Leader Energy

SUSTAINABILITY

REPORTING PRINCIPLES

&

DATA ASSUMPTIONS

Sustainability Reporting Framework

Our Sustainability Report 2023 has been prepared in accordance with several local and international sustainability standards and frameworks:

- Global Reporting Initiative (GRI) Standards
- Sustainability Accounting Standards Board (SASB)
- International Sustainability Standards Board - Climate-related Disclosure (ISSB S2)
- Bursa Malaysia Reporting Sustainability Reporting Guide (3rd edition)

Reporting Approach

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

Precautionary Principles

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

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

Scope

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

Consolidation

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

Information on Exclusions

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

RESPECTING THE ENVIRONMENT

Greenhouse Gas (GHG) Emissions Data

Scope

Leader Energy exercises operational control over GHG emissions accounting for Scope 1, Scope 2, and specific categories of Scope 3 – Business Travel (Category 6) and Employee Commuting (Category 7).

The gases included in our GHG accounting are as follows:

- Carbon dioxide (CO_2)
- Methane (CH_4)
- Nitrous Oxide (N_2O)
- Hydrochlorofluorocarbons (R22)
- Hydrofluorocarbons (R32 and R410A)
- Sulfur hexafluoride (SF_6)

These gases have been selected based on their global warming potential and relevance to our operational activities, aligning with international reporting standards and best practices.

Consolidation

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

Third-Party Assurance

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

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

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GHG Emissions Calculations

Activity Data	Calculation Methodology
[1]Coal for Boiler	**CO_2 emission (tCO_2)** = Coal consumption (tonnes) x Net Calorific Value (TJ/Gg)/1000 x Emission Factor (tCO_2/TJ) **CH_4 emission (tCH_4)** = Coal consumption (tonnes) x Net Calorific Value (TJ/Gg)/1000 x Emission Factor (tCH_4/TJ) **N_2O emission (tN_2O)** = Coal consumption (tonnes) x Net Calorific Value (TJ/Gg)/1000 x Emission Factor (tN_2O/TJ) **Total CO_2e emission (tCO_2e)** = CO_2 emission (tCO_2) + [GWP for CH_4 x CH_4 emission (tCH_4)] + [GWP for N_2O x N_2O emission (tN_2O)]
[2]Diesel and Petrol	**CO_2 emission factor (CO_2) =** Net Calorific Value (TJ/Gg) x Fuel Emission Factor ($kgCO_2$/TJ)/10^6 **CH_4 emission factor (CH_4) =** Net Calorific Value (TJ/Gg) x Fuel Emission Factor ($kgCH_4$/TJ)/10^6 **N_2O emission factor (N_2O)** = Net Calorific Value (TJ/Gg) x Fuel Emission Factor (kgN_2O/TJ)/10^6 **Total CO_2e emission (tCO_2e)** = Fuel Consumption (L) x Density (kg/L) x [(CO_2 EF) + (CH_4 EF x GWP of CH_4) + (N_2O EF x GWP of N_2O)] / 1000
Refrigerant	**Total CO_2e emission (tCO_2e)** = Refrigerant Charge (kg) x GWP100 of Refrigerant ($kgCO_2e$/kgRefrigerant)/1000
Domestic Wastewater (CH_4)	**Total CO_2e emission (tCO_2e)** = Number of Employees x Number for Working Days per Year x Methane Correction Factor (fraction) x Biochemical Oxygen Demand (g/person/day) x Maximum CH_4 Producing Capacity ($kgCH_4$/kgBOD) x GWP CH_4 / 10^6
Switchgear	**Total CO_2e emission (tCO_2e)** = SF_6 Charge (kg) x GWP of SF_6 ($kgCO_2e$/$kgSF_6$) /1000
Fire Extinguisher	**Total CO_2e emission (tCO_2e)** = CO_2 Refill (kg) x GWP of CO_2 ($kgCO_2e$/kg CO_2) /1000
Electricity Imported from the Grid (Purchased Electricity)	**Total CO_2e emission (tCO_2e)** = Purchased Electricity Consumption (kWh) x Country Specific Grid Emission Factor (tCO_2e/MWh) / 1000

Note:

- [1]Net Calorific Value (TJ/Gg) is average data on coal analysis certified by SGS Cambodia on monthly basis.
- [1]Emission Factor (tCO_2/TJ) is adjusted according to the country of operation.
- [1]Emission Factor (tCH_4/TJ) and (tN_2O/TJ) are based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Volume 2 – Energy, Chapter 3.
- [2]EF: Emission Factor

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Other Environmental Data

Indicators	Data Assumptions
Air emissions	Average air emissions monitored in mg/Nm^3 such as nitrogen oxides (NO_x), sulfur oxides (SO_x), particulate matter up to 10 micrometers in size (PM_{10}), Total air emissions monitored in tonnes such as ozone-depleting substances (ODS), lead, and mercury.
GHG emissions intensity	GHG emissions intensity is calculated by dividing total GHG emissions by energy generated from power generation operations.
Avoided emissions	Emissions reductions that occur outside of a product's life cycle or value chain, but as a result of the use of that product. Leader Energy's contribution to avoided emissions are mainly the amount of GHG emissions avoided as compared to conventional fossil-fueled or coal power energy generation.
Energy consumption	Total energy consumption calculated units specific to each energy type and aggregated into a unified unit in gigajoules.
Energy intensity	Energy intensity is calculated by dividing total energy consumption (GJ) by the total amount of electricity generated (MWh).
Hazardous waste generation	Total estimated hazardous waste generated by Leader Energy's operations such as used motor oils, spent paints, solvents, and other wastes classified as hazardous by local environmental authorities.
Non-hazardous waste generation	Total estimated non-hazardous waste such as domestic waste generated by Leader Energy's operations.
Spills	Referring to any unintentional release of substances that could harm the environment, any spills incident is recorded in liters.
Water withdrawal and discharge	Total withdrawn river water, seawater, and municipal/purchased water for Leader Energy's operations.
Water consumption	Total water consumed by Leader Energy's operations.
Environmental fines and penalties	A sum of money required to be paid to the regulatory agency/local authority as a penalty for non-compliance with local environment related rules and regulations
Renewable energy (RE)	Energy generated from our renewable operations ie. solar farms, hydropower plants, rooftop solar and transmission lines.

Indicators	Data Assumptions
RE installed capacity	Total installed capacity of all RE operations ie. solar farms, hydropower plants, solar rooftop and transmission lines.
RE consumed	Total renewable electricity from rooftop solar installations at our power generation and transmission operations' administration buildings.
RE revenue	Revenue from RE operations solar farms, hydropower plants, solar rooftop and transmission lines.
Revenue from Renewable Energy Certificate (RECs)	Revenue from the sale of RECs.
Revenue percentage from carbon credits	Revenue from the sale of carbon credits generated from RE power generation ie. hydropower plants
Expenditure on climate-related mitigation measures	Expenditure on environmental protection initiatives (including climate change/ GHG reduction initiatives and environmental management systems).

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CARE FOR OUR PEOPLE

Indicators	Data Assumptions
Workplace Health & Safety	
Hours Worked	Total hours worked by Leader Energy's employees (includes permanent and contract employees, joint ventures, and project) across 12- month.
Fatality Rate	The number of fatalities occurring in a workplace per 1 million hours worked.
Lost-Time Injury (LTI)	Total work-related injury that results in the employee being unable to perform their regular work duties for at least one full day/shift after the day/ shift of the injury.
Lost-Time Injury Frequency	Total number of LTI cases divided by total working hours and times 1,000,000.
Recordable Injury	Total recordable cases of all work-related health and safety incidents which includes LTI, medical treatment cases, restricted work cases, and minor injuries requiring first aid.
Total Recordable Injury Rate	Total number of recordable injury cases divided by total working hours and times by 1,000,000.
Near-miss	A potential hazard or incident in which no property was damaged, and no personal injury was sustained, but where, given a slight shift in time or position, damage or injury easily could have occurred.
Near-Miss Frequency Rate	Total number of near miss cases divided by total working hours and times 1,000,000.
Cases of Occupational Diseases	Total cases of health conditions or illnesses that arise as a result of exposure to factors in the work environment.
Rate of Occupational Disease	Total number of occupational disease cases divided by total working hours and times 1,000,000.
Fines and Penalties related to Health & Safety	A sum of money required to be paid to the regulatory agency/local authority as a penalty for non-compliance with local health and safety related rules and regulations.
Nurturing Talent	
Employees	Total number of employees excluding those on unpaid leave as of 31st December. Permanent and contract employees, joint ventures, and project are included in the scope.
Senior Leadership	Represents General Manager and above unless if specifically stated otherwise.
Middle Management	Represents Assistant Manager, Manager, and Senior Manager unless if specifically stated otherwise.

Indicators	Data Assumptions
Total Turnover	Total number of employees leave the organisation voluntarily or due to dismissal, retirement, or death in Service.
Voluntary turnover	Total number of employees leave the organisation voluntarily ie. resignation
Absenteeism	Refers to habitual absence from work or duty without a valid reason.
Rate of absenteeism	Total number of absenteeism divided by total number of employees.
Training Hours	Total hours that an employee spent on attending training, including physical instructor-led trainings (ILT) and virtual ILT.
Average Training Hours	Total training hours divided by total number of employees.
Employee engagement	Refers to all employee engagement activities carried out by Leader Energy such as employee townhalls/ dialogues/roundtable discussions, birthday celebrations, employee volunteering activities in corporate social responsibility (CSR) programmes, annual company dinner and year-end events, festive celebrations and sports and team building activities.
Hiring cost	Refers to the total amount invested to recruit and hire a new employee through job advertisement platforms and recruitment agency.
Care for Community	
Beneficiaries	Number of people that positively impacted by our CSR programmes.

STRONG BUSINESS GOVERNANCE

Indicators	Data Assumptions
Major cybersecurity breaches	A cybersecurity breach that has major impact on any of Leader Energy's asset, data, environmental, functional, people or reputation.
Third-party due diligence	Total screening of third party using Leader Energy's Due Diligence Checklist against anti-corruption and anti-bribery, anti-competitive pricing, and relationship with public officials