ranhill.



TALENT MANAGEMENT AND DEVELOPMENT

The collective skills, expertise and experience of Ranhill’s workforce remains one of the Group’s core assets. Continued business and operational excellence, the achievements of goals and objectives and high customer satisfaction are dependent on the professional capabilities of the workforce.

Hence, Talent management, comprising the recruitment, retention, rewarding and development of staff is a significant material topic for Ranhill. Ranhill’s approach to managing and developing talent is based on the following focus areas:



INSPIRATIONAL WORKPLACE & CULTURE

BOARD OVERSIGHT ON TALENT MANAGEMENT AND DEVELOPMENT

Talent management and development comes under the purview of the Board of Directors of the Group, specifically the Nominating & Remuneration Committee (“NRC”) supported by GHR. The NRC provides broad strategic direction and monitors results achieved from the implementation of strategies.

The respective CEOs of operating companies are tasked at driving the talent agenda in their respective companies. They are supported by GHR as well as the respective human resource functions in each operating company.

GHR is tasked with developing tangible action plans and KPIs as well as the development of related policies and procedures. GHR reports to the NRC on a periodic basis, from which matters of talent management and development is then conveyed to the full Board.

ADHERENCE TO LOCAL LABOUR LAWS AND INTERNATIONAL CONVENTIONS

Ranhill is governed by the Malaysian Employment Act 1995 and all other relevant labour laws of Malaysia. These are in line with the statutes stipulated by the International Labour Organisation (“ILO”) and the Universal Declaration of Human Rights. RPI and RPII complies with the Sabah Labour Ordinance and Employment Act 1955.

In addition, the Group complies with the following UN Global Compact 10 Principles:

- Human rights, labour, environment and anti-corruption
- UN Guiding Principles on Business and Human Rights
- International Labour Law
- Prohibiting child and forced labour
- Ensuring non-discrimination and equal opportunity
- Supporting a harassment-free and violence free workplace
- Prohibiting retaliation or any form of physical and mental disciplinary practice
- Respecting worker’s right to freedom of association
- Ensuring compliance with laws governing working hours and wages

In FY2021, Ranhill continues to uphold its track record for zero reported incidents of infringements of the rights of any persons, adult or child, nor any incidence of forced or compulsory labour. Neither has there been any violation of human rights involving the rights of indigenous people at any time in the Group’s history.

In consistent with the aforementioned, Ranhill has put in place policies and procedures to ensure the following is achieved across Group operations:

	Elimination of excessive working hours	Procedure on Fatigue Management.
	Compliance with minimum wage	Compliance with Minimum Wage Order 2018.
	Right to freedom of association / collective bargaining	Policy Statement on Human Rights and Labour Standards.
	Prevention of child or force labour	Policy Statement on Recruitment for both employees and vendors.
	Written policies that address non-discrimination, the creation of an equal opportunity workplace, gender and ethnic diversity	

ENGAGEMENT WITH ASSOCIATIONS ON TALENT MANAGEMENT MATTERS

RWS, RPI and RPII continue to actively engage the Malaysia Employer Federation (“MEF”) on safeguarding workers’ rights. The ongoing dialogue sessions enable operating companies to received feedback from MEF in providing more conducive working environments for staff and to effectively address grievances. Best practices as recommended by MEF can also be implemented.

Ranhill also shares its industry knowledge with MEF towards the improvement of labour practices across the industry. The two-way engagement has proven beneficial to both parties and in improving labour standards for workers in the water and Energy sectors.

INSPIRATIONAL WORKPLACE & CULTURE

RISKS ASSESSMENT ON LABOUR ISSUES

In FY2021, RanhillSaj has conducted a comprehensive risk assessment for labour issues. The focus of the assessment was to determine if there were incidents of abuse of human rights or workers and non-compliance to regulatory standards. The assessment is conducted as part of the procedures for the Business Continuity Management System ("BCMS").

The assessment has indicated that there were zero incidents of infringement of labour rights or human right abuses for FY2021.



RECRUITMENT & SELECTION

Ranhill's approach in recruiting employees is based on a policy of merit, that is candidates are selected based purely on their professional attributes such as qualifications, work experiences, achievements, availability for employment and other factors. There is no discrimination on the grounds of ethnicity, gender, age, marital status, disabilities, political affiliations and other socio-demographic factors.

Most vacant employment positions are advertised through a wide range of channels to ensure as many candidates as possible can apply. Applicants can also seek additional information on job vacancies by contacting HR. Though locals are given priority, foreigners may also apply for all advertised vacancies. Other efforts include collaborating with local universities, participating in career fairs and using head-hunters to identify talents.

In FY2021, Ranhill counted 237 new hires for the financial year.

New Hires Data	2019	2020	2021
Total New Hires	154	420	237
New Hires (Male)	105	300	181
New Hires (Female)	49	120	56
New Hires aged 30 and below	38	89	122
New Hires aged 31-50	41	284	90
New Hires aged 51-65	14	47	25
New Hires with disabilities or from underprivileged groups	0	0	0

Turnover Data	2019	2020	2021
Total Turnover	54	64	239
Full-Time Staff Voluntary Turnover Rate (%)	1.4	1.1	6.1
Turnover (Male)	45	52	206
Turnover (Female)	15	12	33
Turnover aged 30 and below	17	18	145
Turnover aged 31-50	33	35	73
Turnover aged 51-65	10	10	21
Turnover of staff with Disabilities or from underprivileged groups	0	0	0

EXIT INTERVIEWS

For employees who are resigning from the organisation, they will be provided with an exit interview link, where they are required to complete the questionnaire. GHR will then share the info to the respective HODs on the employee's feedback. The information gained from an exit interview enables improvements in work conditions through a lesson learnt approach.

INSPIRATIONAL WORKPLACE & CULTURE

EMPLOYEES' COMPETENCY AND CAREER DEVELOPMENT

INTERNSHIP AND MANAGEMENT TRAINEE PROGRAMMES

Across Ranhill, a wide range of internship and management trainee programmes enable youths to gain hands-on exposure of various jobs, while developing their competencies. In addition, these initiatives enable unemployed local talent to be given opportunities to work and hone their skills. Candidates who signal excellent potential can be offered employment within the Group.

	2019	2020	2021
Number of Internships Provided	25	12	222
Number of Interns Absorbed into the Group	NIL	NIL	0
Number of Management Trainees	NIL	NIL	2
Number of Management Trainees retained by Ranhill / Operating Companies	NIL	NIL	11

PROMOTIONS AND REWARDS MANAGEMENT

Similar to its recruitment approach, promotion and rewards is based on the principle of merit. Promotions are provided based on the organisation's requirements (in tandem with business growth and expansion to replace outgoing staff) as well as based on employee work performance and seniority.

HR is responsible for initiating all necessary processes such as conducting interviews with potential candidates their immediate superiors and to review their employment files.

Similarly, rewards are based on the individual employees' performance and contributions to realising set objectives and goals. A comprehensive appraisal process is undertaken at least once a year to evaluate the employee's performance. Post assessment, salary increments, bonuses and other compensation is adjusted or awarded accordingly.

Benefits may differ based on seniority, tenure and position within the Group, such as technical, field and office-based positions. However, all employees are accorded benefits as provided for by the Employment Act 1955 as well as additional benefits which the company provides on its own volition.

Special rewards and recognitions such as the Long Service Award, Knowledge Management Award and the R-Care award are also accorded to deserving employees.

Salary and Remuneration	2019	2020	2021
Salary difference between men and women (RM)	23,413,648.19	24,606,391.79	6,314,942.1
Ratio of basic salary and remuneration of women to men for key employee categories	0:1.1	0:1	Ranhill Capital - 1 : 0.9 RanhillSaj - 20 : 80 RPI & RPII - 0 : 1 RWT - 0.5 : 1 RBSB - 1 : 7

INSPIRATIONAL WORKPLACE & CULTURE

Full time employees enjoy the following benefits:

Statutory sick pay leave without hospitalisation depending on the period of services: <ul style="list-style-type: none"> • 14 days for less than two years • 18 days between two and five years • 22 days for more than five years 		A period of up to 60 days is granted if hospitalisation is necessary.		Company supported / subsidised health / medical insurance plan for staff.	
Free Medical Check-up.	Insurance Benefits.	Allowances and Reimbursement Claims.	Overtime Payments (where applicable).	Employee's Birthday Gift.	
Employee's Wedding Benefits.	Employee's New Born Benefits.	Employee's Bereavement / Wreath.	Employee's Treat - Fruits Season.	Employee Education Assistance Programme.	

Remuneration that employees receive is based on their experience, professional qualifications, job performance and also seniority within the Group. Full-time employees are entitled to an annual bonus, with annual salary adjustments to be aligned to rising living costs and inflation. The compensation package comprises both financial remuneration as well as non-financial benefits.

A comprehensive pay grade or salary scale is given in the employee handbook or manual. GHR also periodically conducts industry benchmarking exercises to assess if salaries paid are in line with market rates and industry standards. Ranhill supports equal pay for equal work with several operating companies having established salary bands as part of its internal remuneration benchmarking exercise.

MINIMUM WAGE

At Ranhill, all employees earn wages that are above the minimum wage scale as even the lowest salary scale is higher than the minimum salary stipulated by the government. The Group is committed to ensuring that salaries offered always exceed the minimum wage band as stipulated by the laws of Malaysia (including Sabah).

Ranhill fully supports equal pay for equal work.

INSPIRATIONAL WORKPLACE & CULTURE

LEAVE BENEFITS

Employees are entitled to various types of paid and unpaid leave, which include marriage, Hajj (Muslim pilgrimage) leave, exam leave and unrecorded leave for sports and social participation. Female employees are entitled to paid maternity leave of 60 consecutive days for each confinement period. Male employees are granted paternity leave of 4 days.

Parental Leave

	2019	2020	2021
Employees Entitled for Maternity and Paternity Leave	3,368	3,340	3,296
Employees Who Took Paternity Leave	138	102	138
Employees Who Took Maternity Leave	26	27	23

Return to Work Post Parental Leave

	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Return to Work Rates (return to work after parental leave period) - %	100	100	100	100	100	100
Retention Rates (remain with the organisation for 12 months or more post parental leave) - %	100	100	100	100	100	100

Statutory Payments for Employees' Retirement Fund and Medical Insurance

	2019 (RM'million)	2020 (RM'million)	2021 (RM'million)
Total payments made to employees in terms of salaries, bonuses and benefits	103.8	120.7	273.2
Total statutory payments made for employees' retirement benefits (EPF)	14.8	15.9	30.3
Total payments in medical insurance (SOCISO) for employees	0.8	1.7	3.1

ADDITIONAL ALLOWANCES FOR B40 EMPLOYEES

Since the onset of the COVID-19 pandemic RanhillSaj has provided special allowances for staff categorised under the B40 group which is the bottom 40% of Malaysians who are considered to have lower incomes based on the government's standards.

For year 2021, a total of 106 employees earning RM2,000 and below, are entitled to special allowances.

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EMPLOYEE MEDICAL TRUST FUND

The RanhillSaj Medical Trust Fund ("MTF") is a special initiative provided for staff to provide medical coverage for medical treatments that is not covered under the Group medical insurance scheme.

RanhillSaj staff only need to contribute RM5 monthly to participate in the MTF. RanhillSaj has contributed close to RM600,000 to the fund. Funds collected are managed by a select committee who is responsible for providing cash disbursements as and when required by members. Monies are used to purchase supplementary vitamins and medical equipment such as weighing scale, blood pressure monitoring equipment and glucose test kits for members.

In FY2021, 1,719 staff of RanhillSaj (2,218 employees) subscribed to the MTF.

Medical Trust Fund

	2018	2019	2020	2021
% of RanhillSaj	74	76	78.5	77
Actual Number	1,650	1,748	1,746	1,719
Amount Disbursed (RM)	63,111	524,611.9	236,250	67,192.1

COMPETENCY BASED PERFORMANCE MANAGEMENT SYSTEM

EMPLOYEE APPRAISALS

100% of employees are provided annual appraisals. Appraisals enable a fair and transparent assessment of employees' performance, and also provide an opportunity for staff to voice their feedback on the company and matters related to their job or work conditions.

Appraisals are conducted based on a 360° approach that comprises self and peer assessment, as well as assessment by a superior. This provides a more balanced and fairer evaluation of the employee's conduct and performance. The final results are presented by the employee's superior on a one-to-one discussion basis.

Areas for improvement are identified and plans formulated for the closing of performance gaps. If there are disputes to the findings of the appraisal, the employee has the right to channel his and her disagreement to HR.

For FY2021, all staff have been appraised except probationary and temporary staff. There were zero unresolved cases of dissatisfied appraisals.

COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

Ranhill's Collective Agreement provides for employees' right to bargain collectively for wages and benefits. The Group respects the right to freedom of association in Malaysia which is provided for in the Trade Union Act 1959, Industrial Relations Act 1967 and Immigration Act 1956 / 63 of Malaysia.

There is an active employees' union for all eligible staff at RanhillSaj. As of 31 December 2021, 61.2% of Ranhill's employees are covered by collective bargaining agreements. Employees are constantly updated on their rights and Group Management continues to communicate actively with employees, including employee interest groups and unions.

Beyond remuneration, the collective bargaining agreements addresses healthcare and other benefits.

Besides formal collective bargaining agreements, employees may also choose to bring up issues or grievances in a collective manner to Management. The Management recognises such informal collective bargaining mechanisms. Employees may choose to appoint representatives to represent their interests in discussions with management.

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In addition, Ranhill respects employees' rights to join or be affiliated with any professional, political body, any society or cultural groups as long as such entities are not deemed illegal by the law.

MINIMUM NOTICE PERIOD FOR OPERATIONAL CHANGES

Where possible, Ranhill provides a minimum notice period for major operational changes. This is aimed at minimising any impacts arising from the change of duties, or work location. The exact notice period differs based on the change.

Notice periods are also provided as stipulated by law for probation periods as well as for termination. The notice duration varies based on the employee's contract status namely permanent or contract employees.

Employees are entitled to and are encouraged to seek further clarification or information regarding the change. Employees also have the right to voice any grievances or dissatisfaction arising from the change with their immediate superior or HR.

In FY2021, there were zero complaints received with regard to operational changes.

GRIEVANCE MECHANISM & PROCEDURES

Employees have multiple avenues to voice grievances. These avenues include reporting grievances to their immediate superiors, HR or to the Group's whistleblowing mechanism. The availability of multiple channels provides options to employees and ensures that grievances can be voiced and resolved. In some cases, grievances may be against a superior or confidentiality may be preferred due to fear of victimisation or harassment.

All reported grievances are handled with the strictest of care by trained professionals. The Group recognises all forms of grievances. These include complaints on sexual harassment, discrimination in any form, abuse, violence, coercion and human rights violations.

The grievance is considered resolved if the matter is not referred to the highest authority or both the employee and his or her union representatives fail to attend any of the meetings that have been arranged at any stage of the grievance procedure.

In FY2021, there were zero cases of grievance reported.



HIGH PERFORMANCE CULTURE

The continued development of an organisational culture centred on performance and achievement is central to ensuring Ranhill remains on track with the realisation of its business goals and targets.

High Performance Culture ("HPC") is the Group's approach towards inculcating a shared Group mindset and desired behaviours that create a workplace environment that encourages and enables excellent performance.

As mentioned, Ranhill has continuously emphasised merit as the sole determinant for career progression and rewards and for the recruitment, retention and development of talent. HPC is aligned to this spirit of merit, where all staff are to progressively develop a results-oriented mindset, which is reflected in their daily work performance.

Key aspects of the HPC include an equal opportunity workplace approach, where all talents can work with confidence knowing there is no discrimination based on socio-demographic factors. The second is developing an informed and empowered workforce through constant two-way engagement with staff and through targeted training.

The third is ensuring sufficient work-life balance, which is essential in preventing burnout among employees. The latter is achieved by reinforcing among employees the need to focus on health, family life and social and recreational activities.

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EMPLOYEE TRAINING & DEVELOPMENT

Ranhill's approach to training and development is centred on its Human Capital Development Framework ("HCDF") and its Succession Planning and Management Policy and Procedures. The policy can be viewed here: <https://www.ranhill.com.my/sustainability-policies.php>.

Regular training is fundamental for staff to develop the necessary competencies and skills to attain and maintain high performance. The objective of training is to facilitate continued professional development, more so in a fast-changing dynamic environment where digitalisation and technology warrants regular updates in knowledge and expertise to prevent obsolescence. Technology also has led to many jobs becoming more technical in nature, which again necessitates training.

As in all matters of talent management, employee training and development comes under the purview of the NRC and GHR. Specific KPIs and targets have been established to assess the effectiveness of the present strategies for talent management and development.

In particular, Ranhill is committed to produce competent industry talent through the Sijil Kemahiran Malaysia (SKM) Certification for Water Operators. The HCDF combines competency-based training and development programme towards enhancing the skills, competencies and knowledge of the staff.

Beyond enhancing competencies, training also serves to boost employee confidence and morale. A highly skilled and motivated workforce is the basis for the realisation of a HPC workplace in Ranhill.

Assessment of training needs is based on the earlier mentioned employee appraisals which identifies skills and knowledge gaps. Training requests can also be submitted on an ad-hoc basis by the employee based on their views of what specific training programmes would be relevant to their professional development. Senior Management team can also nominate employees that they believe would benefit from specific training programmes.

Training for employees includes a wide range of areas including technical skills and knowledge development, professional courses to attain certifications, soft skills development, leadership qualities and OSH related training.

All training is paid for by Ranhill or its operating companies. Staff receive full wages for days they attend training. The Group contributes to the Human Resources Development Fund ("HRDF"), a statutory training fund under the Human Resources Ministry. Funds can then be utilised to pay for employees' training courses.

FUNDS ALLOCATED FOR TRAINING

RanhillSaj allocates an average training budget of RM2 million per year and has established a dedicated training centre manned by nine full time staff.

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	2019	2020	2021
Total training hours as a Company	58,398	102,363	69,035.2
Total training spend as a Company (RM)	2,388,660	1,732,139.1	2,264,436.4
Average Training Hours Per Employee	15.5	27.2	254.2
Average Training Days Per Employee	16	10	26.8
Average Training Spend Per Employee	634.4	426.6	6,652.7

	2019	2020	2021
Average Training Hours Per Employee (Male)	319.7	224.6	42,354
Average Training Hours Per Employee (Female)	197.6	160.1	9,982.6
Average Training Hours Per Employee (Senior Management Staff)	251.6	151.3	628.8
Average Training Hours Per Employee (Management Staff)	381.3	178.5	8,221.2
Average Training Hours Per Employee (Executives)	203.7	169.0	9,035.9
Average Training Hours Per Employee (Non-Executives)	197.8	184.6	34,762.5

	2019	2020	2021
Total male employees attended training	85,535	687	7,356
Total female employees attended training	1,104	108	2,292
Total employees attended training	734	795	9,642

ASSESSMENT OF TRAINING EFFECTIVENESS

Training and development programmes are assessed based on feedback forms which are filled by participants at the end of the course. A further assessment is also conducted based on the following:

- Improvements in work performance
- Positive changes in behavior and motivations
- Ability to apply training and skills developed to the job



SUCCESSION PLANNING AND MANAGEMENT

Succession planning is material towards ensuring continuation of competent leadership and talent in key management positions, including technical positions. Good leadership is essential to the success of any organisation, without which, set plans and targets become difficult to achieve.

Ranhill's approach to succession planning is spearheaded by the Leadership Development Centre ("LDC"), which comes under the purview of GHR. For every identified leadership position, two potential candidates are identified. The candidates are then groomed accordingly through training programmes, mentoring and also on-the-job exposure.

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Following is the progress of the Group's succession planning programme in FY2021:

Title	No. of Candidates 2019	No. of Candidates 2020	No. of Candidates 2021
Leadership Development Center (C-1)	21	24	23
Leaders Ready (C-2)	30	41	37
Leadership Potential Early Identifier	50	Nil	Nil

Similarly, all operating companies have also implemented their respective succession planning programmes to develop their next echelon of company leaders.

EMPLOYEE ENGAGEMENT – COMMUNICATION

The Board and Senior Management subscribe to the view that an informed workforce is a more motivated and empowered workforce. Hence, two-way communication with employees remains a priority.

Regular two-way communication reflects management's commitment to be inclusive in its relationship with employees. This inclusive approach creates an environment of mutual respect, trust and understanding that support employee morale and satisfaction, which translates into improved productivity and retention rates.

Through physical or virtual townhall meetings, management meetings, briefings, electronic memos, emails and other mediums, management continues to actively engage staff.

Engagements are aimed at sharing Management's business plans and perspectives for the financial year to provide OSH related information including on the COVID-19 pandemic and also to cascade new policies and procedures or changes to existing policies and procedures. Employees are encouraged to ask questions or seek clarification.

Employee engagement is also driven through annual employee satisfaction surveys. In FY2021, the following employee satisfaction scores were recorded:

Employee Engagement Survey (Satisfaction Category)	2018 (%)	2019 (%)	2020 (%)	2021 (%)
RanhillSaj	92.1	89	95.9	66.8*
RPI & RPII	79	95.5	95	97.7
RWT	77	79	78	79
RWS	84	78	83	83
RBSB	NIL	NIL	NIL	NIL
RW	NIL	NIL	NIL	78

*Note: The substantial difference is due to the change of survey measurement method in FY2021.

INSPIRATIONAL WORKPLACE & CULTURE



EQUAL OPPORTUNITY WORKPLACE (DIVERSITY & INCLUSIVITY)

Diversity and equal opportunity are fundamental to realising Ranhill's HPC. Talents from diverse ethnic and social backgrounds bring varied ideas and perspectives that support more informed decision making. Such environments have been proven to be more adept at problem solving and developing innovative solutions.

Championing diversity also ensures that marginalised and under-represented groups have access to employment opportunities. Further in a globalised world, diversity serves as an asset in working with diverse clients and stakeholders. Hence, the Group continues to seek individuals with varying skillsets and job experiences, even hiring talents not from the core business industries of water and energy operations.

The Group strictly forbids any discrimination in the hiring, rewarding, remunerating of, and promotion and training of employees based on race, gender and religious background or any other socio-cultural and demographic factors. The same applies to compensation and benefits and employee communication.

Despite the Group's best efforts gender disparity remains with a large majority of employees being male. This is to be expected given that water and energy operations, to a large extent, typically requires more labour intensive or on-site jobs which customarily are not preferred by many women.

However, both men and women are accorded equal opportunity to apply to any available job position with appointment based purely on merit. The disparity in male to female ratios decreases considerably when taking into account office-based jobs alone.

General Workforce Data	2019	2020	2021
Total Workforce	3,765	4,060	3,909
Male Employees	3,029	3,232	3,114
Female Employees	736	828	795
Malaysian Employees	3,647	3,943	3,485
Foreign Nationals	118	117	115
Malay Employees	3,346	3,677	3,437
Chinese Employees	118	142	142
Indian Employees	74	78	77
Others	227	156	251
Senior Management Staff	41	38	67
Management Staff	123	123	253
Executives	559	793	975
Non-Executives	668	788	2,612
Number of permanent employees	3,208	3,186	3,107
Number of temporary staff / contractors	557	874	802
Percentage of permanent employees (%)	66.4	29.0	79.5
Percentage of employees that are contractors or temporary staff (%)	33.6	71	20.5
Percentage of global staff with a disability (%)	0	0	0
Percentage of employees entitled to employee benefits (%)	100	100	100

INSPIRATIONAL WORKPLACE & CULTURE

WORK LIFE BALANCE

In FY2021, despite the effects of the COVID-19 pandemic, throughout the Group, a wide range of recreational, social and health activities were organised for staff under the R-Care programme. Many of these events were held virtually using online mediums. As pandemic related restrictions were relaxed, more physical engagements were held in compliance to SOPs.

All events were paid for Ranhill.

Total Spend (RM) on Employee Engagement activities

Employee Engagement	2019	2020	2021
Total spend (RM) on Employee Engagement activities	0	144,236	136,559.5



Rcare Program, a remote employee engagement during COVID-19 pandemic to ensure employees in a healthy frame and promote the importance of mental health



Employees involvement of Ranhill Power Group for Run, Steps & Cycling program 2021

ENHANCING GOVERNANCE ACROSS THE GROUP



Ranhill adopts a **no zero compromise** approach to Occupational Safety and Health ("OSH").



OCCUPATIONAL SAFETY AND HEALTH

Occupational Safety and Health ("OSH") is material to the Group as any OSH incident has serious ramifications to business operations and value creation.

OSH incidents such as an accident, can cause serious disruption to ongoing works, delaying progress and completion. Incidents can also lead to additional costs due to the need to undertake rectification. Sites can also be temporarily or permanently shutdown by regulatory authorities if the OSH incident is serious. Beyond commercial losses, brand reputation and credibility can also be affected.

The Board and Senior Management are cognisant of the tangible and intangible impacts of OSH incidents on value creation.

Ranhill's motivations to maintain a high OSH performance is also due to its concern for human life. This includes the lives of all stakeholders. Any incident that causes injuries or fatalities is a serious tragedy and has serious impacts on families and societies. It is an irreplaceable loss that must be avoided at all costs.

Given its importance, Ranhill adopts a zero compromise approach to OSH. Ranhill has developed its OSH Management approach based on industry best practices called Ranhill's Rules of Life ("ROL"). The Group wide OSH Policy covers all stakeholders including employees, visitor and third party workers.

BOARD OVERSIGHT ON HEALTH AND SAFETY

The topic of OSH comes under the direct purview of the Ranhill Board and Senior Management. They are supported in turn, by the Senior Management of the respective operating companies.

The Board and Senior Management maintain stringent oversight via regular OSH reports that are submitted for their review and where required, deliberation and decision making. These reports provide information on OSH statistics and training data, OSH incidents, remedial actions taken, risks assessments and other pertinent information.

Ultimately, the Boards as the highest decision-making body of their respective organisations, accept responsibility for health and safety performance. The Boards and Senior Management may also conduct site visits and initiate investigations of their own into major health and safety incidents.

The designated senior leadership individual for oversight on health and safety matters is as follows:

RanhillSaj	Chief Executive Officer
RWT	Chief Executive Officer
RWS	Chief Executive Officer
RPI & RPII	Chief Executive Officer
RBSB	Chief Executive Officer
RW	Chief Executive Officer

ENHANCING GOVERNANCE ACROSS THE GROUP



WORKER REPRESENTATION ON JOINT HEALTH AND SAFETY COMMITTEES

All subsidiaries have established their respective HSE Committees with worker representation being a prerequisite. Health and Safety matters are jointly discussed with employees at all subsidiaries via the Committee. Following are the percentages of our employees that have worker representation in formal joint management-worker health and safety committees:

SUBSIDIARY	2018 (%)	2019 (%)	2020 (%)	2021 (%)
RanhillSaj	5	6.6	6.9	6.9
RWS	1.3	12	9.2	5.2
RPI & RPII	31	22.1	8.7	25
RWT	2.4	2.9	12.5	24.3
*RBSB	N / A	N / A	N / A	1.6
*RW	N / A	N / A	N / A	13.5

* Data collection for RBSB and RW commenced only in FY2021 post acquisition of both companies by the Group.



CONTINUAL IDENTIFICATION AND ASSESSMENT OF HIGH RISK LOCATIONS & MITIGATION MEASURES

All subsidiary companies practice a Hazard Identification, Risk Assessment & Risk Control (“HIRARC”) methodology to ensure that risks are identified, mitigated and reduced if not eliminated. Following are Ranhill’s identified locations and operations that potentially have higher risks.

<p>RanhillSaj</p> <ul style="list-style-type: none"> Chlorine installation and chlorine leaks Working at height Diving works Confined space activities Drowning while working at dams and reservoirs. Struck by falling objects Traffic accidents when working by road sides or high traffic areas 	<p>RWS</p> <ul style="list-style-type: none"> Working at high and confine space Excavation work
<p>RWT</p> <ul style="list-style-type: none"> Confined space activity especially during inner pipe welding activity Noise hazard at pump areas Chemical hazard such as Ammonia, Chlorine, Caustic Soda, Deep excavation work for pipe laying and tee off Working height for roof installation, solar panel installation, tank construction Scaffold work activity especially to support load such as concrete slab Heavy lifting activity High voltage activity Biological hazards 	<p>RPI & RPII</p> <ul style="list-style-type: none"> Electrical switching activities Working in “online” condition Lifting activities Working at height Working at transformer area Confined space activities Manual handling of hazardous chemical

ENHANCING GOVERNANCE ACROSS THE GROUP

On a related note, all third-party contractors must submit a Safe Work Method Statement (“SWMS”) prior to undertaking high-risk works. The Group also practices a Permit To Work (“PTW”) system. All contractors must display their PTW prior to undertaking any works. PTWs are only issued if a contractor has clearly presented his SWMS, which include precautionary measures taken to mitigate and reduce health and safety risks.



HEALTH AND SAFETY RELATED TRAINING

The continued vigilance on OSH is supported through regular training. Training ensures staff possess the necessary knowledge and competence to function effectively in their roles, especially for those serving in OSH Committees. First aid and first responder training as well as firefighting training strengthen the workforce’s capability to effectively provide emergency assistance in the event of an incident. This could prevent injuries or even save lives.

Total Budget Spent for Health and Safety Related Training in Malaysia (RM)

	2019	2020	2021
RanhillSaj	131,911.6	11,855.0	156,794.5
RWS	27,258.0	39,347.0	13,032.4
RWT	7,345.2	530.0	212.0
RPI & RPII	140,760.8	24,472.2	29,710
RW	NIL	NIL	44,413



HEALTH AND SAFETY PERFORMANCE

Ranhill’s health and safety performance is provided as a Group with all reported incidents from subsidiary companies aggregated. In FY2021, the Group’s overall performance has improved. The Group continues to maintain an exemplary track record for health and safety as reflected across our KPIs given below:

Occupational Incident Case	2018	2019	2020	2021
Manhours	6,174,507	6,803,255	6,847,824	7,375,209
Fatality	0	0	0	0
LTI	4	0	0	0
Incidence Rate	16.2	11.7	13.6	6.3
Frequency Rate	7.9	5.1	5.5	3.3
Severity Rate	11.1	0	0	0
Number of workers undergoing health surveillance (long convalescence)	0	0	0	0

ENHANCING GOVERNANCE ACROSS THE GROUP



Safety checks being undertaken at the Sembrong Barat WTP

PUBLIC HEALTH AND SAFETY

Ranhill continues to ensure that public health and safety is prioritised at all times. For water operations, public health and safety has been achieved by ensuring compliance with SPAN's KPIs for water quality. Specific information on RanhillSaj's performance in relation to SPAN's KPIs is provided in Appendix One of this report.

All operational sites such as WTPs, reservoirs and dams have been secured and where necessary, guarded by security personnel. This is to prevent members of the public from accessing these locations which can affect operations and to also prevent drowning or sabotage.

Training is also provided to all security personnel towards ensuring they are able to effectively discharge their duties and they have a basic understanding on human rights. This is to ensure that any enforcement action taken on intruders is within the ambits of the law.

At all sites, various signs informing and reminding the public on unauthorised entry are displayed. When undertaking pipe rehabilitation, replacement or repair works, construction works are undertaken in accordance to SOPs set by the authorities. This includes ample placements of warning signs so that the public is aware of such works and can take precautionary measures if required.

Likewise, RWT has also continued to achieve full regulatory compliance for its water operations in terms of water quality and the operations of its WTPs and WWTPs in Thailand.

Ranhill's two power plants' potential health and safety risks are fires or explosions that may spread to the surrounding vicinity. The company has developed prevention plans for this as well as a SOP in the event of such incidents. The risks of such incidents occurring however, are minuscule.

In FY2021, there were zero public health and safety incidents.

ENHANCING GOVERNANCE ACROSS THE GROUP

COVID-19 MANAGEMENT

In managing COVID-19, Ranhill has continued to comply with government SOPs. All operating companies have ensured compliant operations in line with SOPs for physical distancing, limited manpower and operational hours (where relevant) regular COVID-19 testing and also requirements for face masks and other precautionary measures.

A general work-from-home ("WFH") order was issued to all staff with exceptions made for staff who are stationed at WTPs and other operating sites or who are performing site work. All staff have been supplied with masks and hygiene kits were distributed to staff and visitors on a complimentary basis.

Given the stringent measures taken and the strict compliance to SOPs, The Group is pleased to report only a small number of positive cases in FY2021.

Extract From the Ranhill COVID-19 Business Continuity Plan

The following measures shall be implemented at all WTPs to ensure that operations are not disrupted and that the quality of treated water is maintained:

- WTPs are currently operated using three shifts of 8 hours, and 1 floating shift. If a staff is suspected to be infected, that particular shift will be quarantined and the operating hours for the remaining shifts will switch to 12-hour shifts with one floating shift.
- The WTP will immediately be disinfected and all teams will be required to wear Personal Protective Equipment ("PPE") at all times during their work shift.
- During the disinfection process, all staff will be required to wear full HAZMAT suits.
- In the event, that all teams at the affected WTP must be quarantined, RanhillSaj will deploy crews from the nearest WTP to assume operations with both WTPs running on 12-hour shifts.
- For any cases of infection at any of Ranhill's office premises and if office closure is necessary, critical operations will be relocated to pre-determined alternative premises.
- For our power plants, similar Standard Operating Procedures ("SOP") as above will implemented. At normal days, the plants have three shifts of eight hours and two floating shifts.
- In the event of infection, the two floating shifts will operate the plants with 12-hour shifts.
- If all teams are quarantined, RPI or RPII will deploy crews from its other plant.



ENHANCING GOVERNANCE ACROSS THE GROUP

CUSTOMER SATISFACTION & TRUST

Continuing to provide uninterrupted, clean water supply at the appropriate pressure levels together with professional customer service at all customer engagement points is essential towards retaining high customer satisfaction levels and with that, prompt bill payment and positive brand perception. Presently, RanhillSaj has a high bill collection efficiency of 100.01%.

Customer service and satisfaction is driven by RanhillSaj's application of the Quality Management System ("QMS") ISO 9001:2015 certification. The QMS is a global, best practice approach for customer management and to attain higher customer satisfaction levels.

Beyond tangible aspects of service such as water quality, water supply and water pressure, RanhillSaj also measures management of customer enquiries, resolution of complaints and opening and closing of water accounts.

All KPIs are supported by service level agreements ("SLAs") which state by when enquiries and complaints must be resolved or escalated to higher levels based on the severity of the case.



FUTURE APPROACH TO CUSTOMER SATISFACTION

On 10 September 2021, SPAN with the approval of KASA, has instructed all water operators to assess customer satisfaction levels as a new KPI for license renewal. Said assessment must be conducted one year before license expiry.

In ensuring compliance with SPAN's new KPI, Ranhill will now conduct its customer satisfaction prior to license expiry, with the next survey scheduled for December 2022. The survey will be conducted by an external consultant to ensure findings are independent.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
GRI 101: Foundation 2016						
General Disclosures						
GRI 102: General Disclosures 2016	Organizational profile					
	102-1 Name of the organization	Back Cover	Back Cover			
	102-2 Activities, brands, products, and services	Page 3-5	Ranhill Fact Sheet; Our Presence			
	102-3 Location of headquarters					
	102-4 Location of operations					
	102-5 Ownership and legal form					
	102-6 Markets served					
	102-7 Scale of the organization					
	102-8 Information on employees and other workers	Page 58-70	Inspirational Workplace & Culture			
	102-9 Supply chain	Page 27-28	Supporting Local Procurement and Local Supply Chains			
	102-10 Significant changes to the organization and its supply chain	Not Applicable	No significant changes reported			
	102-11 Precautionary Principle or approach	Page 72-73	Continual Identification and Assessment of High Risk Locations & Mitigation Measures			
	102-12 External initiatives	Page 10	About This Report			
102-13 Membership of associations						
Strategy						
102-14 Statement from senior decision-maker	Page 7-8	Message From Chairman and Chief Executive				
102-15 Key impacts, risks, and opportunities	Page 25	Assessing and Prioritising Material Topics				
Ethics and integrity						
102-16 Values, principles, standards, and norms of behavior	Page 2	Corporate Philosophy				
102-17 Mechanisms for advice and concerns about ethics	Page 15-22	Sustainability Governance Structure				

**GRI STANDARDS
CONTENT INDEX**

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
GRI 101: Foundation 2016						
General Disclosures						
GRI 102: General Disclosures 2016	Governance					
	102-18 Governance structure	Page 15-16	Sustainability Governance Structure			
	102-19 Delegating authority					
	102-20 Executive-level responsibility for economic, environmental, and social topics					
	102-21 Consulting stakeholders on economic, environmental, and social topics	Page 23-25	Stakeholder Engagement; Assessing and Prioritising Material Topics			
	102-22 Composition of the highest governance body and its committees	Page 109-125	Annual Report FY2021: Corporate Governance Overview Statement			
	102-23 Chair of the highest governance body					
	102-24 Nominating and selecting the highest governance body					
	102-25 Conflicts of interest					
	102-26 Role of highest governance body in setting purpose, values, and strategy					
	102-27 Collective knowledge of highest governance body					
	102-28 Evaluating the highest governance body's performance					
	102-29 Identifying and managing economic, environmental, and social impacts	Page 25	Assessing and Prioritising Material Topics			
	102-30 Effectiveness of risk management processes	Page 130-133	Annual Report FY2021: Statement on Risk Management and Internal Control			
	102-31 Review of economic, environmental, and social topics	Page 25	Assessing and Prioritising Material Topics			
	102-32 Highest governance body's role in sustainability reporting	Page 15-16	Sustainability Governance Structure			

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CONTENT INDEX**

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
GRI 101: Foundation 2016						
General Disclosures						
GRI 102: General Disclosures 2016	Governance					
	102-33 Communicating critical concerns	Page 25	Assessing and Prioritising Material Topics			
	102-34 Nature and total number of critical concerns					
	102-35 Remuneration policies	1) Page 109-125; 2) CG Report	1) Annual Report FY2021: Corporate Governance Overview Statement; 2) Corporate Governance Report FY2021			
	102-36 Process for determining remuneration					
	102-37 Stakeholders involvement in remuneration					
	102-38 Annual total compensation ratio					
	102-39 Percentage increase in annual total compensation ratio					
Stakeholder engagement						
	102-40 List of stakeholder groups	Page 23-24; Page 64-65	Stakeholder Engagement; Collective Bargaining and Freedom of Association			
	102-41 Collective bargaining agreements					
	102-42 Identifying and selecting stakeholders					
	102-43 Approach to stakeholder engagement					
	102-44 Key topics and concerns raised					
Reporting practice						
	102-45 Entities included in the consolidated financial statements	Page 136-287	Annual Report FY2021: Financial Statements			
	102-46 Defining report content and topic Boundaries	Page 9-10	About This Report			
	102-47 List of material topics	Page 25	Assessing and Prioritising Material Topics			
	102-48 Restatements of information	Page 25	Assessing and Prioritising Material Topics			
	102-49 Changes in reporting	Page 9-10	About This Report			

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
GRI 101: Foundation 2016						
General Disclosures						
GRI 102: General Disclosures 2016	Reporting practice					
	102-50 Reporting period	Page 9-10	About This Report			
	102-51 Date of most recent report					
	102-52 Reporting cycle					
	102-53 Contact point for questions regarding the report					
	102-54 Claims of reporting in accordance with the GRI Standards					
	102-55 GRI content index	Provided at the end of SR2021	GRI Standards Content Index			
102-56 External assurance	Not Applicable	External Assurance was not obtained for the SR2021				
Material Topics						
GRI 200 Economic Standard Series						
Economic Performance						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 22-55	Annual Report FY2021: Performance Review			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 26-27	Direct Economic Values Generated			
	201-2 Financial implications and other risks and opportunities due to climate change	Page 7-8	Message From Chairman and Chief Executive			
	201-3 Defined benefit plan obligations and other retirement plans	Page 60-65	Inspirational Workplace & Culture: Recruitment & Selection			
	201-4 Financial assistance received from government	Not Applicable	No financial assistance received from government			

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 200 Economic Standard Series						
Market Presence						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 22-55	Annual Report FY2021: Performance Review			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 61-62	Inspirational Workplace & Culture: Recruitment & Selection			
	202-2 Proportion of senior management hired from the local community	Page 104	Annual Report FY2021: Governance - Key Senior Managements' Profile			
Indirect Economic Impacts						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1) Page 2-287; 2) Page 27; 3) Page 29-31	1) Annual Report FY2021: Business Overview; 2) Indirect Economic Values Created; 3) Circular Economy			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported					
	203-2 Significant indirect economic impacts					
Procurement Practices						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1) Page 21; 2) Page 27-28	1) Extending Anti-Corruption Stance to the Value Chain; 2) Supporting Local Procurement and Local Supply Chains			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers					

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 200 Economic Standard Series						
Anti-corruption						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20-22	Sustainability Governance Structure			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption					
	205-2 Communication and training about anti-corruption policies and procedures					
	205-3 Confirmed incidents of corruption and actions taken					
GRI 300 Environmental Standards Series						
Energy						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1) Page 29-31; 2) Page 50-51	1) Circular Economy; 2) Energy Consumption and Management			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 302: Energy 2016	302-1 Energy consumption within the organization					
	302-2 Energy consumption outside of the organization					
	302-3 Energy intensity					
	302-4 Reduction of energy consumption					
	302-5 Reductions in energy requirements of products and services					

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 300 Environmental Standards Series						
Water						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1) Page 29-31; 2) Page 32-33; 3) Page 36-45	1) Circular Economy; 2) Addressing Non-Revenue Water Challenges in Malaysia; 3) Preserving Water Resources			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 303: Water 2016	303-1 Water withdrawal by source					
	303-2 Water sources significantly affected by withdrawal of water					
	303-3 Water recycled and reused					
Biodiversity						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 53	Biodiversity			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
Emissions						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 45-49	Carbon Emissions			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions					
	305-2 Energy indirect (Scope 2) GHG emissions					
	305-3 Other indirect (Scope 3) GHG emissions					
	305-4 GHG emissions intensity					
	305-5 Reduction of GHG emissions					
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions					

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 300 Environmental Standards Series						
Effluents and Waste						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 52	Waste Management			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	Page 36-38	Water Contamination and Pollution			
	306-3 Significant spills					
	306-4 Transport of hazardous waste					
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Page 53	Environmental Regulatory Compliance			
	103-1 Explanation of the material topic and its Boundary					
	103-2 The management approach and its components					
Environmental Compliance						
GRI 400 Social Standards Series						
Employment						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 58-70	Inspirational Workplace & Culture			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 400 Social Standards Series						
Employment						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 60	Recruitment & Selection			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 62-64				
	401-3 Parental leave	Page 63				
Labor/Management Relations						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1) Page 58-59; 2) Page 59-60; 3) Page 64-65	1) Talent Management and Development; 2) Adherence to Local Labour Laws and International Conventions; 3) Competency Based Performance Management System			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page 65	Minimum Notice Period for Operational Changes			
Occupational Health and Safety						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 71-75	Enhancing Governance Across the Group			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	Page 71-75	Enhancing Governance Across the Group			
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities					
	403-3 Workers with high incidence or high risk of diseases related to their occupation					

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 400 Social Standards Series						
Training and Education						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 66-67	Employee Training & Development			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee					
	404-2 Programs for upgrading employee skills and transition assistance programs					
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 64	Employee Appraisals			
Diversity and Equal Opportunity						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 69	Equal Opportunity Workplace (Diversity & Inclusivity)			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	1) Page 92-93; 2) Page 69	1) Annual Report FY2021: Board of Directors; 2) Equal Opportunity Workplace (Diversity & Inclusivity)			
Non-discrimination						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 69	Equal Opportunity Workplace (Diversity & Inclusivity)			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 65	Grievance Mechanism & Procedures			

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 400 Social Standards Series						
Freedom of Association and Collective Bargaining						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 64	Collective Bargaining and Freedom of Association			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
Child Labor						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 59	Adherence to Local Labour Laws and International Conventions			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor					
Forced or Compulsory Labor						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 59	Adherence to Local Labour Laws and International Conventions			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
Local Communities						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1) Page 54-57; 2) Page 74	1) Contribution Towards Social Wellbeing & Capacity Building; 2) Public Health and Safety			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs					
	413-2 Operations with significant actual and potential negative impacts on local communities					

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Reference/Link	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 400 Social Standards Series						
Customer Health and Safety						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1) Page 36-42; 2) Page 59; 3) Page 74	1) Preserving Water Resources; 2) Adherence to Local Labour Laws and International Conventions; 3) Public Health and Safety			
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories					
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services					

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SASB DISCLOSURES (UTILITIES)

TOPIC	ACCOUNTING METRIC	REFERENCED INFORMATION	CODE
GHG and Energy Resource Planning	1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Please refer to Carbon Emissions on page 45-51	IF-EU-110a.1
	Greenhouse gas (GHG) emissions associated with power deliveries	Please refer to Carbon Emissions on page 45-51	IF-EU-110a.2
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Please refer to Measuring Progress on page 11	IF-EU-110a.3
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) percentage of each near areas of dense population	Please refer to Carbon Emissions: RPI and RPII Total CO2 And Other Emissions on page 49	IF-EU-120a.1
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Please refer to Group Water Consumption on page 43-45	IF-EU-140a.1
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Please refer to Addressing and Preventing Water Pollution and Water Quality on page 37-39	IF-EU-140a.1
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Please refer to Preserving Water Resources on page 36-42	IF-EU-140a.1
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Please refer to Health and Safe Performance on page 73	IF-EU-320a.1
Grid Resiliency	Number of incidents of non-compliance with physical and / or cybersecurity standards or regulations	Zero incidents of non-compliance	IF-EU-550a.1

SASB DISCLOSURES: UTILITIES – ACTIVITY METRICS

ACTIVITY METRIC	UNIT OF MEASURE	CODE
Total electricity generated, percentage by major energy source, percentage in regulated markets	Please refer to Carbon Emissions on page 45-51	IF-EU-000.D
Total wholesale electricity purchased	Please refer to Carbon Emissions on page 45-51	IF-EU-000.E

APPENDIX ONE: RANHILL SAJ COMPLIANCE TO SPAN KPIS

No	Performance Measure	Key Performance Indicator ("KPI")	SPAN KPI Target	RanhillSaj's Achievement
1 Water Services Performance				
1.1	Water Supply Coverage	a) Urban Areas (%) b) Rural Areas (%)	100.0% 99.5%	100.0% 99.8%
1.2	Treated Water Quality Compliance Rate	Water Quality Tests That Meet the National Drinking Water Quality ("NDWQ") Standards (%) a) Residual Chlorine b) E-Coli c) Res. Chlorine & E. Coli d) Turbidity e) Aluminum	: 99.0% 99.9% 99.95% 99.7% 95.0%	100% 100% 100% 99.99% 97.29%
1.3	Continuity of Water Supply	a) Communication pipe failures to be repaired within 24 hours (for cases where services are affected) (%) b) Pipe repair and restoration of supply for pipe below 200 mm diameter to be within 24 hours (%) c) Pipe repair and restoration of supply for pipes size 200 mm up to 600 mm diameter to be within 36 hours (%) d) Pipe repair and restoration of supply for mains exceeding 600 mm diameter to be within 48 hours (%)	95% 95% 95% 95%	100% 100% 99.8% 100%
1.4	Water Pressure Compliance	Minimum pressure of 10 meter at meter point to be maintained for all premise types (%)	99%	99.9%
2 Operational and Economic Performance				
2.1	Non-Revenue Water ("NRW")	Total of NRW Level for Johor State (%) a) Physical losses volume: Liter/Connection/Day (l/con/day) b) Commercial loss: Number of meters not functioning or stop c) Infrastructure Leakage Index ("ILI")	26.5% 310.0 0.2% 8.8	25.1% 273.0 0.11% 7.64
3 Operating Cost				
3.1	Operating Cost	a) Operating Cost per (RM/1000 accounts) b) Operating Cost per cubic meter produced: (RM / m ³)	604,103 1.054	519,107 0.9515

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RANHILL UTILITIES BERHAD

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