



# CENERGI SEA

## SUSTAINABILITY REPORT

2019





## ABOUT THIS REPORT

Cenergi is proud to present our second voluntary annual Sustainability Report for the financial year 2019 (1st January to 31st December 2019). Our first sustainability report was published on 27 February 2019. This report contains data and practices relating to Cenergi Group's operations, namely, Cenergi SEA Sdn. Bhd., Cenergi O&M Sdn. Bhd., Cenergi EE Holdings Sdn. Bhd. and Cenergi RE Sdn. Bhd. Data presented in this report is for the period 1 January to 31 December 2019, however, important updates pertaining to the revised organisational structure and management of the business in 2020 has been reflected in this report.

Our location of operations expanded in 2019 to North and East Malaysia for our solar plants. Two of our biogas plants were also commissioned in 2019 with one being our first biogas plant with tank technology located in Selangor. Cenergi's other biogas plants so far are located in Pahang and Perak.

This year, we have further enhanced our reporting approach and have prepared this report in accordance with the GRI Standards: Core option. Our policy is for open and transparent reporting and believe in reporting non-financial information using the most up-to-date standards and protocols available. We continue to strive to improve the quality of our sustainability report and while we have not obtained external assurance for this report, we will consider obtaining external assurance in the future once we have established robust internal reporting structures.

We welcome any feedback or comments on our report. For further information or to provide feedback, please contact our Sustainability Team at [sustainability@cenergi-sea.com](mailto:sustainability@cenergi-sea.com) or +603 7610 4931.

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## WHO WE ARE

**Cenergi is a sustainable energy solutions company specializing in renewable energy and energy efficiency projects.**

### About Us

At Cenergi, we are a team of diverse personalities with a common passion for promoting sustainable practices and reducing carbon emissions across southeast Asia. We believe that conscious use of energy is key to a sustainable future and envision a world where society functions in harmony with the environment.

Our award-winning business is divided into three main areas; 'Renewable Energy', 'Energy Efficiency' and 'New Ventures'. Across these areas, we possess the full spectrum of technical, commercial, financing and operational capabilities for clean energy and energy efficiency projects.

**WE ARE COMMITTED TO LEAD SOUTHEAST ASIA TOWARDS A SUSTAINABLE FUTURE.**



Since 2013,  
we have delivered  
over 164,700MWh  
of clean energy to  
the national grid.

With our technical expertise, modern technology, and financial capabilities, we:

### DEVELOP

renewable energy projects from start to end, focusing on biogas, biomass, solar PV and mini hydro.

### PROVIDE

corporations and institutions with innovative and cost-saving energy efficiency (EE) solutions.

### CONTINUOUSLY SEEK & INVEST

in alternative technologies that reduce carbon footprint and propel the sustainability movement.

### TOGETHER,

our mission in Southeast Asia is to turn emissions into energy, and policy into actions.

Cenergi is headquartered in **Petaling Jaya, Selangor** and is a **subsidiary company of Khazanah Nasional Berhad ("KNB")**.

***Biogas power plant (1.5MW) at Sri Jelutong, Pahang***





## Vision, Mission and Core Values

### VISION

To be the premier sustainable utilities company in Southeast Asia.

### MISSION

To turn emissions into energy, and policy into actions.

### ASPIRATIONAL GOALS IN 2024...



**Avoid 500,000 tCO<sub>2</sub>e annually  
across Southeast Asia.**

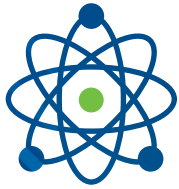


**200MW of renewable energy  
capacity.**



**RM200 million investment in  
energy efficiency projects and  
sustainable ventures.**





## CORE VALUES



### RESPECT

Treat others  
how we expect to be treated.

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### INTEGRITY

Always do the right thing  
and deliver what we promised.

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### TRANSPARENCY

Communicate openly to achieve the  
best possible outcome.

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### SAFETY

Prioritise the safety and wellbeing of all  
our stakeholders.

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### SUSTAINABILITY

Do what is best  
for our ecosystem and future.

## Message from the Management



**FROM THE DESK OF THE GROUP CHIEF  
EXECUTIVE OFFICER,  
Hairol Azizi Tajudin.**

Since taking the helm a few months ago, I have been impressed at all the great work that Cenergi has done, especially over the past year. In 2019, Cenergi expanded to North and East Malaysia with three solar plants, IRM Solar, Marudu power and Digital Awan. We also reached commissioning with two biogas plants, Felcra Jayaputra (FJP) and Tennamaram, bringing our total number of biogas plants to seven. The Tennamaram biogas plant is Cenergi's first biogas plant that uses tank technology to process palm oil mill effluent (POME) making it a more efficient system to operate. We are continuing to expand not just across the region – a biogas project in Indonesia is currently under construction – but also through strategic business segments, such as the use of empty fruit bunch pellets to provide a cleaner fuel alternative.

As of December 2019, Cenergi has offset a total of 833,612 tCO<sub>2</sub>e from ten of our renewable energy assets and four energy efficiency projects. Not only are our projects helping to avoid emissions, but they are also contributing power directly to the grid,

“

As the new Group CEO of Cenergi, I am immensely proud to present our second voluntary Sustainability Report that has been prepared in accordance to the GRI Standards: Core option. As a clean energy generation company, sustainability has always underpinned everything we do and we want to continue being a role model for other players in our industry. For me, personally, sustainability is a balance between environmental, social and governance management and sustaining the business as a whole. It is more important than ever, in these challenging times, to ensure longevity of the business so that we can continuously make positive impacts on communities and the environment.

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ensuring that the local communities nearby have a stable supply of electricity. In this light, we are ever so cognizant and proud of the ability of Cenergi's work to contribute to the United Nation's Sustainable Development Goals (SDGs), especially goals 7, 8 and 11, as well as Malaysia's national goals. Further to this, in December 2019, Cenergi signed the Biogas and Climate Change Commitment Declaration by the World Biogas Association (WBA) to deliver 12% GHG emissions reduction by 2030 – the only corporate member in Malaysia to do so. This solidifies our commitment to pursuing further projects to contribute to these goals and I will strive my very best to keep Cenergi on track to deliver our commitments.

On the health and safety front, Cenergi achieved a significant milestone – 1 million safe man-hours without loss-time injury. This was achieved one month ahead of our original target and highlights the importance and value that Cenergi places on safety. While this is a great achievement, we are not remaining complacent. We will continue to uphold safety as our utmost priority so that we can achieve our next target – 3 million safe man hours and aim to align all our safety programmes with ISO 45001:2018 by 2021.

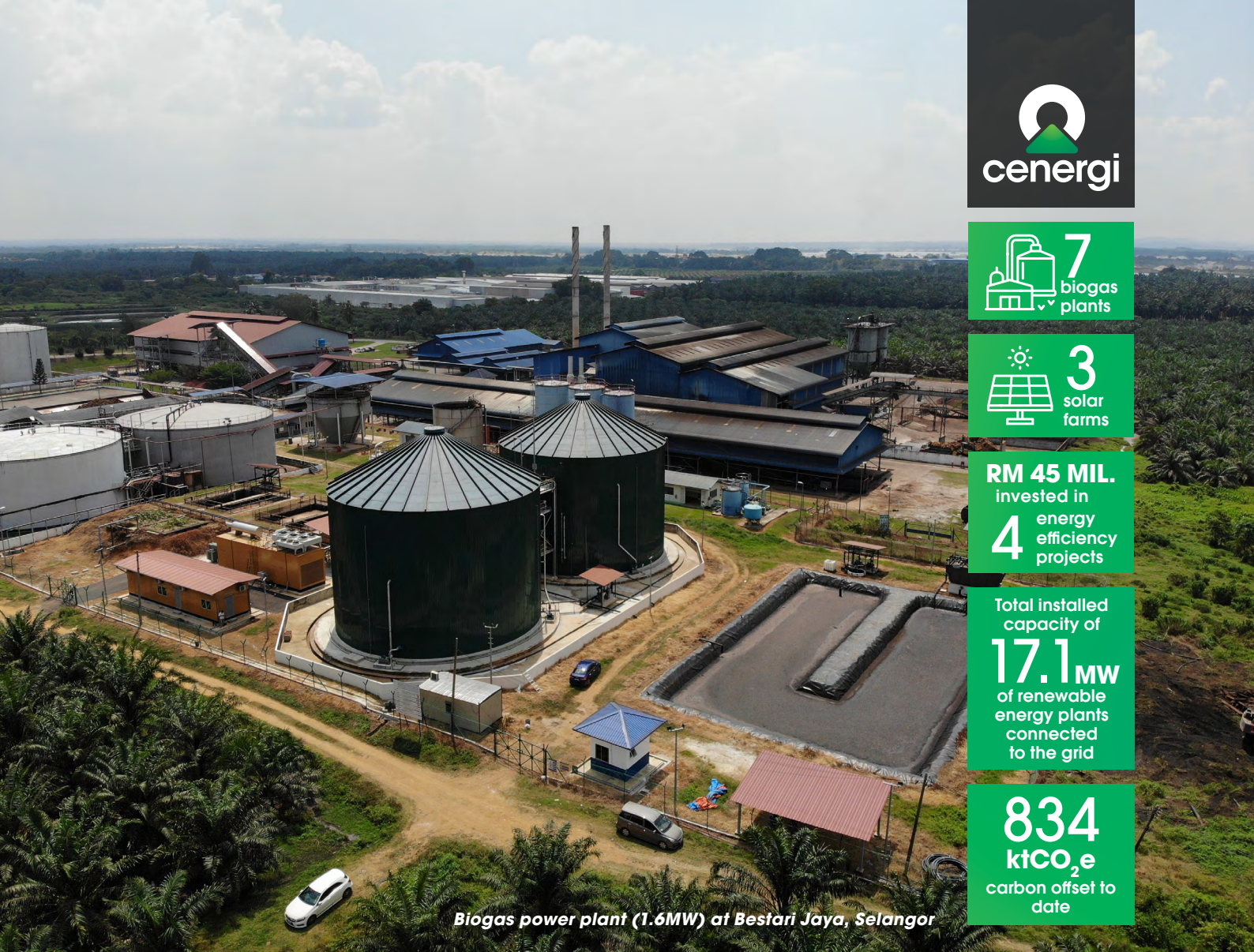
Apart from our operations, we have also continued to embed sustainability across the Group. From internal sustainability competitions to interesting lunchtime talks, we are continuously engaging our employees on various environmental, social and governance topics. Our employees are also involved in our community outreach programmes, where Cenergi is directly involved in supporting the well-being of local communities. One of the key programmes we are particularly proud of is our Sustainable Schools programme where our employees run sustainability workshops and activities to engage students in learning about climate

change and renewable energy solutions. Our overall efforts to walk the talk have been recognized for the second year in a row now, having won the Sustainable Business Awards 2019 for the Best SME category.

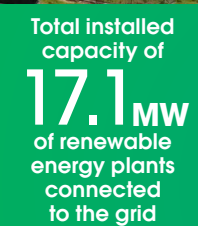
While 2019 has been a year of growth for Cenergi, 2020 will be a challenging year with the onset of the Covid-19 pandemic and overall weakening market. Realising the challenges that we have ahead of us, we have realigned our direction moving forward, based on three strategic pillars; Achieving Sustainable Growth, Driving Excellence and Achieving Financial Performance. We believe these three pillars will help ensure Cenergi remains resilient and relevant.

Our employees – being our greatest asset – will also be one of the key critical success factors for Cenergi to leverage and manoeuvre ourselves in this challenging business environment. Their hard work and dedication to achieving our short and long-term goals are what keeps Cenergi running. In this respect, a new organisation chart was rolled out this year to further optimise and leverage our talent and resources to be more effective and efficient. Some of the key changes, amongst others, include the repositioning of our Human Capital Management team under the Corporate Services Division to provide greater support to the function, and the creation of a new Solar and Energy Efficiency department to drive excellence across all our projects.

Once again, I would like to take this opportunity to thank all our employees and the Board members for their support. I look forward to working with my team and stakeholders to create positive impact and deliver success. Together, we will continue to fulfil our mission and vision to be the premier sustainable utilities company in the region.



Biogas power plant (1.6MW) at Bestari Jaya, Selangor



## OUR BUSINESS OVERVIEW

### Corporate Structure and Portfolio

Cenergi started its journey in 2013, and today Cenergi is the largest grid-connected Palm Oil Mill Effluent ("POME") biogas power plant developer in Malaysia.

Cenergi SEA is the holding company and entity for the Cenergi Group. Our key subsidiaries are Cenergi RE Sdn. Bhd. and Cenergi EE Holdings Sdn. Bhd., and full disclosure of our ownership and holding structure are as follows:

Revenue:  
**RM52.1 MIL.**

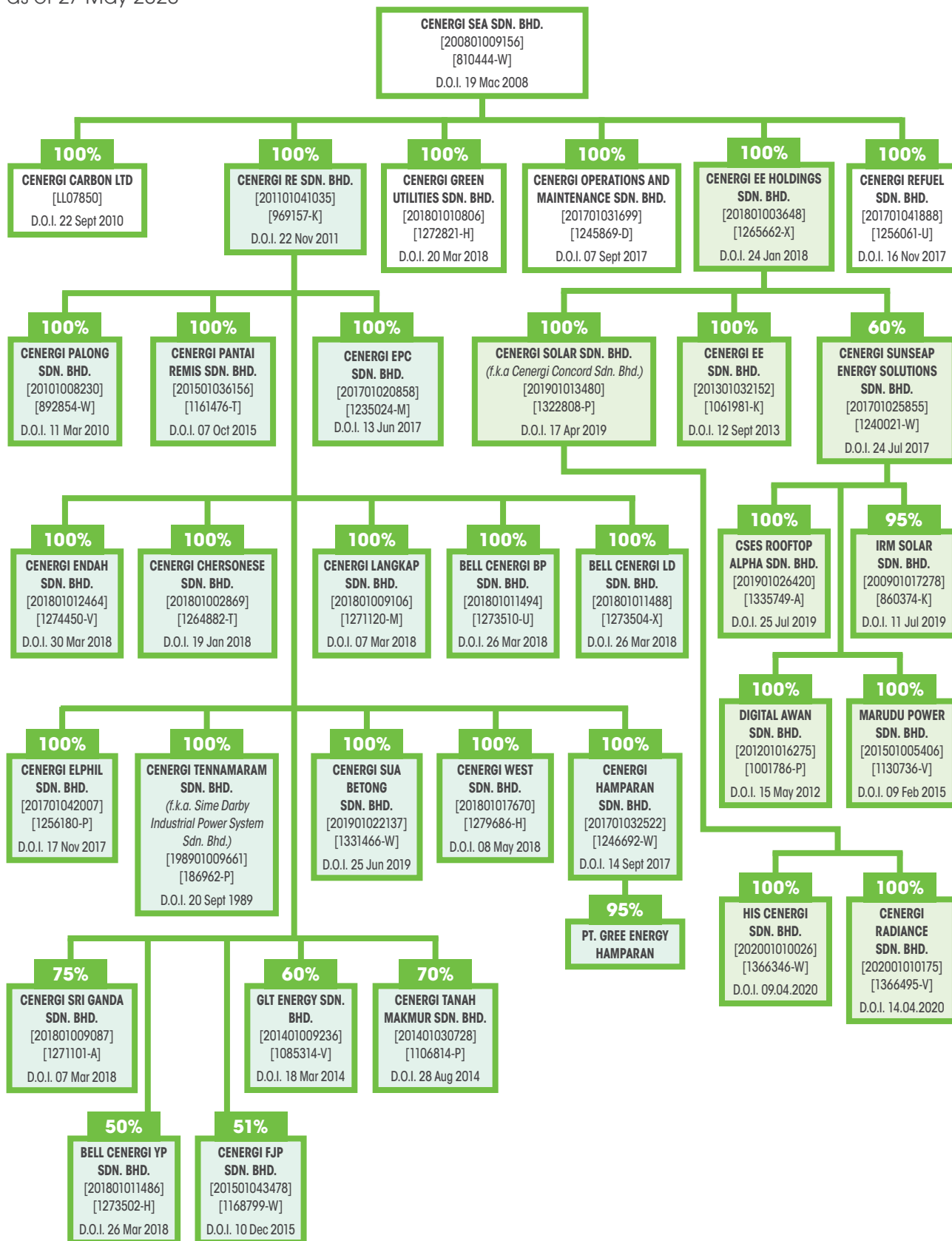
Total Assets:  
**RM177.9 MIL.**

Shareholders equity:  
**RM15.4 MIL.**



## CORPORATE STRUCTURE

as of 27 May 2020



# CENERGI'S RENEWABLE ENERGY PORTFOLIO

Cumulative from 2013 to 2019

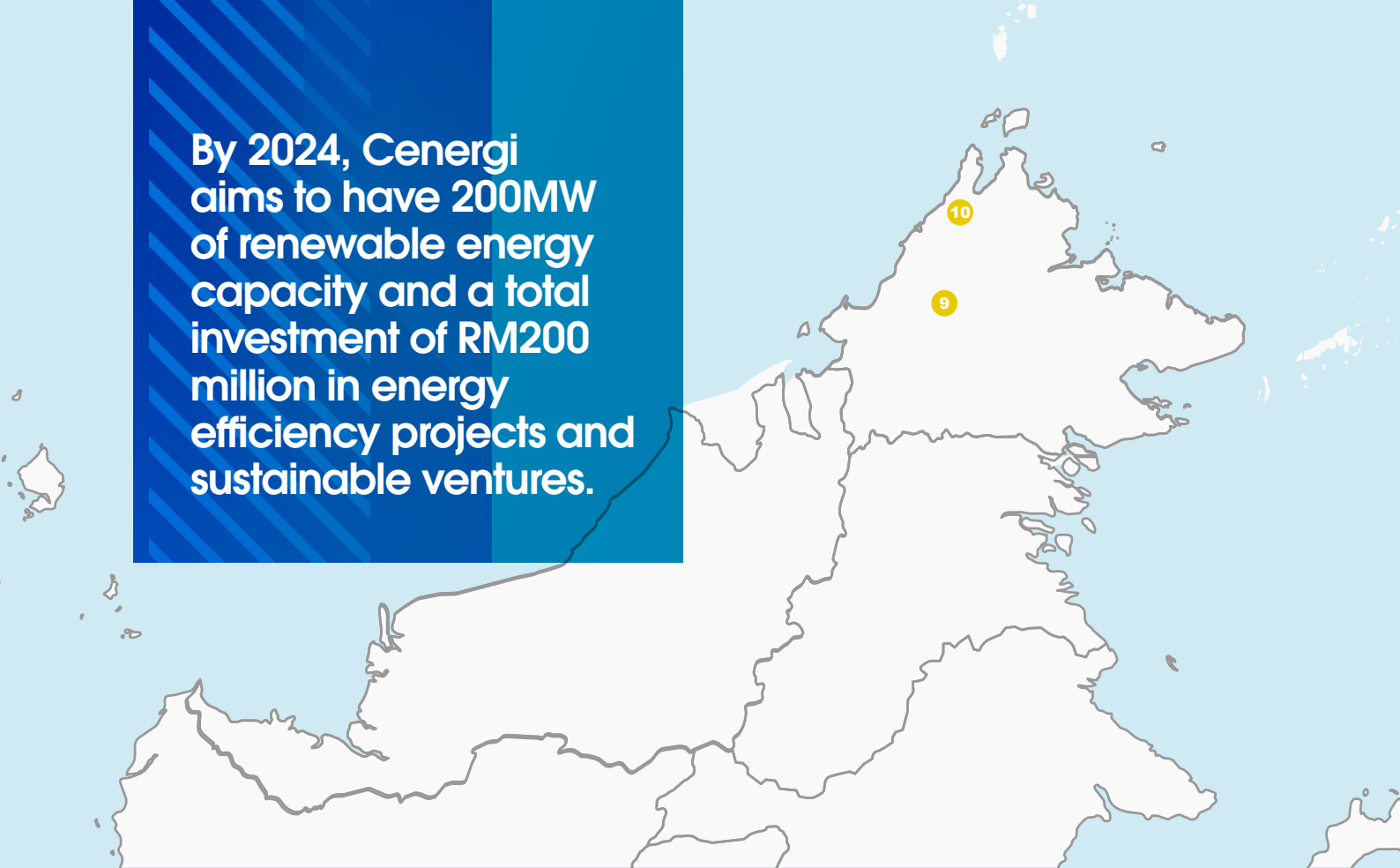
PROJECT		CAPACITY (MW)
<b>Biogas</b>		
1	Palong (Bera, Pahang)	2.0
2	Sawira (Muadzam Shah, Pahang)	1.0
3	Cheekah (Bera, Pahang)	1.0
4	Sri Jelutung (Pekan, Pahang)	1.5
5	Pantai Remis (Changkat Keruing, Perak)	1.5
6	Tennamaram (Bestari Jaya, Selangor)	1.6
7	FJP (Jerantut, Pahang)	1.5
<b>Solar</b>		
8	IRM Solar (Padang Besar, Perlis)	5.0
9	Digital Awan (Keningau, Sabah)	1.0
10	Marudu (Kota Marudu, Sabah)	1.0
<b>Biogas (Under Construction)</b>		
11	Kuala Kurau, Perak	1.0
12	Teluk Intan, Perak	2.0
13	Pulau Carey, Selangor	1.5
14	Port Dickson, Negeri Sembilan	1.2
15	Lampung, Indonesia	3.0
16	Lekir, Perak	1.0
17	Yong Peng, Johor	2.0
18	Langkap, Perak	1.5
<b>Solar Rooftop (Under Construction)</b>		
19	Bukit Kayu Hitam, Kedah	3.0
<b>Energy Efficiency</b>		
20	AEON (Bukit Indah, Johor)	
21	AEON (Bandaraya Melaka, Melaka)	
22	AEON (AU2, Kuala Lumpur)	
23	IIUM (Gombak, Selangor)	
<b>EFB Pellets (Under construction)</b>		<b>CAPACITY (TPH)</b>
24	Batu Pahat, Johor	1.0

## BIOGAS

Cenergi develops, designs, finances, builds, owns and operates biogas projects that generate renewable energy from organic waste streams. For biogas projects, we treat POME wastewater to produce biogas and use it as a fuel for power and/or steam generation, while reducing greenhouse gas (GHG) emissions and improving wastewater effluent quality.

To date we have seven operational biogas plants, with a total installed capacity of 10.1MW, and another eight plants under construction, which will generate another 13.2MW. By 2022, Cenergi aims to have 20 commercially viable bioenergy plants in Malaysia and continue expanding into the Southeast Asia region.





**By 2024, Cenergi aims to have 200MW of renewable energy capacity and a total investment of RM200 million in energy efficiency projects and sustainable ventures.**

## **SOLAR**

Solar power generation is one of the Cenergi's core sectors under its renewable energy division. Our venture into solar business covers investment, development, operation and maintenance of utility scale solar PV farms and rooftop solar PV systems. Cenergi has partnered with the Sunseap Group, the leading solar energy developer in Singapore to develop the solar segment in Malaysia through the incorporation of Cenergi Sunseap Energy Solutions Sdn Bhd (CSES). CSES drives our investment and development of solar opportunities in Malaysia, particularly in rooftop solar leasing. To date, CSES owns and operates three solar farms in Malaysia and in the next five years, CSES hopes to build a portfolio of solar assets amounting to 100MW in Malaysia.

## **ENERGY EFFICIENCY**

Cenergi provides total solutions in energy resource management systems, tailor-made for each client to conserve energy from the demand and supply side. Cenergi aims to reduce electricity consumption from inefficient equipment and systems by increasing their efficiency. As of 2019, Cenergi has successfully completed four (4) energy efficiency projects, providing our clients with more than RM 22 million in cost-savings and reduced energy consumption up to 30%.

## **NEW VENTURES**

Our New Ventures business explores innovative and disruptive technology to serve its core purpose of placing Cenergi at the forefront of renewable energy across Southeast Asia. To deliver competitive advantage and diversify Cenergi's investment portfolio, we adopt a venture capitalist approach when evaluating projects that are seen to offer high value growth. Among the projects that we are actively exploring and evaluating are biomass fuel, tri/cogeneration, bio-compressed natural gas (bioCNG), electric vehicles and energy storage. One of our new ventures that has already kicked off is the manufacturing of sustainable pellets.

## **PELLETS**

Cenergi has invested in a pilot plant that is currently under construction that will serve the international export market. This provides Cenergi an avenue to build capabilities and experience in the production of a new product in a new market and highlight the benefits of biomass as a fuel source to be consumed locally.

## Membership of Associations

Cenergi is an active member across our industry and is a member of the following associations:

1. World Biogas Association (WBA)
2. Malaysian Dutch Business Council (MDBC)
3. Malaysia Biomass Industries Confederation (MBIC)
4. Asia Pacific Natural Gas Vehicles Association (ANGVA)
5. Malaysia Association of Registered Electrical Engineer Manager (MAREEM)
6. Malaysia Association of Energy Service Companies (MAESCO)
7. Registered Energy Service Company (ESCO) – ST
8. Solar Photovoltaic Investor Under NEM – SEDA (RPVI)
9. Malaysian Photovoltaic Industry Association (MPIA)



## Industry Participation and Recognition in 2019

**JANUARY**

**Sustainable  
Business Awards**  
Best SME 2018

**MARCH**

**Malaysian Industrial  
Development Finance  
Bhd (MIDF)  
Green Conference**

**MAY**

**ASEAN Power &  
Energy Summit**





**International Greentech & Eco Products 2019 (IGEM)**

**Sabah International Biomass Forum 2019 (SIBF)**

**International Conference on Sustainable Biomass 2019 (ICSB)**

Cenergi signed Biogas and Climate Change Commitment Declaration by WBA to deliver 12% GHG emissions reduction by 2030

**OCTOBER**

**DECEMBER**

**JULY**

**International Congress for Conversation Biology 2019 (ICCB)**

**SEPTEMBER**

**International Conference & Exhibition on Wastes Management (ICEWM) 2019**

Organized by ENSEARCH in collaboration with the World Biogas Association and Cenergi SEA as the lead partner and key co-organiser

**NOVEMBER**

**MPOB International Palm Oil Congress and Exhibition 2019 (PIPOC)**

**Waste Management Sustainable Forum 2019**

**MDBC Innovative & Sustainable Awards**  
Shortlisted for Best Renewable Energy Project

**Sustainable Business Awards**  
Best SME 2019





## SUSTAINABILITY AT CENERGI

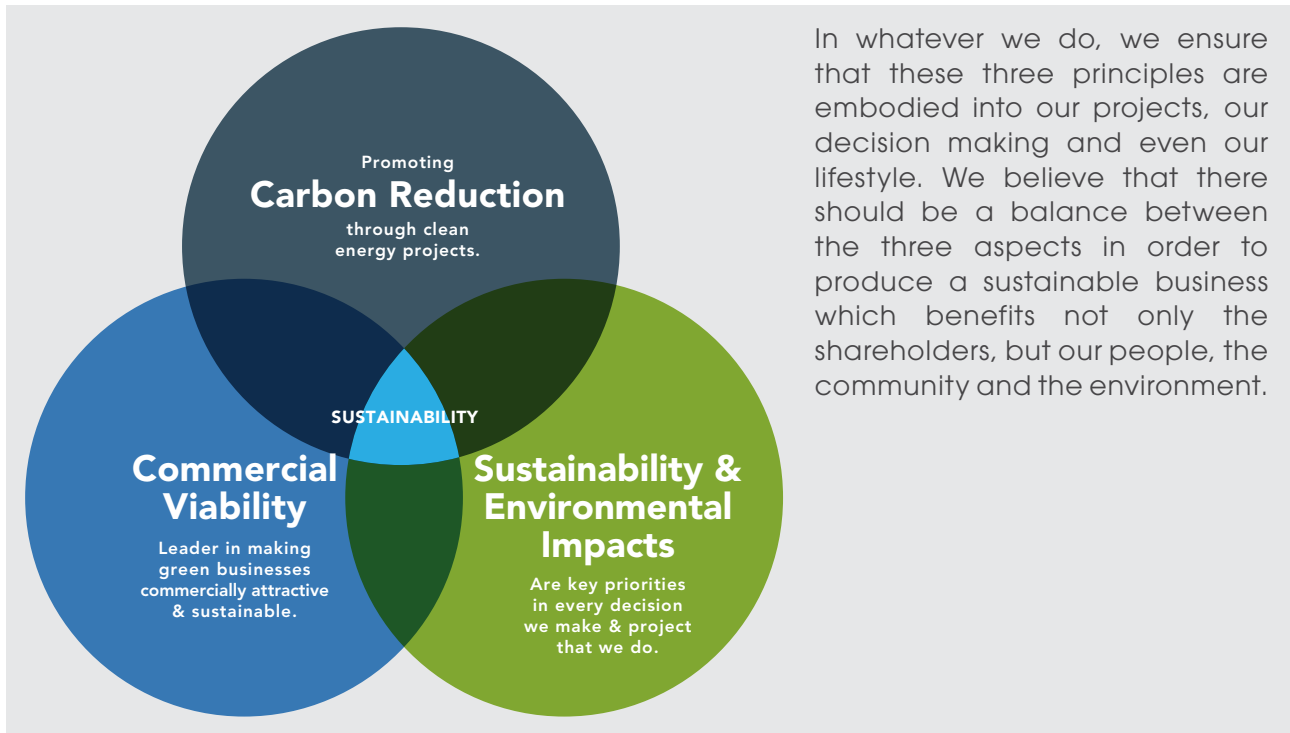
### Our Sustainability Philosophy and Aspirations

We aim to be ASEAN's leading renewable energy company focusing on carbon reduction initiatives through diversified & sustainable solutions, whilst being a leader in sustainability within our industry. As a renewable energy company, sustainability underpins everything that we do. We are governed by our sustainability pillars – Carbon Reduction, Commercial Viability and Sustainability and Environmental Impacts.

At Cenergi, we undertake a precautionary approach to managing our sustainability impacts to ensure that we do not cause any detrimental damage to the environment or society.

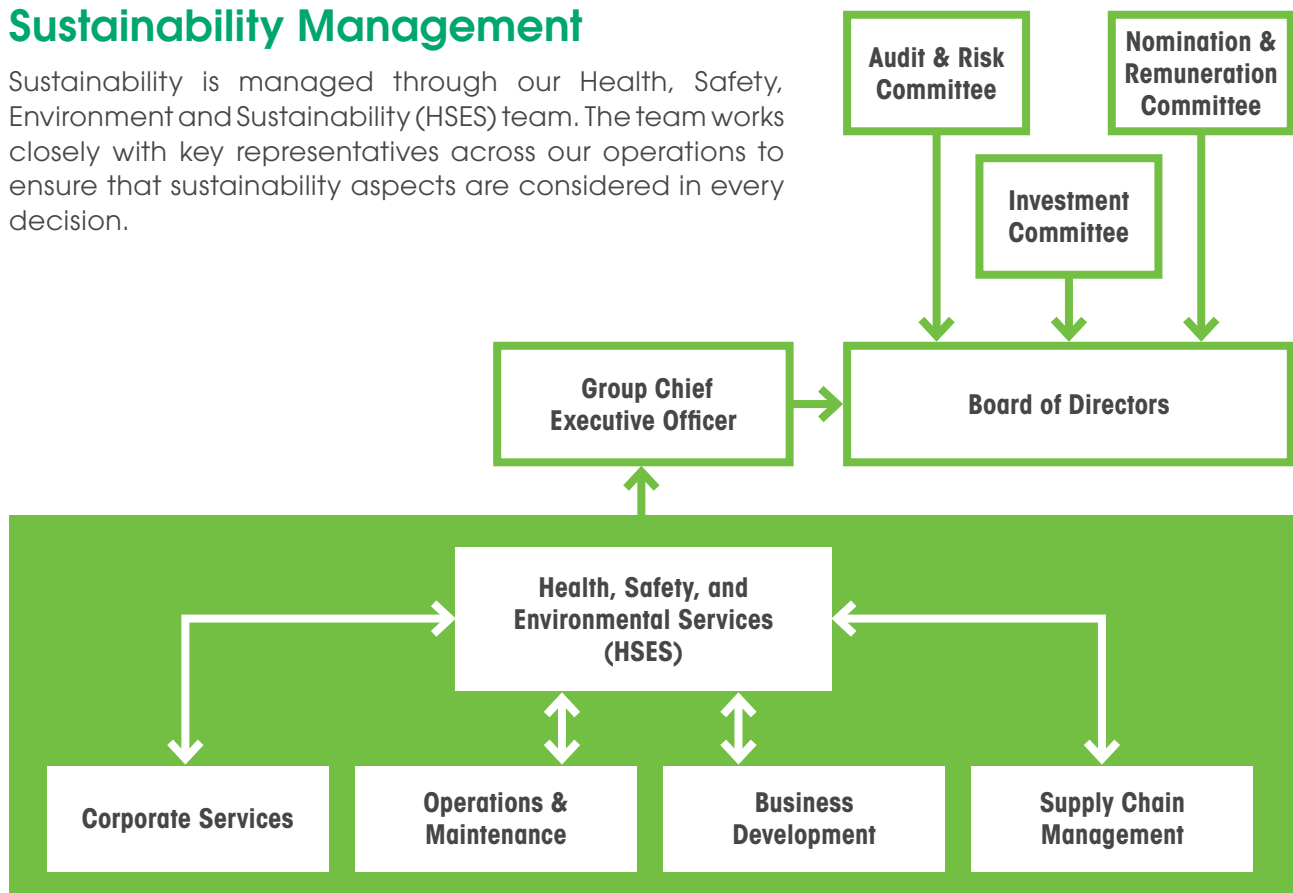
**Sustainability is at  
the core of our  
business and  
underpins everything  
that we do.**





## Sustainability Management

Sustainability is managed through our Health, Safety, Environment and Sustainability (HSES) team. The team works closely with key representatives across our operations to ensure that sustainability aspects are considered in every decision.



## Supply Chain

More than 150 companies supply goods and services to Cenergi, of which about 85% are local suppliers who are registered in Malaysia and owned by Malaysians. Whenever possible, our Supply Chain Management team prioritises the engagement of suppliers that are close to our operation sites to minimise delivery cost and environmental impacts. Our total reported statutory spend in 2019 was RM 40.1 million. Of that amount, 70% of the business was with our top 10 suppliers and the top 80% of our suppliers were related to our core biogas and solar operations, which highlights our strategic approach towards procurement and investing in key partnerships.

At Cenergi, we try to include sustainability elements into our supplier selection process. During our tender process as well as engagement process, we take into consideration several key sustainability principles such as good governance, environmental impacts and cost savings. Our procurement team will request sustainability-related information from suppliers during the selection process, which may impact our decision to work with them.

When we manage multi-million ringgit contracts and engage multiple service providers for our operations and projects, our own reputation as a business is always a top priority. For that reason, we are focused on ensuring our suppliers comply with best practice and adhere to our Procurement Policies and Procedures.

## Stakeholder Engagement

We believe in engaging and collaborating with our stakeholders across our operations. In our industry it is important to fully engage with our relevant stakeholders to ensure we keep abreast of the regulatory environment and issues that may be of importance to our stakeholders. Our key stakeholders include our employees, regulators, government bodies and others as follows:

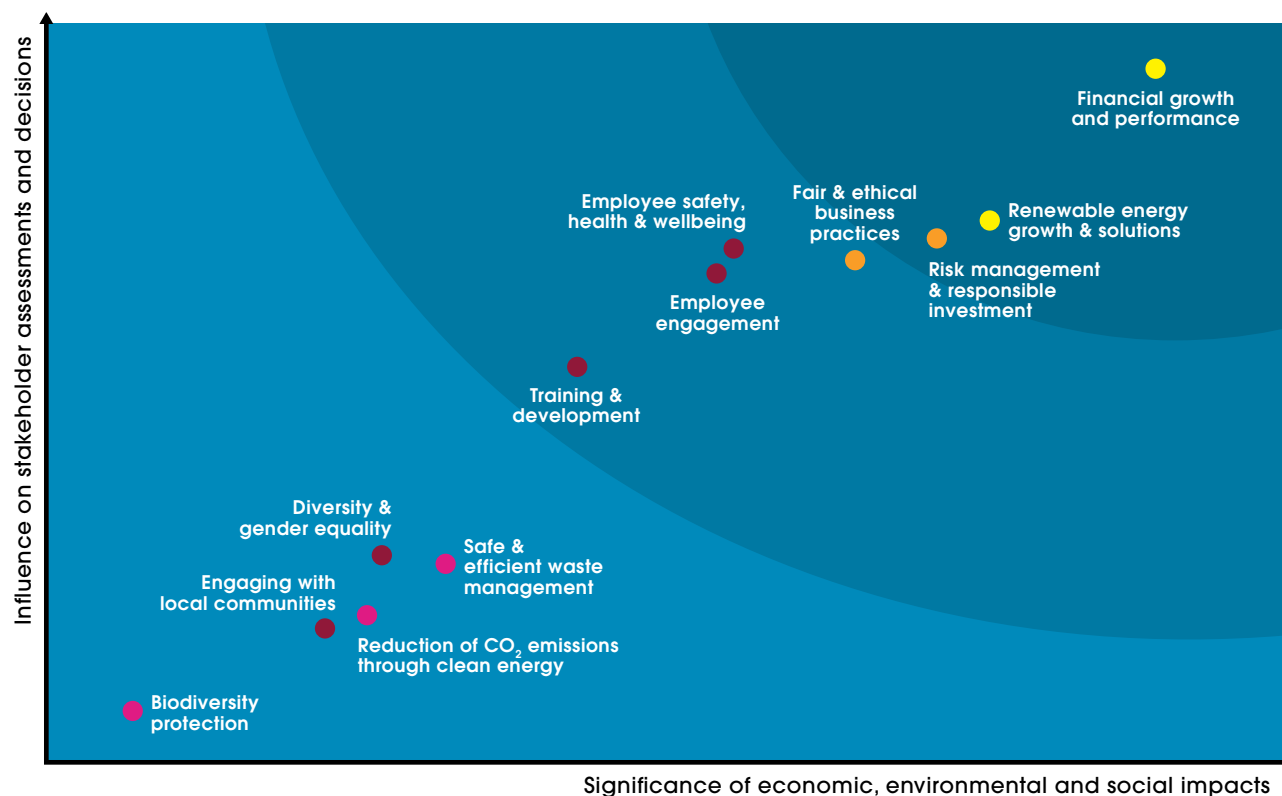
Stakeholders	Engagement Methods	Frequency of Engagement	Topics and Concerns Raised	Our Response
<b>Employees</b>	<ul style="list-style-type: none"> <li>Internal communications</li> <li>Events</li> <li>Face to face meetings</li> <li>Townhall</li> <li>Surveys</li> </ul>	Daily or when required.	<ul style="list-style-type: none"> <li>Health &amp; safety concerns</li> <li>Pay &amp; benefits</li> <li>Carbon footprint avoidance</li> </ul>	We engaged a consultant to conduct a remuneration benchmarking exercise and presented the findings to employees. A review of our health and safety processes were conducted and mitigating actions were taken, such as providing hand sanitisers and face masks.
<b>Clients/ business partners</b>	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> <li>Conferences</li> </ul>	Regularly or when required.	<ul style="list-style-type: none"> <li>Investment returns</li> <li>Project-related concerns</li> <li>Regulator concerns</li> </ul>	We maintain regular engagements with clients/business partners to ensure both parties' interests are maintained.
<b>Members of the Board</b>	<ul style="list-style-type: none"> <li>Briefing papers, emails</li> <li>Board meetings</li> <li>Committee meetings</li> </ul>	Quarterly or when required.	<ul style="list-style-type: none"> <li>Company finances</li> <li>Project-related concerns</li> <li>Employee conditions or benefits</li> <li>Risk and integrity related</li> </ul>	Senior Management reviewed business strategy and business plan and made relevant changes to align with the Board's vision.
<b>Financial Institutions</b>	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> <li>Events and conferences</li> </ul>	Regularly or when required.	<ul style="list-style-type: none"> <li>Investment returns</li> <li>Loan repayments</li> <li>Global concerns around palm oil industry</li> </ul>	We are conducting more thorough due diligence on any new projects to ensure the projects are financially stable as well as stress-testing our assumptions and financial models.
<b>Government bodies</b>	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> <li>Industry syndication events</li> </ul>	Regularly or when required.	<ul style="list-style-type: none"> <li>Global concerns such as climate change</li> <li>Project-related concerns</li> <li>Industry targets and concerns</li> </ul>	We continue to regularly engage the relevant government bodies on project-related matters like legal issues and to address their concerns (e.g. achieving the national target for RE by 2025 etc.)
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> <li>Industry syndication events</li> </ul>	Regularly or when required.	<ul style="list-style-type: none"> <li>Project-related concerns</li> <li>Industry targets and concerns</li> </ul>	We continue to organise regular ongoing engagement to address issues faced when managing projects.



Stakeholders	Engagement Methods	Frequency of Engagement	Topics and Concerns Raised	Our Response
<b>Local community at sites</b>	<ul style="list-style-type: none"> <li>• CSR events</li> <li>• Social media</li> </ul>	Quarterly or when required.	<ul style="list-style-type: none"> <li>• Operational effect on the community such as pollutions, job creations, etc.</li> </ul>	We continue to engage with the local communities around our operating assets through local CSR programs and providing local jobs.
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Meetings</li> <li>• Conferences</li> </ul>	Regularly or when required.	<ul style="list-style-type: none"> <li>• Industry competitiveness</li> <li>• Providing good products and services</li> <li>• Project-related concerns like delivery timeline, terms &amp; conditions</li> </ul>	We continue to provide continuous feedback to our suppliers and strive for transparency during engagement.

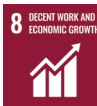






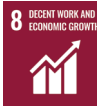


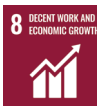









## Materiality Assessment

In September 2019, we refreshed our material topics from 2018 to further focus on the key topics that are most important to Cenergi. A survey was sent out to all our employees and selected external stakeholders. In total, over 70 stakeholders provided feedback on the most material topics. These topics were further validated in another round of internal surveys in February 2020 and discussed internally among management. Key topics were prioritised based on its importance on stakeholder decisions and significance of its impact on our business.



The key material topics identified in the top and middle quadrants are further described in the table below and will be the focus of this report.

Material issues	Description of issues	Boundary	SDG
<b>ECONOMIC</b>			
Financial growth and performance*	Overall financial sustainability of our business.	Internal impact to employees. External impact to shareholders and suppliers.	8 DECENT WORK AND ECONOMIC GROWTH
Renewable energy growth and solutions*	Creating shared value through the development of new service offerings and growing the renewable energy industry.	Internal impact and external impact to the industry.	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES

Material issues	Description of issues	Boundary	SDG
<b>GOVERNANCE</b>			
Risk management & responsible investment*	Practising good risk management by considering environmental, social and governance issues when investing.	Internal impact to financial sustainability and external impact to all stakeholders.	  
Fair and ethical business practices*	Upholding ethical principles in the business and workplace, including anti-corruption, decent work and working conditions.	Internal impact across our operations.	   
<b>SOCIAL</b>			
Employee engagement*	Maintaining positive relations with employees, promoting a great workplace environment and a culture of openness and transparency through strong engagement with our employees.	Internal impact to operations and external impact.	 
Employee safety, health and wellbeing*	Targeting zero accidents in the workplace, promoting safe and healthy employee behaviours, and helping employees make more informed decisions to achieve and maintain a healthy lifestyle.	Internal impact to operations as well as external impact to business partners.	
Training and development*	Foster professional development of employees, develop next-generation employees, and attract new talent to increase the overall capacity and expertise in the company.	Internal and external impact.	
Diversity and gender equality	Developing an inclusive and diverse workforce, including special groups such as disabled, working single parents, and youth.	Internal impact.	
Engaging with local communities	Directly and indirectly contributing to improving livelihoods of local communities and ensuring our projects do not pose any negative impacts.	Internal impact and external impact.	
<b>ENVIRONMENTAL</b>			
Safe & efficient waste management	Efficient use of resources and proper waste management to minimise waste and to optimise efficiency level.	Internal impact to operations and external impact to the environment and community.	 
Reduction of CO <sub>2</sub> emissions through clean energy**	Promoting and implementing carbon reduction through our sustainable renewable energy projects.	Internal and external impact.	  
Biodiversity protection	Conserving important flora and fauna around our assets.	External impact.	 

\*Key material topics.

\*\*Management has prioritised Reduction of CO<sub>2</sub> emissions as a material topic even though it did not rank highly in our materiality matrix.



## CORPORATE GOVERNANCE AND ETHICS

**At Cenergi, good governance and ethical and responsible behaviour are central to our ability to sustain our operations and ensure resilience.**

As we strive to be a leader in the renewable energy space, it is more important than ever to ensure we conduct ourselves in a fair and transparent manner to build trust in Cenergi among all our stakeholders. We are committed to maintain our position as an ethical, responsible, and trustworthy green company and strive to do this through our strong internal governance structures and policies.

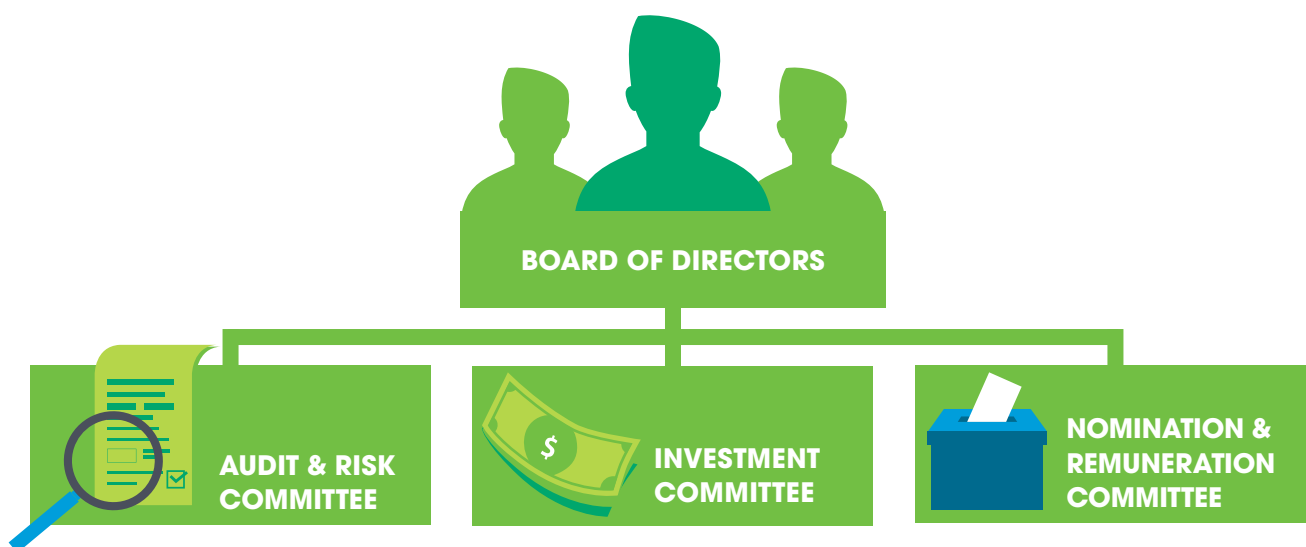


## Board of Directors and Internal Committees

The Board is responsible for the leadership, oversight and the long-term success of the Group. In addition, the Board has reserved a formal schedule of matters for its decision-making to ensure that the direction and control of the Group is firmly in its hands. This includes strategic issues and planning, material acquisition and disposal of assets, capital expenditure, appointment of auditors and review of the financial statements, financing and borrowing activities, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

The Board comprises of four (4) members. They are professionals from various backgrounds with depth and breadth of experience, expertise and perspectives that add value to the Group. Board Committees are established to assist the Board in discharging its responsibilities more effectively. Currently, the Board delegates responsibilities to three Committees, namely the Audit & Risk Committee, Investment Committee and Nomination & Remuneration Committee. The committees have written terms of references and operating procedures approved by the Board.

### CENERGI'S BOARD COMMITTEES



In addition to the Board Committees, Cenergi has established a number of other internal committees who are responsible for decision-making on economic, environmental and social topics. Of note is the recent establishment of a Governance and Integrity Committee (GIC) within Cenergi, which comprises of representatives from Corporate Services, Risk Management and Human Capital Management. This committee will play a proactive role in ensuring that integrity and

governance are ingrained in the behaviour, mindset and actions of everyone across the Group. This is in line with the Malaysian Government's requirement for all Government-Linked Companies (GLCs) to set up an Integrity and Governance Unit, which will come under supervision by the Malaysian Anti-Corruption Commission (MACC) to enhance the governance and integrity within GLCs to a level on par with multi-national corporations.

## RESPONSIBILITIES OF BOARD AND INTERNAL COMMITTEES

### BOARD OF DIRECTORS

- Reviewing and adopting a strategic plan for the Company
- Overseeing the conduct of the Company's business
- Identifying principal risks and ensuring the implementation of appropriate systems to manage them
- Succession plan
- Overseeing the development and implementation of a shareholder communications policy for the Company

Chair:

**Zainul Rahim Bin Mohd Zain**  
Chairman of the Board

### INVESTMENT COMMITTEE

- Assist the Board in reviewing significant matters related to all existing and potential investments and making appropriate recommendations to the Board
- Reviewing the Group's investment portfolio to assess the performance of the Group, including emergency risks and opportunities, market outlook, economic indicators, currency market, regulatory developments as well as key business developments

Chair:

**Michael Robert Ashburn**  
Director

### NOMINATION & REMUNERATION COMMITTEE

- Assist the Board in developing, maintaining, and reviewing the criteria to be used in the recruitment process
- Recommending to the Board the policy and framework of the Director's remuneration and their remuneration package

Chair:

**Zainul Rahim Bin Mohd Zain**  
Director

### AUDIT AND RISK COMMITTEE

- Review and discuss the financial results of the group
- Review the audit strategy, scope of work and plan of the External Auditors
- Review the External Auditor's report in relation to audit and accounting issues arising from the audit
- Review, assess and ensure there is adequate framework for risk identification, measurement, monitoring and control

Chair:

**Loh Tzu Anne**  
Director

### SAFETY COMMITTEE

- Maintain zero Loss Time Incident (LTI) to Group Cenergi SEA
- Achieve 100% HSE compliance in the organisation
- Align all Occupational Safety & Health programs with ISO45001 and Environmental Programs with ISO14001 (Aiming for ISO certification by 2021/2022)

Chair:

**Hairol Azizi Tajudin**  
Group CEO

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Fulfill our vision in caring for the community and environment
- Managed through our Corporate Administration and Events team

### HUMAN CAPITAL MANAGEMENT & ORGANISATIONAL DEVELOPMENT

- Improving the company efficiency through its people
- Building employees capacity so that it may contribute to the company efficiently

### ENVIRONMENTAL COMMITTEE (SCHEDULED WASTE MANAGEMENT)

- Discuss on the monthly scheduled waste generated by each operating plants.
- Update on handling, storage, transportation and disposal of each scheduled waste generated.
- Monthly reporting to the authority (Department of Environment).

Chair:

**Marcellinus Leo**  
Head of Biogas Asset

## Fair and Ethical Business Practices

### ETHICAL BUSINESS PRACTICES

Cenergi is committed to a high level of integrity and ethical standards in all its business practices and creating a culture of integrity among our employees.

Senior management is primarily responsible for ensuring that Cenergi practices the highest level of integrity and ethics and effectively manages the key corruption risks of the Company. Cenergi periodically conducts comprehensive risk assessments when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise internal and external corruption risks. We continue to improve upon the effectiveness of our internal controls and frameworks through regular reviews and audits and ensuring that the results are communicated to the Board and senior management, and acted upon.

Our Code of Conduct, No-Gift Policy and associated policies set out the responsibilities, standards and requirements Cenergi expects of employees, including requirements to act ethically in the best interests of Cenergi, act honestly and fairly, comply with all laws and company policies and report where they suspect a breach.

Following the establishment of the GIC, two key policies were introduced to ensure better accountability, transparency and ethical business practices – a refreshed Whistleblower Policy and a No-gift Policy. Our Whistleblower Policy offers discreet and safe avenues for employees as

well as our stakeholders to report or disclose any concerns within Cenergi that are unlawful or against the integrity principles and core values of the organisation. It is a formal channel for employees to share their concerns without the fear of a backlash or recoil. Reports can also be made to the Malaysian Anti-Corruption Commission.

In delivering integrity and good governance in conducting business, Cenergi, through our No-gift Policy explicitly prohibits personal gifts due to its potential and perceived consequences. However, corporate gifts are acceptable as long as it complies with policies and guidelines set forth in the policy. Cenergi neither solicits nor grants bribes as defined by the Malaysian Anti-Corruption Commission (MACC) Act 2009. This includes facilitation payments.

Cenergi has also extended its integrity and anti-corruption programme to all subsidiaries and vendors and seeks to work with companies who have similar commitments. Through our actions, we seek to support government integrity and anti-corruption initiatives in the private sector. We also report to the MACC twice a year, providing an outline of our current and future activities related to integrity and anti-corruption.

We take an uncompromising stance on business ethics and any breaches or conflicts of interest reported are dealt with serious disciplinary action. We are happy to disclose that in 2019, there were no incidents of corruption within Cenergi.





## DECENT WORK AND WORKING CONDITIONS

Our employees are our most important asset and we are committed to ensuring that they are treated fairly. Fair treatment is a responsibility we take seriously as it contributes to employee satisfaction and ensures our operations will run smoothly. This has been especially true in our acquisitions where we remained mindful of the welfare of employees and retained all the existing employees of the three solar assets that we acquired.

Across our operational plants we have 62 employees who live near our sites. For these employees, ensuring their safety is our top priority. We provide a safe and comfortable workplace at all our operational sites, including compulsory common facilities such as discussion rooms, rest rooms and prayer rooms. Employees at sites are also equipped with standard personal protection equipment. We also provide housing facilities for our employees during any construction phase to ensure our employees do not need to travel long distances. For our Tennamaram biogas plant, Cenergi continues to provide housing as a benefit for employees to ensure their safety.







## ENVIRONMENTAL MANAGEMENT

As a company committed to helping shape a sustainable energy future, our commitment to protecting the environment is core to our identity. Our vision, policies, and business strategies are all aimed at carbon emission reduction and building a sustainable future. These strategies are further integrated in our day-to-day business in the way we operate.

Beyond complying with all relevant environmental regulations and encouraging environmental awareness in our business culture, we are working to arm Southeast Asian countries with the knowledge and infrastructure to grow sustainably with our renewable energy and energy efficiency solutions.

Stewardship towards the environment is a key priority at Cenergi. As a clean energy company, it is imperative that we act responsibly across our internal operations to reduce and mitigate our impact on the environment.

## Emissions Avoidance and Reduction

Cenergi's entire business model is centred around providing clean energy solutions to customers, be it through generating renewable energy or establishing energy management systems. We are committed to helping our clients reduce their carbon emissions and our aspiration in 2024 is to avoid 500,000 tCO<sub>2</sub>e annually across Southeast Asia through the development of 200MW of renewable energy capacity. In addition, through our operations, we will continue to contribute to our commitment under the World Biogas Association (WBA) to help reduce global GHG emissions by at least 12% — a declaration that was presented by the WBA at COP25 in Madrid, Spain. As the only corporate member from Malaysia to sign the declaration, we are proud to represent our country and industry and will endeavour to push forward and deliver our commitments.

In July 2019, we engaged Control Union (Malaysia)\* to conduct a GHG accounting project at selected sites and verify our emission reduction and avoidance data. Using GHG Protocol and CDM Methodologies, Control Union was able to quantify our baseline emissions and reduction in emissions from our operational improvement projects. The same methodology was used to calculate the reduction in emissions at all our other sites. Using this comprehensive methodology, it was found that we have achieved and exceeded our 2021 aspirational goal to avoid 200,000 tCO<sub>2</sub>e.

Moving forward, we will be looking into the recommendations for improvement made by Control Union and identifying new ways to reduce our emissions.

*\*Control Union (Malaysia) is a private, independent company that provides certification and auditing services to enable clients to provide confidence and trust to their stakeholders.*

Project	GHG Emissions Avoided (tonnes CO <sub>2</sub> e)		
	2017	2018	2019
<b>Biogas</b>			
Palong	58,524	54,079	66,403
Sawira	36,747	32,286	48,635
Cheekah	24,969	23,526	26,532
Sri Jelutong <sup>1</sup>	13,313	51,061	36,136
Pantai Remis <sup>2</sup>		3,953	21,810
FJP			11,384
Tennamaram*			
<b>Solar</b>			
IRM Solar <sup>3</sup>	2,722	3,369	2,625
Digital Awan	770	772	781
Marudu	717	731	725
<b>Energy Efficiency</b>			
AEON	3,386	3,386	3,386
IIUM	16,945	11,521	13,310
<b>TOTAL</b>	<b>158,093</b>	<b>184,684</b>	<b>229,742</b>

Notes:

1. Operational on 5th October 2017

2. Operational on 14th December 2018

3. Operating since 2016, but only acquired in April 2019

\*Note: No CO<sub>2</sub> reductions were measured for Tennamaram yet since it has just recently come into operation.

All figures in this table has been revised from our previous report, which only took into account emissions avoidance from grid electricity. This data now includes all sources of emissions savings.



## Safe and Efficient Waste Management

Cenergi has always promoted a sustainable work-culture and creating a healthy working environment for our employees. Although most of our waste is produced at our operating assets, we are also cognizant of our responsibility to ensure that we manage our waste appropriately across our business. We take pride in knowing that we are taking proactive steps to reduce our impact on the environment and that we are also involving our employees in the process.



## SCHEDULED WASTE

At our operating plants, a key priority is the safe and efficient disposal of waste as it may otherwise affect the safety and health of our employees. Since 2017, we have begun implementing a proper scheduled waste management (SWM) program, primarily at our biogas plants. Based on the operation of our biogas plants, we have identified a number of key scheduled waste items that may be generated and have identified appropriate methods for disposal.

				2019	
No.	Scheduled Waste	Waste Code	Producing Area	Amount generated (kg)	Disposal method
1	Waste containing mercury or its compound	SW109	Laboratory sampling	400	Send to approved disposal / treatment facility.
2	Waste from electrical or electronic device	SW110	Workshop/ operational area	0	Send to approved disposal / treatment facility.
3	Spend engine/ lubricating oil	SW305	Workshop	3,400	Send to approved disposal / treatment facility.
4	Sludge from desludging	SW311	Covered lagoon	0 (no desludging was done in 2019)	Periodically generated – once every 5 years from desludging activity.
5	Contaminated rags/ gloves	SW410	Operational area (engine)	700	Send to approved disposal / treatment facility.
6	Mixture of scheduled waste (primarily sulphur)	SW421	Scrubber tank	Not monitored since it is pumped back into pond	Pump back into the effluent pond.

Moving forward, some of the wastes identified will be recycled/ reused as much as possible. For example, in May 2019, a pilot project was carried out in Palong for 1 month to test the effectiveness of pumping SW421 back into the effluent pond of the palm oil mill instead of sending it to a disposal/treatment facility. It was found to be a practical solution and the new process was implemented across all the other biogas sites. In addition, all of the biogas plants will have one Certified Environmental Professional in Scheduled Waste Management (CePSWaM) to manage scheduled waste. They will be tasked as the advisor for any scheduled waste issue and identify areas for improvement to ensure better compliance.

Apart from individual site management of SWM, Cenergi also has an Environmental Committee that is chaired by the Head of our Biogas Asset team. The committee is comprised of representatives from HSE, Heads of each operating plant, O&M engineers and the CePSWaM, and meets every three months to discuss any issues related to SWM.

## GREEN OFFICE INITIATIVES

At Cenergi, we always strive to improve our work-culture to align with our core values. Our recycling initiative under the Cenviro's Recycle For Life (RFL) Program continued in 2019 as we turned our space in Common Ground Ara Damansara (CGAD) into our new home. Sharing our working space with the community encourages us to contribute towards a more sustainable working environment, and as such we have helped introduced recycling bins at CGAD and included their recyclables in our RFL program. In 2019, Cenergi and CGAD collected a total of 657 kg of recyclable materials, with an average collection of 55 kg per month. In 2020, we aim to improve our recycling efforts by focusing on proper segregation of our recyclables. We also hope to reduce the usage of plastics and other non-recyclable materials at our HQ by providing reusable containers for employees to use.

At Cenergi's HQ in Ara Damansara, we collaborated with technology provider, SenSing, to test their smart office technology. SenSing's technology uses IoT and data analytics to optimize the indoor environment and improve occupant comfort, well-being and productivity. Various sensors were installed in October 2018 and have been collecting data related to air quality, ambient characteristics, desk occupancy and energy usage of heavy usage equipment, such as printers and TVs. Data collected by all sensors were uploaded to cloud storage and displayed on an interactive dashboard, which was monitored by our Energy Efficiency team.

Initial results of the sensors show that both carbon dioxide and lighting lux levels were extremely poor across all zones. Employees have been experiencing poor vision in our hot desk zone with productivity potentially further impacted by the low CO2 levels. The team is looking into possible mitigation strategies such as increasing inflow of fresh air and installing omnidirectional lights across desks. In addition to this, energy algorithms were put into place to reduce consumption of devices

during weekends and non-working hours. All devices are now switched off from 8pm to 7am the next day. Occupancy sensors also work to determine if there is anyone in rooms and if not, it will automatically switch off the lights.

We also have internal rules for sustainable printing at our HQ. For internal documents, we encourage employees to print double-sided and if possible, to print on scrap paper. We try to limit coloured-printing by only providing this feature to key people within the office. We also have a dedicated team that monitors printing activities every quarter to ensure there is no misconduct.

## CENERGI SUSTAINABILITY COMPETITION

The Sustainability team organised a lifestyle competition for the Group, which aimed to promote the SDGs in our day-to-day activities while at work and outside as responsible community members. Made compulsory for the group to participate, the competition kick-started in January 2019 with participants having to choose from 14 of the SDGs. Goal 12 of ensuring responsible production and consumption was a favourite at Cenergi with most groups suggesting projects that encouraged the 3R's - reuse, reduce and recycle.

The winning group implemented a project on used cooking oil (UCO), where UCO is collected and sent to a recycling centre.

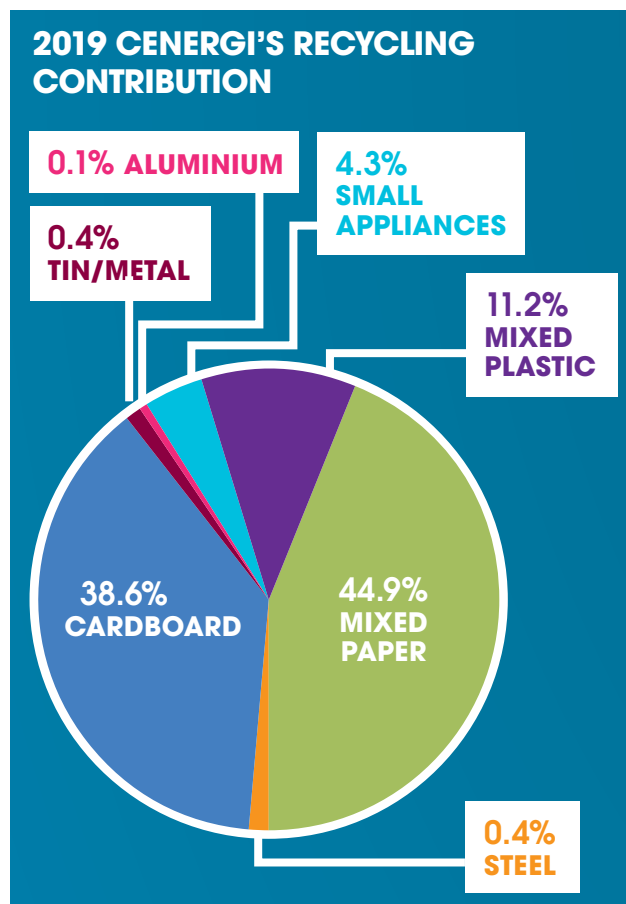
### How it works?

1. A barrel is provided by the group and placed at an area in our office's pantry
2. Filtered UCO from home/anywhere is filled in the barrel
3. Once the barrel is full, the winning group will inform the recycling centre for pick-up
4. The collected UCO will be brought to the centre as a raw material for biodiesel production.

We have collected more than 3 kg of UCO so far. The winning group plans to collect a total of 30 kg UCO in 2020 and encourage staff to practice safe disposal of UCO by not disposing it in the sink/drain.

The collected UCO avoids grease getting clogged in drain pipes and sewers and further supports the effort to explore opportunities in production of biodiesel as a clean, reliable energy.

## 657 kg of waste recycled in 2019.







## PEOPLE AND US

As a fast-growing company going places in an increasingly competitive industry, we are faced with numerous external and internal challenges. To ensure continued success, we are committed to proactively look for ways to improve our company's performance and build on our competitiveness through our people.

### Employee Engagement

Cenergi is committed to ensuring a harmonious working environment for our people. To foster a positive and productive working experience, it is important that our people feel heard, recognized and valued for what they do in the company. Such engagement ensures the company can work together as one to achieve its goals and objectives and grow effectively.

We work to improve and maintain a productive and sustainable organization, recruit passionate and talented people, develop and support their development, strengthen our leadership and enhance people performance through strong engagement.

Scattered across the region, our operations are bound to changes like restructuring, expansions and mergers. Experience from our operational sites to HQ has shown us that it is crucial for us to acquire an effective and dependable workforce. People engagement is an ongoing effort and centered around encouraging an environment of collaboration, respect and understanding between our various teams.

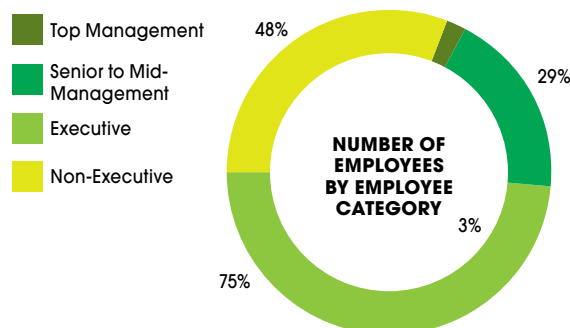
We provide employees an opportunity to engage through our monthly Coffee Chats, where we bring in an external speaker to share their knowledge and experience on various topics – in 2019, this covered topics such as health and wellness, climate reality, integrity and women empowerment. Cenergi also encourages employees to participate in Coffee Chats as a speaker to spur capability development.

While none of our employees are part of any collective bargaining agreements, we respect our employees rights and are conscious of ensuring they are provided sufficient notice with regards to any significant operational changes. For changes that may result in termination of employment, a minimum of one month, or up to three months, notice is given depending on the level of employment. For changes in working hours, a minimum of one week notice is given prior to the effective date.

We conduct regular Townhalls every quarter as an avenue to transparently share the company's performance and growth and inculcate a culture of openness and transparency. Townhalls are hosted by members of the management and employees are encouraged to voice out their concerns. In 2019, some of the key concerns raised were our financial performance and growth, our targets for the upcoming years and the adoption of our core values as a company. Management has taken

various steps to address some of these, including ensuring continuous support from Management to the employees, encouraging a positive working environment to boost productivity and is investing in internal engagement around the adoption of our core values.

We have a dedicated team that conducts regular employee engagements called Organizational Development (OD). OD facilitates the process of continuous organizational-wide improvements to enhance productivity through the cycle of proactive needs identification, action planning and change management. We had our first culture survey in May 2019 to look at our progress in adopting our five core values: Integrity, Transparency, Respect, Sustainability and Safety. The results showed that employees were in firm agreement that Safety was a core value that everyone embodied and responses were similarly high for being Respectful and Sustainable. However, it was also apparent that the Group needs to focus its efforts in being more transparent and embody this core value so that employees feel that there is good open communication. This will be a core focus throughout 2020 and it is hoped that this voluntary sustainability report is a first step in communicating our overall progress to our employees and our other stakeholders.



## Diversity and Gender Equality

At Cenergi, we value diversity and inclusion and are committed to equal opportunities for all our 155 employees, regardless of age, gender, race or any other characteristics. We pride ourselves on our work ethics and good relationships, where integrity, transparency and respect are valued. We have a multicultural and multigenerational workforce from interns in-between studies to industry veterans — a blend of dynamic and enthusiastic individuals committed to pursuing a sustainable future.

At the end of 2019, the gender balance at our HQ was 60:40 and we are on track to meet our 50:50 gender balance target by 2020 for HQ. In empowering the people and enabling them to contribute to the workforce, Cenergi provides opportunities for employment and flexible working arrangements to accommodate working mothers and also individuals from all backgrounds and qualifications. We offer flexible start times from 7am to 10am as long as they complete 8 hours of work each day. Full-time employees also receive dental benefits, maternity allowance and marriage leave.



In line with our aspirations to align ourselves with national priorities, we try to prioritize and recruit Malaysians wherever possible. This is especially true at our clean energy plants where we make an effort to hire from the local communities. We recruit local talent through community engagement with local factories, business partners and local staff engagement. We also advertise our recruitment

opportunities on various media platforms like on our website, Jobstreet, Jabatan Tenaga Rakyat and JobsMalaysia to provide sufficient opportunities for local talent to apply for our jobs.

As such, we are proud to report that 99% of our employees are local Malaysians.

## MANAGEMENT TRAINEE PROGRAM

Our Management Trainee Program was established in 2018 to provide environmentally passionate graduates an opportunity to gain valuable experience and knowledge in the clean energy industry and contribute to the workforce to drive the industry forward.

True to our commitment to diversity, the program was open to graduates from any discipline with a 3.0 CGPA and above. The trainee program sees graduates undergo a working rotation in our key

departments such as Biogas, Sustainability, RE Fuel, Operations & Maintenance and Human Capital for a period of three months. So far, two trainees have been hired as permanent employees in the Biogas and RE Fuel departments.

In addition, we also have an internship program that allows for shorter periods of work experience of up to six months. Feedback from interns about this program have been encouraging and we look to maintain it as a means of providing an opportunity for the next generation to be exposed to this exciting industry.

## Training and Development

Cenergi encourages a high-performance culture by setting clear expectations and encouraging employees' growth and development. In an effort to continuously raise the bar and achieve sustainable growth, Cenergi provides opportunities for employees to expand their knowledge through various internal and external training programmes. In 2019, employees had an average of 32 hours of training in courses ranging from certified technical courses to interpersonal skills and health and safety.

We provide a number of opportunities for all levels of employees to increase their leadership capability, through initiatives such as our Team Building program and Empowering Women in Leadership talk. Forty employees took part in the Team Building program aimed at improving communication among employees and pushes for leadership within the team. Employees are also encouraged to take on leadership roles by championing tasks of different job scopes as all performance evaluation forms take into consideration whether employees have shown leadership qualities. We also undertake quarterly performance reviews with 100% of our employees to ensure regular feedback on performance is provided and sufficient time is given for improvement.

## INTERNAL SESSIONS 2019

### 1. Cenergi Coffee Chats

Topics covered: Leadership, Cyber Security, Integrity, Sexual Harassment & Climate Change.

### 2. Health & Wellness talk

### 3. Fire Safety Briefing & Fire Drill



### 4. Internal Sharing Sessions

Project Finance Model, Supply Chain Management Process, Finance MBRS application, IIUM Project, HR insurance briefing, Sustainability Materiality Workshop.

### 5. Cenergi Women's Day

Women Empowerment Talk & Forum



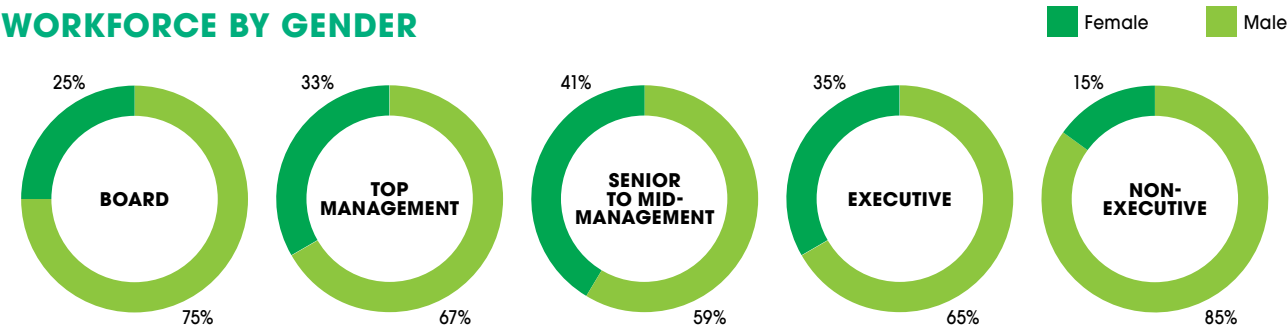
### 6. Morning Tea

HoDs Mini Workshop

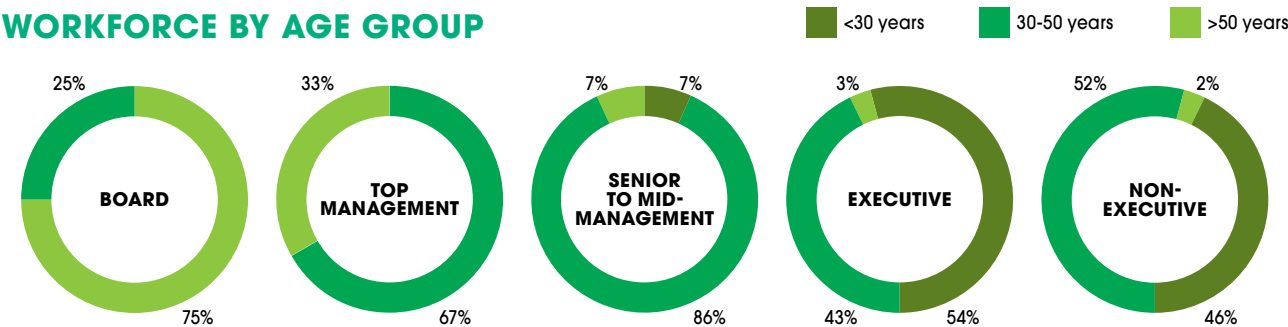


# Employee Diversity Data

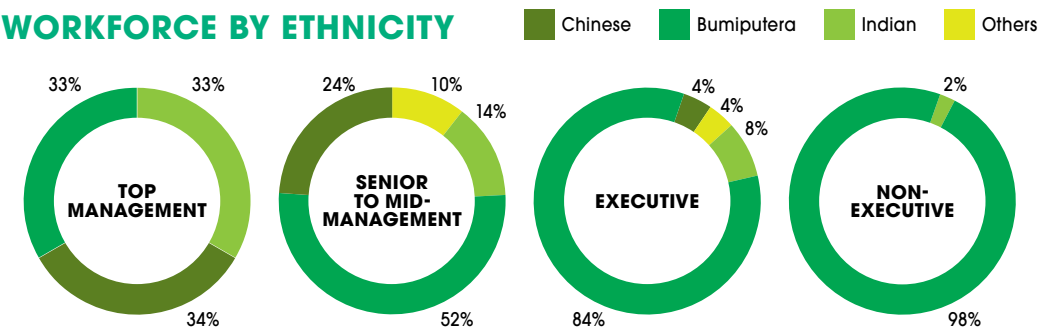
## WORKFORCE BY GENDER



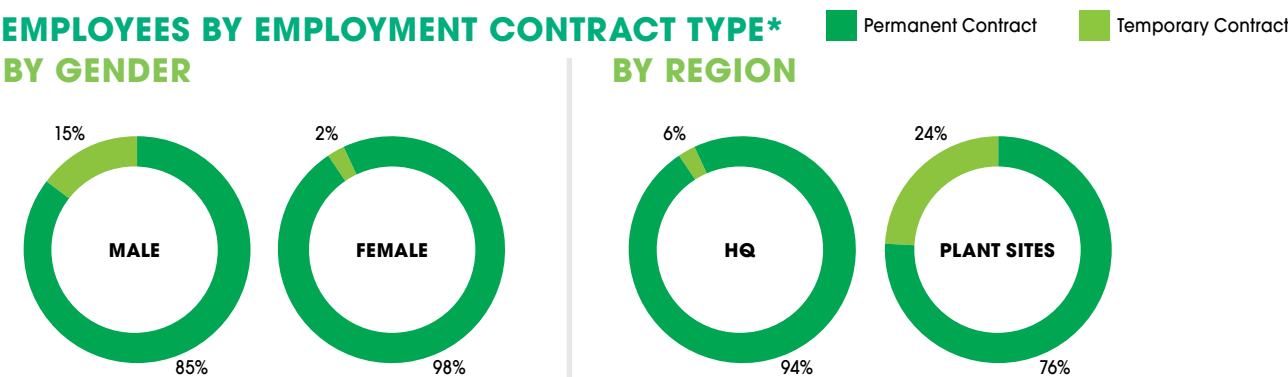
## WORKFORCE BY AGE GROUP



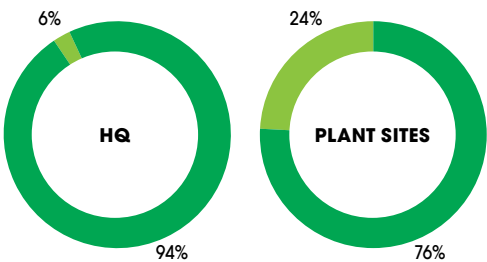
## WORKFORCE BY ETHNICITY



## EMPLOYEES BY EMPLOYMENT CONTRACT TYPE\* BY GENDER



## BY REGION



\*The employment type for all employees is full-time.

## TOTAL NUMBER OF NEW EMPLOYEE HIRES FOR 2019 WAS 58 EMPLOYEES.

	NUMBER OF HIRES	RATE OF HIRE
<b>AGE GROUP</b>		
<30 years	31	20.0%
30-50 years	25	16.1%
>50 years	2	1.3%
<b>GENDER</b>		
Men	47	30.3%
Women	11	7.1%
<b>REGION</b>		
HQ	39	25.2%
Plant sites	19	12.3%

## TOTAL TURNOVER NUMBER FOR 2019 WAS 28 EMPLOYEES.

	TURNOVER NUMBER	RATE OF TURNOVER
<b>AGE GROUP</b>		
<30 years	10	6.5%
30-50 years	17	11.0%
>50 years	1	0.7%
<b>GENDER</b>		
Men	18	11.6%
Women	10	6.5%
<b>REGION</b>		
HQ	27	17.0%
Plant sites	1	1.0%

## AVERAGE TRAINING HOURS PER EMPLOYEE

	NUMBER OF EMPLOYEES	NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
<b>GENDER</b>			
Male	109	2,292	21.0
Female	46	1,888	41.0
<b>BY EMPLOYMENT CATEGORY</b>			
Top management	3	91	30.3
Senior-mid management	29	856	29.5
Executive	75	2,949	39.3
Non-Executive	48	957	19.9

## Employee Safety, Health And Wellbeing

We place a safe and healthy workplace as the priority in our operations while aiming to be the industry leader towards the welfare of our employees.

Everyone who works for us, or with us, has an important part to play in making Cenergi a safer place to work. We aim for more than a culture of compliance - one in which people feel listened to and cared for. Our aim is to have a more motivated, productive, healthier and safer workforce. We strive for achieving zero lost-time injury (LTI) through the continual

improvement of the Group's Health, Safety & Environment performance, while strengthening the HSE practices across the Group. Our safety performance is a direct reflection of our company's ambition to be a role model in safety and continually improving safety performance.

In 2019, we worked on further enhancing our HSE systems and processes and set a number of targets to achieve. We are happy to report that we have achieved nearly all the targets we set ourselves and are making good progress on the remaining targets. One of the key achievements for the year was maintaining our zero loss-time injury record, which is a testament to the safety standards held at Cenergi.

2019 TARGETS	PROGRESS	NOTES
Maintain zero loss time incident	● Achieved	Zero Loss Time Injury (LTI) maintained
Achieve 100% HSE compliance with all legal and other requirements in Malaysia	● Achieved	100% compliance indicating the high standard of safety at Cenergi
Align all occupational safety and health programs with ISO 45001:2018 and environmental programs with ISO14001:2015	● In progress (expected completion by Dec 2021/2022)	Restructuring all procedures and safety & health activities such as internal auditing and management review.
Enhance scheduled waste management at all sites	● Achieved	Scheduled waste storage for each biogas plant has been established and a scheduled waste competent person has been appointed at each plant.
Create and enhance safety culture at the workplace	● Achieved	Enhanced hazard reporting at all sites, increased by 32%
Health, Safety and Environment for Hamparan	● In progress (expected completion by COD in April 2021)	Safety personnel at Hamparan hired with each safety supervisor for each contractor.

In 2020, our targets for HSE include:

1. To maintain Zero Lost Time Injury (LTI) and Occupational Illness
2. To achieve Zero Environmental Harm.
3. To maintain 100% compliance on legal and other related requirements.
4. To align all occupational safety and health programs with ISO 45001:2018 and environmental programs with ISO14001:2015 and obtain both ISO certifications by 2021/2022.

## SAFETY MANAGEMENT

The HSE Department in Cenergi is responsible for managing all HSE processes and systems across the Group's operations. Our HSE policy was established in 2017 and applies to our employees as well as contractors. It has been periodically reviewed to ensure its relevancy. In addition to our HSE Department, Cenergi has a Safety and Health Committee, comprised of representatives from management and representatives from each department. This committee meets once every three months, as stipulated under the Occupational Safety and Health (Safety and Health Committee) Regulations 1996, to discuss the overall Group's safety performance and any issues arising.

We also have several sub-committees which represent each business area / construction project. We have three sub-committees – Operations & Maintenance (CO&M), Engineering and Procurement Construction (CEPC) and Energy Efficiency. These sub-committees meet every three months to report on safety progress and any arising issues at each site.

## COMPLIANCE

Occupational Safety and Health (OSH) standards are mandatory rules and standards that are enforced by the Malaysian government to eliminate or reduce OSH hazards in the workplace. These standards aim to provide the minimum acceptable degree of protection that must be afforded to every worker in relation to the working conditions and dangers of injury, sickness or death that may arise. As such, we have in place our own HSE system, in line with the ISO 45001:2018 Standard, which ensures that all employees, contractors and visitors adhere to our strict safety requirements.

Each committee is chaired by the Head of that respective team and are comprised of Cenergi's Operations and Maintenance (CO&M) team and Cenergi's Engineering and Procurement Construction (CEPC) team. Sub-committees with the CO&M focuses of health, safety and environmental issues at all biogas plants, while the sub-committee for CEPC focuses on issues at all constructional sites as the hazards at both biogas plants and constructional sites are very different.

While we try to avoid any safety incidents, detailed procedures are in place for when incidents do occur. There are first aid boxes available at HQ and all sites and are inspected once a month to ensure all items are sufficient and still valid. All sites have a competent first aider and are trained to manage small incidents like cuts and bruises. However, for more serious injuries, employees are brought to the nearest clinic for proper treatment.

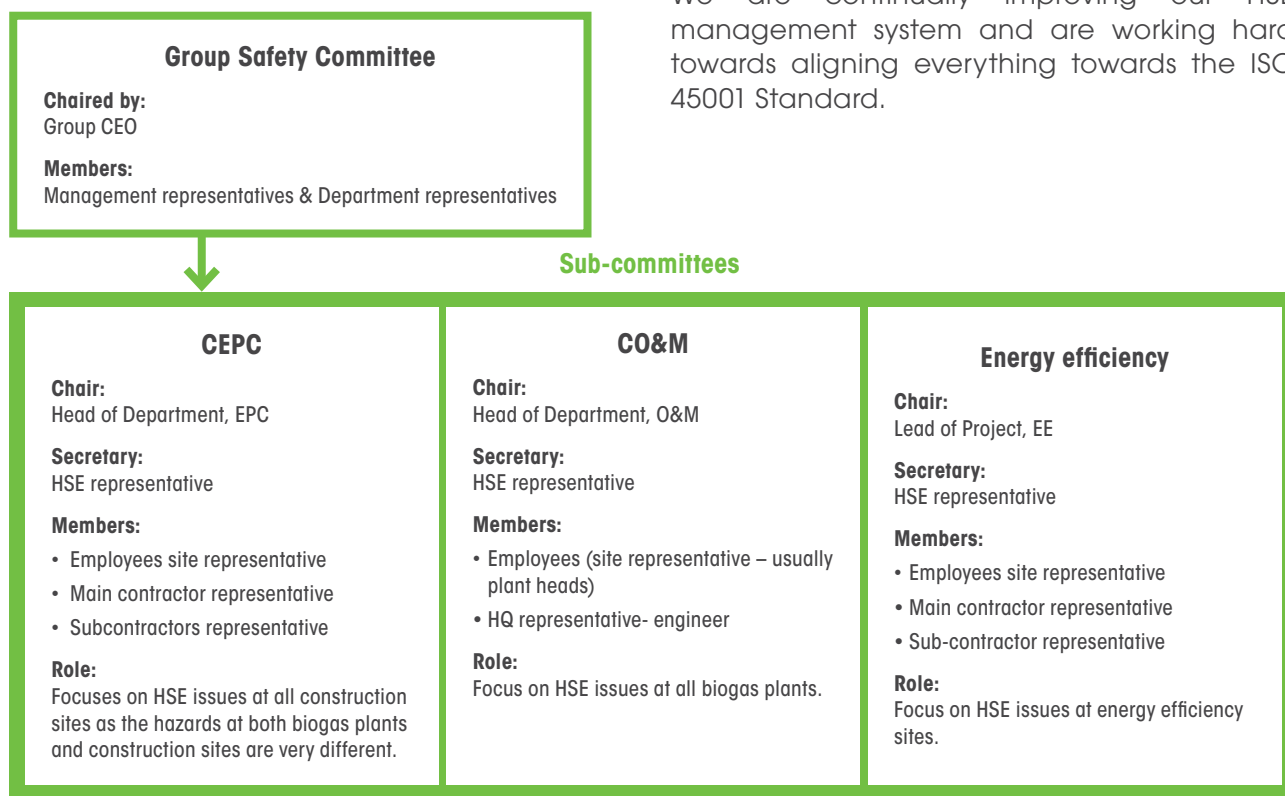
If an incident has occurred, the supervisor at the site is responsible for reporting it immediately to the HSE Department or relevant authorities if



necessary. Once an incident is reported, the HSE team will investigate the matter with operations team and conduct a site visit on the scene to identify areas for improvement to avoid similar incidents occurring in the future. After the site visit, an Accident Reporting form will be filled, providing key recommendations for actions to be taken. The actions need to be implemented within a maximum time frame of two months, after which a second site visit will take place to ensure that all of the recommendations have been applied. The operation team will then prepare a short report to note their observations of any improvements following the incident.

Internal audits are carried out by the HSE Department once a year to ensure that the Group's operations are complying with the HSE policy and relevant regulations. In 2019, our audit showed a few areas for improvement including providing better lighting for operation areas, improving general housekeeping at several sites and maintaining proper HSE documentation. The audit also revealed some good practices in other operating assets where they have taken the initiative to improving the general environment, maintaining machinery well and complying with all our HSE policies.

We are continually improving our HSE management system and are working hard towards aligning everything towards the ISO 45001 Standard.



## SAFETY HAZARD REPORTING

Employees are encouraged to report hazards to the HSE Department and they are dealt with in a systematic and timely manner.

### SAFETY HAZARD REPORTING PROCESS



## RAISING HEALTH AND SAFETY AWARENESS

Employee engagement towards health and safety is the key to embedding a culture of safety and compliance. Health and safety trainings are conducted with the aim to raise this awareness especially amongst our employees and contractors.

All new employees are given a safety briefing by HSE about the HSE policy, evacuation plan, hazards and risks and internal HSE Department

processes to ensure they understand how they can report hazards or incidents and what to do in an emergency. Our contractors at all our assets are also briefed every morning (Toolbox talk) on safety issues.

A number of internal and external training programmes are carried out over the course of the year on a regular basis for employees as well as contractors. In addition, educational posters on chemical handling, scheduled waste handling and other safety information are made available at each site.

TRAINING	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>EXTERNAL TRAINING</b>												
BOFA-C		3		3	3		3	3		3	3	3
BFF & ERP			4			3			3			3
AESP	3			2								
AGT					1							
CePSWaM								1				
B0-Limited											3	
<b>INTERNAL TRAINING</b>												
Safety Induction	Monthly – to all constructional site/ any operational site that employed new staff											
Toolbox Talk	Daily at all constructional sites											
SWM	4											
Emergency Drill	80						24			18		80
Fire Safety					70							
SOP	Continuous training throughout the year											

**\*number represents number of participants for each training.**

TRAINING PROGRAM	TARGET AUDIENCE
Basic Occupational First Aid, CPR and AED (BOFA-C)	All projects excluding contractors (HQ, biogas plants, solar farm, pallet plant)
Basic Fire Fighting and Emergency Response Plan	All projects (construction, biogas plants, solar farm, pallet plant)
Authorised Entrants and Standby Person (AESP)	Biogas plant employees
Authorised Gas Tester (AGT)	Biogas plant employees – one AGT for each region (North Region and South Region)
Certified Environmental Professional in Scheduled Waste Management (CePSWaM)	Biogas plant employees – one CePSWaM at each plant
Safety Induction	All employees and contractors
Toolbox Meeting	All contractors at site - daily
Standard Operating Procedure (SOP) Briefing	All new biogas plants and solar farm employees
Scheduled Waste Management Internal Training	Biogas plant employees

## HSE PERFORMANCE

On 30 November 2019, Cenergi and its subsidiaries clocked 1 million safe man-hours without loss-time injury (LTI), which is one month ahead of our original target of achieving this in the year 2020. This significant milestone was only made possible by the collaborative efforts of the 200 active employees and contractors involved and is a clear indication that safety remains as a core value in Cenergi. This year we only recorded four work-related injuries, which were caused by falling from ladders. One work-related hazard was identified through site inspections and interviews involving the manual handling of heavy items, which could lead to back pain and pose a risk of high-consequence injury. Appropriate actions have been taken to minimize the risk such as providing trolleys and monitoring working hours.

HSE INDICATORS	NO. OF CASES IN 2019
Safe Manhours Achieved	1,050,328
Loss Time Incident Free Days	2,309
Total No. of Loss Time Incident	0
Lost Workday (LTI)	0
No. Incident / Accident (no effect to LTI)	8
First Aid / Medical Case/	4
No. Unsafe Condition	30
No. Unsafe act	14
No. Near Miss	1
Recordable Case	4

OSH PERFORMANCE DATA*	TOTAL NUMBER	RATE
<b>WORK-RELATED INJURIES</b>		
<b>EMPLOYEES</b>		
Fatalities	0	0.0
High-consequence work-related injuries	0	0.0
Recordable work related injuries	4	3.8
<b>CONTRACTORS</b>		
Fatalities	0	0.0
High-consequence work-related injuries	0	0.0
Recordable work related injuries	0	0.0

**\*Based on 8 hours worked. No employees excluded from the numbers.**



As of 31 December 2019



## Engaging with Local Communities

As we continue to expand our operations locally and regionally, we are ever conscious of our responsibility in supporting the local communities located around our operations. At Cenergi, it is not only our responsibility, but our privilege, to be able to contribute our resources and knowledge to our local communities. By doing this, we hope to foster a generation of visionaries towards building a balanced nation in terms of development and environmental conservation. Thus far, 21% of our operations have local community engagements and development programs.



**We believe in a socially conscious approach, as we work to create a higher quality of life and a healthy space for communities to grow.**

## Sustainable Schools

We are particularly proud of our core community programme, Sustainable Schools, which aims to address the lack of awareness with regards to environmental education amongst public and private schools in Malaysia, as well as the lack of energy regulation and monitoring of school buildings. On top of introducing the idea of sustainability to the school's curriculum, Cenergi has the capacity to provide technical consultation to these schools on how they can operate more sustainably.

In 2019, we worked with two local schools in Pantai Remis, Perak and Beaufort, Sabah. In conjunction with Earth Day 2019, we celebrated the event on April 24, 2019 with 98 Standard 5 and 6 students from Sekolah Kebangsaan Pantai Remis, Perak. Our Pantai Remis biogas plant employees organised a sustainability workshop to raise awareness on climate change and sustainability where students gained hands-on experience in designing and building innovative renewable energy solutions.

Early engagement with the local community was undertaken at Beaufort while we were in the process of acquiring two solar assets in Sabah. As a sign of our commitment, we organised a week-long tour from 13-17 September in collaboration with Sekolah Kebangsaan Garama, Beaufort, Sabah to develop a sense of awareness among the students about the importance of nature. The tour brought together the students from SK Garama and SK Pantai Remis and other schools to do a beach clean-up near the Segari Turtle Sanctuary. After the beach clean-up, the students visited the sanctuary to experience some of the turtle conservation activities and then visited our Pantai Remis biogas power plant to learn about how clean energy is generated. The tour continued to Kuala Lumpur where they visited Petrosains, the Sky Bridge and our HQ office. The engagement really widened the students' knowledge and perspective about various aspects of the environment and allowed them to build close bonds with their peers.



## PORT DICKSON BEACH CLEAN UP

The event was organised in collaboration with the Malaysian Sub Aqua Club and had over 40 participants from both organisations and the public. The participants managed to collect 45 big trash bags, filled mostly with plastic waste. It is hoped that through this event, the participants will be more conscious of the impact of their actions and consequently change their behaviour to help prevent marine pollution.



## BERBUKA PUASA WITH RUMAH AMAL KASIH BESTARI

In 2019, we held a celebration at our HQ for children from the Rumah Amal Kasih Bestari orphanage to celebrate Al Mubarak Ramadan. About 40 children and wardens were treated to lots of fun and games organised by our Cenergi team and enjoyed a delicious buffet.

# GRI CONTENT INDEX

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102-4	Location of operations	Our Business Overview pp 10-11	
102-5	Ownership and legal form	Who We Are pp 3; Our Business Overview pp 9	
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<b>STRATEGY</b>			
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<b>GOVERNANCE</b>			
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DISCLOSURE	DESCRIPTION	WHERE IT CAN BE FOUND	OMMISSIONS
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102-47	List of material topics	Sustainability at Cenergi - Materiality Assessment pp 17-18	
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102-49	Changes in reporting	About this Report	
102-50	Reporting period	About this Report	
102-51	Date of most recent report	About this Report	
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102-53	Contact point for questions regarding the report	About this Report	
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	
102-55	GRI content index	GRI Content Index pp 39	
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<b>STANDARD DISCLOSURES</b>			
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201-1	Direct economic value generated and distributed	Our Business Overview pp 8; Sustainability at Cenergi - Supply Chain pp 16	<p>Part a:</p> <ul style="list-style-type: none"> <li>i. Economic value distributed</li> <li>ii. Economic value retained</li> </ul> <p>All of Part b:</p> <p>Explanation: As a private entity we are not required to disclose this information publicly and such information is also deemed sensitive and confidential for competitive purposes.</p>
<b>GRI 205: ANTI-CORRUPTION</b>			
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<b>GRI 306: EFFLUENTS AND WASTE</b>			
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<b>GRI 402: LABOUR MANAGEMENT RELATIONS</b>			
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<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)</b>			
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403-9	Work-related injuries	Employee Safety, Health And Wellbeing pp 36	
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**CENERGISEA**