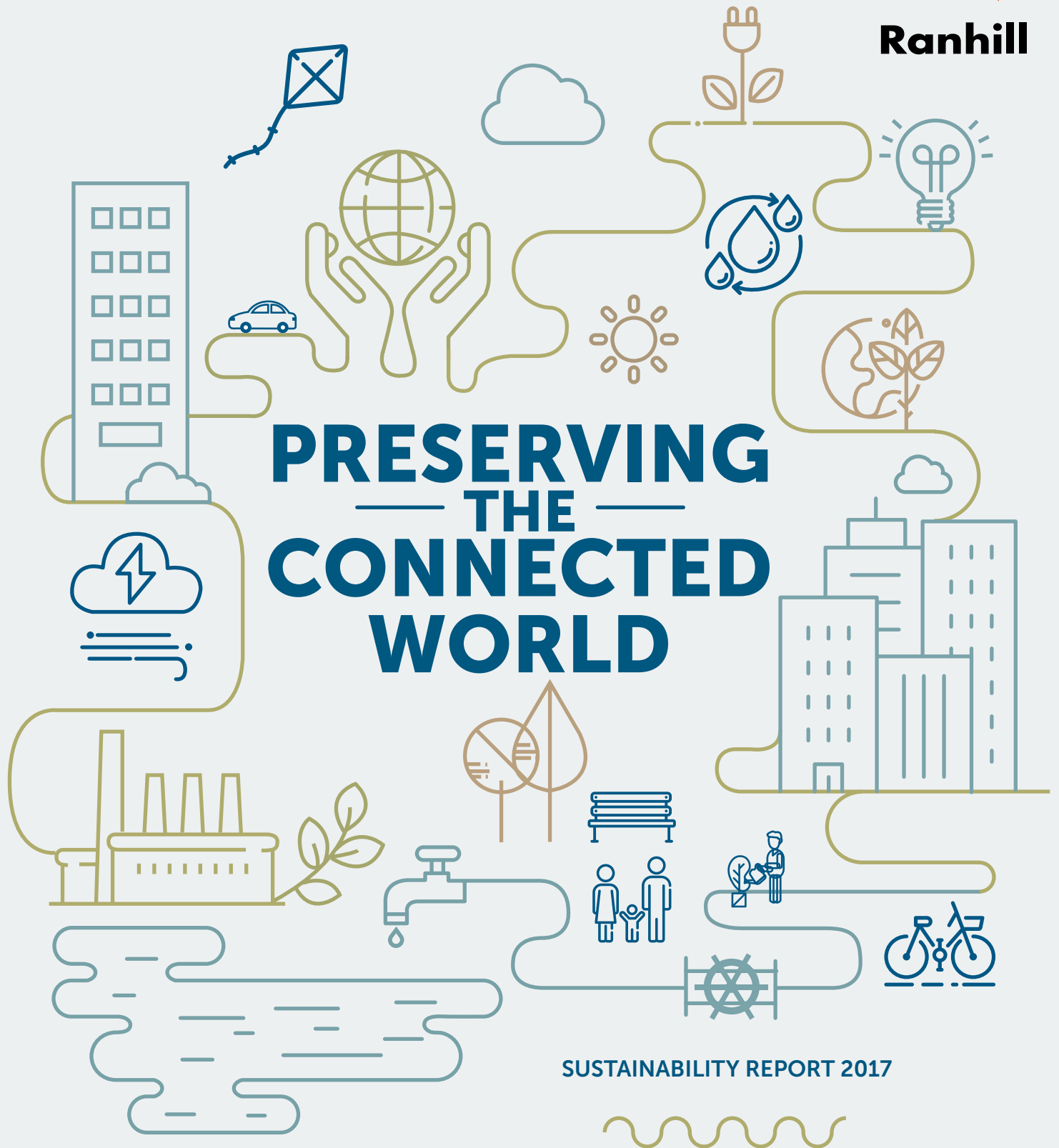




Ranhill

PRESERVING — THE — CONNECTED WORLD

SUSTAINABILITY REPORT 2017



Mission Statement

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 in the forefront of nation building through sustainable environment and power solutions using innovative and clean technology.

SUSTAINABLE SOLUTIONS

Ranhill aspires to meet the needs for an enhanced quality of life and for 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.

Our Reports

We produce a full suite of reporting publications to cater to the diverse needs of our broad stakeholder base. The following reports, which support our Annual Report, are tailored to meet our readers' specific information requirements.



Annual Report 2017

Objective

- Provides a comprehensive discussion of the Group's performance



Sustainability Report 2017

Objective

- Presents a balanced and comprehensive analysis of the Group's sustainability practices and performance in relation to issues material to our stakeholders



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Preserving the Connected World

As in the previous year, the cover of our Sustainability Report 2017 ("SR 2017") is intentionally designed to be similar to our Annual Report 2017 ("AR 2017").

Browsing both reports will provide readers a complete narrative of how Ranhill achieved its triple bottom-line objectives.

RANHILL FACT SHEET

Corporate Info

2,916
Employees



Provides Water To
3.7 Million
People



Provides
Electricity To
1.4 Million
People



Environment



99.8%
Water Supply
Coverage
Areas

673
active storage
and service
reservoirs



Johor has
the lowest
NRW per KM
of Water Pipe
Length At
0.017
MLD/KM

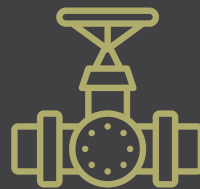
Total
Water and
Wastewater
Treatment
Capacity

2,275.5
MLD

Local
87.3%
International
12.7%



Renewal of another
3-year period
(2018-2020) the exclusive water
operator's license in Johor
contributes to company's growth



22,150KM of
pipelines, of which **18,725KM**
are reticulation mains, **3,261KM**
of distribution mains and
164KM of raw water mains



Clean Energy

Operate **two**
190MW
Combined Cycle
Gas Turbine (CCGT)
power plants in Kota
Kinabalu Industrial
Park



Have a **21-year**
Power Purchase
Agreement
(PPA) with Sabah
Electricity Sdn
Bhd (SESB) for the
sale of up to
380MW
of electrical
generation capacity
and electricity
production



Clean Energy
380MW
Operate and Maintain
2x190MW

We are
the largest
Independent
Power
Producer (IPP)
within the state of
Sabah in Malaysia



Development Role



378
internship student
participate in the
internship programme



In 2017,
RM2.37
million
spent for external
learning and
development
programmes to
enhance skills and
opportunities for career
advancement

OUR BUSINESS



HEADQUARTERS

Ranhill Holdings Berhad
Bangunan SAJ Ranhill, Jalan Garuda, Larkin
80350 Johor Bahru, Johor Darul Takzim, Malaysia



Water Concessions in Thailand

- 8 water and wastewater treatment plants and 1 reclamation plant with developers and other private enterprises
- Total treatment design capacity of **102 MLD**



Water Supply Services in Johor, Malaysia

- Exclusive license to provide source-to-tap water supply services throughout the entire State of Johor
- Johor is the second most populous state, with approximately 3.7 million population as at December 2017
- 44 water treatment plants
- Total treatment design capacity of **1,986 MLD**

Non-Revenue Water Businesses

- NRW management and consultancy services in relation to various water-related project
- Clients include state water operators in Malaysia namely Johor, Melaka, Kedah, Terengganu, Kelantan and Pahang
- Recognition as one of the NRW trainers for the United States Agency for International Development (USAID) and World Bank's NRW Programme

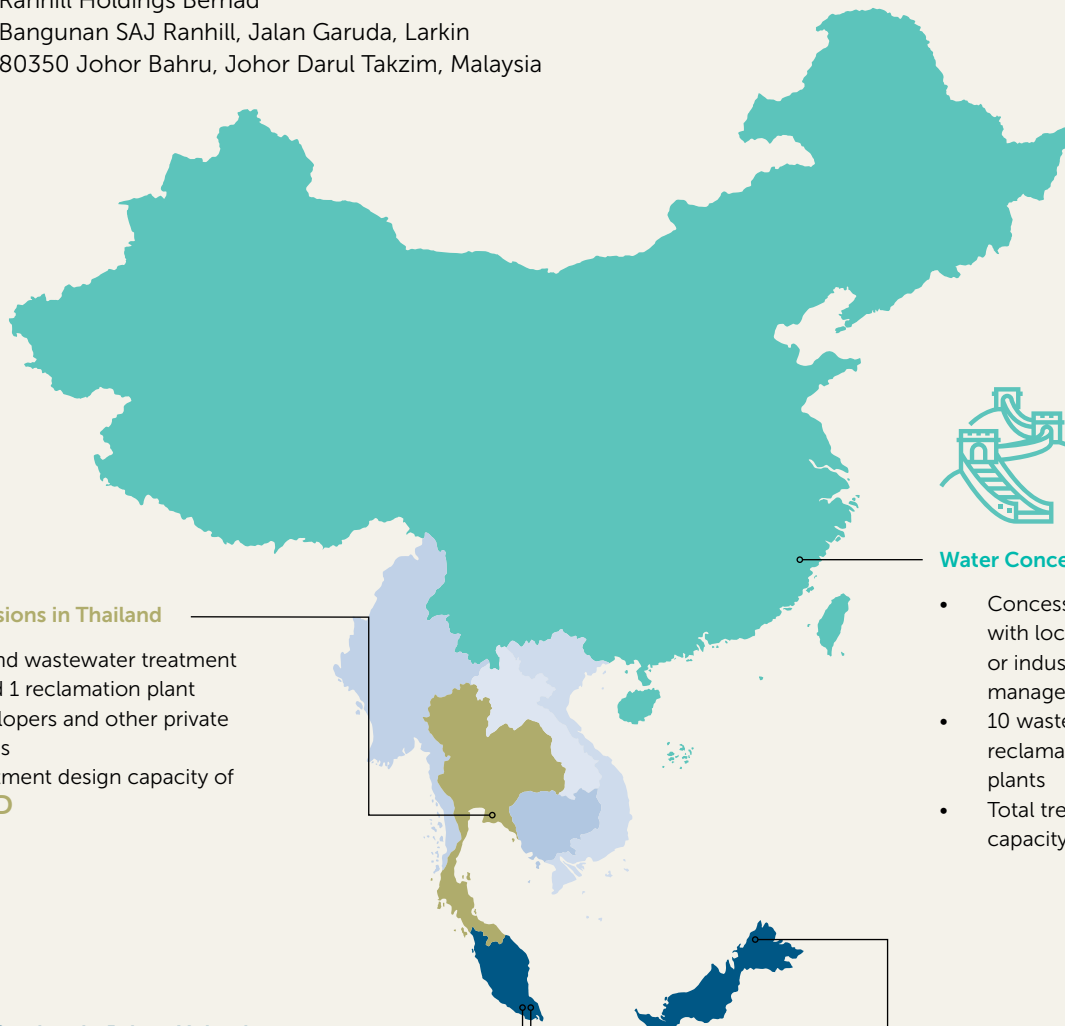


Water Concessions in China

- Concession agreement with local authorities or industrial park management councils
- 10 wastewater and reclamation treatment plants
- Total treatment design capacity of **187.5 MLD**

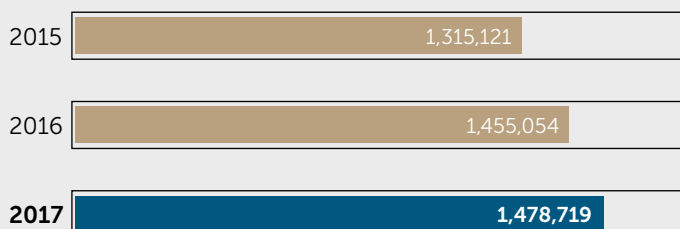
Power Business in Sabah, Malaysia

- The largest Independent Power Producer (IPP) in Sabah, Malaysia
- Operates two 190 MW Combined Cycle Gas Turbine ("CCGT") power plants in Kota Kinabalu Industrial Park
- 21-year Power Purchase Agreement (PPA) with Sabah Electricity for the sale of up to 380 MW of electrical generating capacity and electricity production
- Total capacity represents approximately 37% of combined installed capacity of all IPPs in Sabah

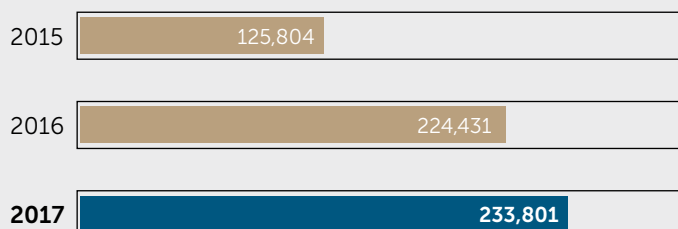


GROUP FINANCIAL HIGHLIGHTS

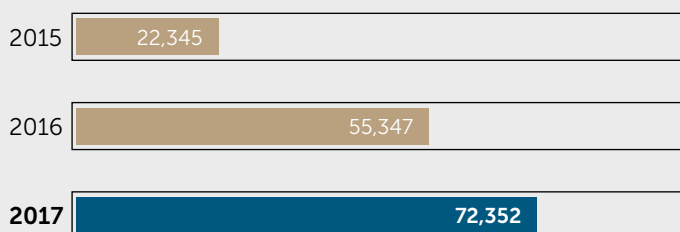
REVENUE (RM'000)



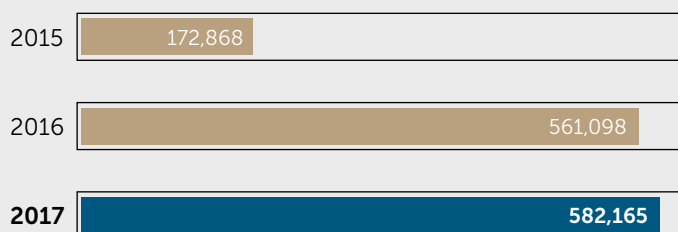
PROFIT FROM OPERATION (RM'000)



NET PROFIT FOR THE YEAR (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



As per Consolidated Audited Financial Statement

	(Restated)		
	2015 RM'000	2016 RM'000	2017 RM'000
Revenue	1,315,121	1,455,054	1,478,719
Profit from operation	125,804	224,431	233,801
Net Profit for the year	22,345	55,347	72,352
Weighted average number of ordinary share ('000)	565,995	822,266	888,316
Basic earnings per ordinary share (sen)	3.95	6.73	8.14
Shareholders' Equity	172,868	561,098	582,165
Net Asset per share	0.31	0.68	0.66

MESSAGE FROM THE PRESIDENT/CHIEF EXECUTIVE



TAN SRI HAMDAN MOHAMAD
President/Chief Executive

I am pleased to share with you on the progress we have made in our sustainability journey during the past years. In our second year of reporting, we continue to embed sustainability within the Group towards delivering long-term value for stakeholders within a circular economy.

Our decision to operate within a circular economy is a conscious commitment to create a lasting legacy of positive impact across our business footprint. Given our expanding presence in the environment (water) and clean energy sector (power), sustainability is of tremendous importance in guiding our path forward.

The Group's approach to sustainability is centred on four pillars: Environmental Awareness and Perseverance, Contribution Towards Social Wellbeing, Inspirational Workplace and Culture and Enhancing Governance across the Group. Through these pillars, we are able to effectively address our unique Economic, Environmental and Social ("EES") materiality matters.

In 2017, we have made encouraging progress – reflected in the many operational highlights and achievements realised during the year. Drawing confidence and motivation from our successes, we continue to seek meaningful ways to improve our track record going forward.

We are cognisant that embedding sustainability within the organisation – across our many subsidiary companies across two business divisions is a challenging task. Yet we remain undaunted. Given its undeniable importance, we remain resolute and steadfast in our sustainability journey. Our efforts are not merely for regulatory compliance or as an altruistic effort. Our efforts are aimed at safeguarding the Group's best interests while building a better world for stakeholders.

Ultimately, the sustainability journey we have embarked on will help ensure a better future for Ranhill. Sustainability will ultimately strengthen our brand reputation, reduce risk exposure, attract more investors and create greater value for stakeholders while ensuring business growth and profitability.

As we progress on our sustainability journey, we are of the view that transparent disclosure is vital in allowing us to take stock of our efforts and to critically assess our performance towards fuelling further learning and improvement.

The publication of our annual sustainability report is a reflection of our desire to not just record our sustainability performance but to share in the public domain in ensuring transparency and accountability. We hope that by reading this report, you would have a richer perspective of Ranhill as a business entity and corporate citizen of the world.

Thank you.

TAN SRI HAMDAN MOHAMAD
President/Chief Executive



ABOUT THIS REPORT



SCOPE & MATERIAL BOUNDARY

The scope of this report covers all key subsidiaries of Ranhill and excludes outsourced activities, joint ventures as well as entities within its value chain such as vendors and suppliers.

Where possible, the Group has looked to provide Economic, Environmental and Social (“EES”) impact on all significant aspects of the Group’s operations supported by internally assured qualitative and quantitative data. Pursuant to the GRI Standards 2016 Guidelines, the Group has looked to provide results for all relevant disclosures in full. Where disclosure is partial, this has been labelled accordingly.

The Group is aware that there may be EES impacts from the operations and activities of third parties within the Group’s value chain. Hence, going forward, the Group will seek to cascade its sustainability agenda in bringing these parties to come onboard.

This report is to be read together with Ranhill’s Annual Report for the financial year to obtain a comprehensive perspective of the Group’s on-going effort and commitments towards realising its EES objectives.

REPORTING PERIOD

The timeline for this Report is for the period of 1st January 2017 to 31st December 2017. In some instances, it also includes three (3) years of data for selected disclosures/performance indicators, which have been tracked and monitored as a standard practice.

ASSURANCE

Where possible, the Group has sought to internally assure selected data via the Group Corporate Assurance Division (“GCAD”).

REPORTING GUIDELINE

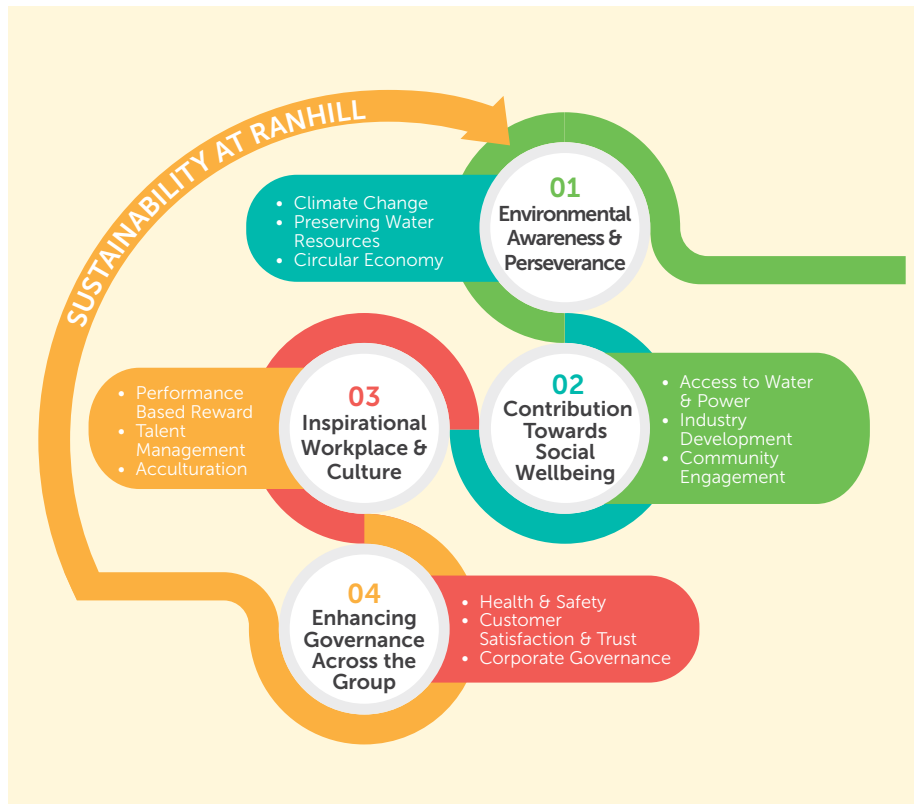
This report has been prepared in accordance to the GRI Standards: Core option and with Bursa Malaysia’s Main Market Listing Requirements relating to Sustainability Statements in Annual Reports.

DISTRIBUTION & FEEDBACK

The report is available for download via www.ranhill.com.my. We welcome feedback and input on how we may further enhance our sustainability disclosure as part of our continuous effort to improve our performance across all EES perspectives. Comments and suggestions may be send to:

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

OVERVIEW – RANHILL'S FOUR PILLARS OF SUSTAINABILITY



industry peers. This includes sharing of best practices, success stories and other forms of experience and expertise via industry development and engagement activities.

The Group has presented papers to this effect at national and international levels and participated in various conferences and other related events. Through sharing, the Group is able to contribute to the overall improvement of water and power industries while promoting greater awareness on the importance of sustainable across the value chain.

The Group is of the view that talent recruitment, retention and development is material to its business strategies going forward. Hence, its third pillar – Inspirational Workplace & Culture which is centred on talent management and organisational development. The Group continues to drive performance based rewards, talent management and new culture internalisation programmes as part of its on-going.

Last but not least, the Group ascribes to believe that high standards of corporate governance is necessary in creating a robust business framework that enables greater disclosure, accountability, check and balances and mitigates risk. In line with the new Malaysia Code of Corporate Governance (“Principles”) launched in April 2017, Ranhill continues to make improvements in this area.

Within governance, the Group also look to improve the quality of services provided to our consumers by getting feedback through various channels of communication. We also put strong emphasis on their health and safety by providing clean and safe treated water for consumption and by generating clean energy for a better environment.

Ranhill has developed a sustainability framework comprising of four (4) pillars that provides the framework for the Group to effectively address its specific EES materiality matters.

Our first pillar, Environmental Awareness & Perseverance focusses on minimising the Group’s environmental footprint – minimising its impact on air, water, land other natural resources.

Given the increasing impact of climate change and greater pressures being placed on water resources to meet a burgeoning population, Ranhill has made environmental preservation and creating awareness a core pillar of its management approach.

Within this perspective, the Group is focusing on climate change issues, preserving upstream and downstream water resources and channels. We

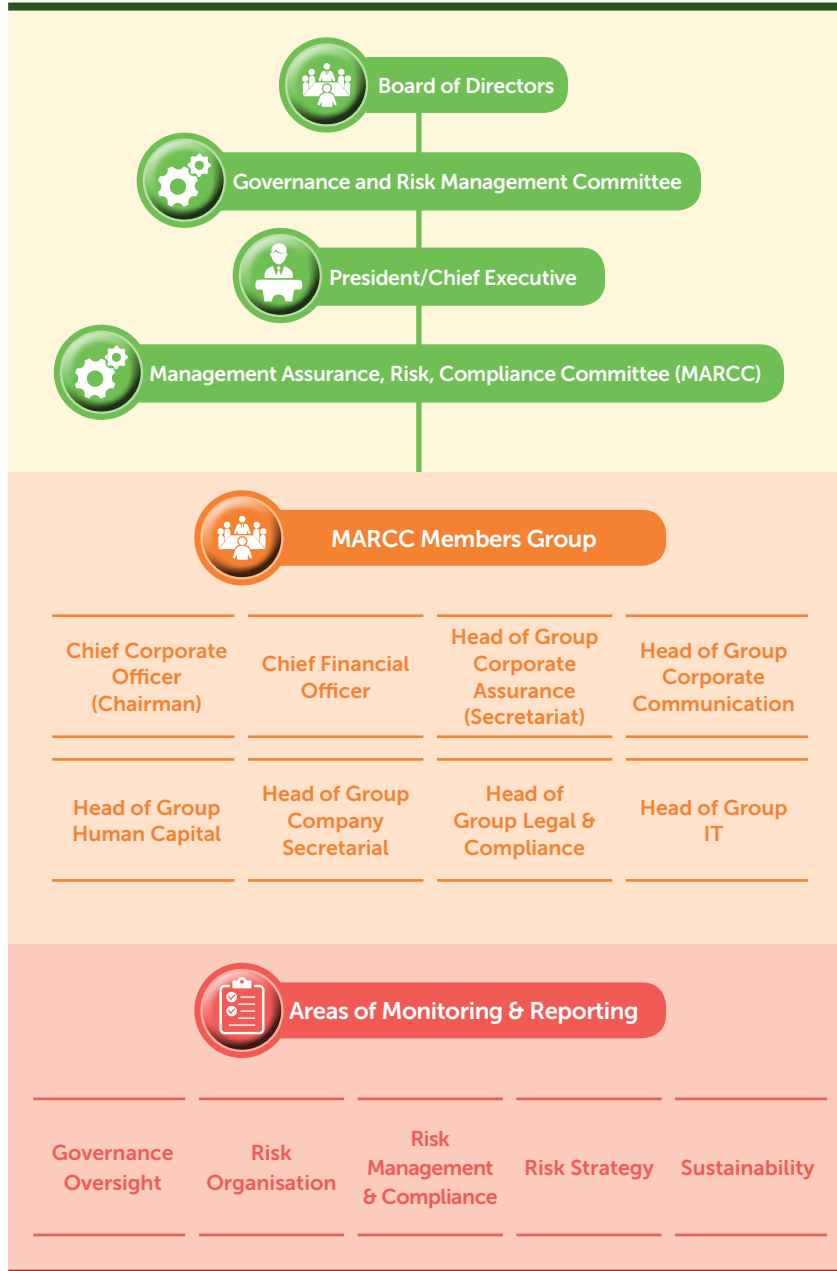
also subscribe to the circular economy concept in ensuring that are water and power operations are sustainable i.e. conserving, preserving and recycling resources as much as possible.

The Group’s second pillar, Contribution Towards Social Wellbeing has been formulated to drive Ranhill’s efforts in bringing socio-economic and infrastructure development to underserved communities in the areas we operate in. We believe that the Group is in a unique position to make a positive impact on the lives of rural folk, especially. Hence, as Ranhill pursues its business objectives, it has also integrated a social empowerment agenda to close the infrastructure gap between urban and rural communities.

Going a step further, as a leader in its field, we have taken the initiative to share our key learnings and insights with

GOVERNANCE & LEADERSHIP

SUSTAINABILITY GOVERNANCE STRUCTURE



The Board fulfils its role via its Governance and Risk Management Committee ("GRMC"). Full details of the GRMC are given under page 48 (Corporate Governance Overview Statement) of the 2017 Annual Report. The GRMC's roles are:

- I. Review and assess sustainable impacts of major business decisions and recommend appropriate actions required;
- II. Review and recommend to the Board the sustainability strategies and plans that will create long term shareholder value including budget required in implementing sustainability initiatives;
- III. Advise the Board on adoption of Corporate Sustainability ("CS") targets and innovative initiatives;
- IV. Examine the annual assessment of Ranhill's environmental performance and progress, to consider and approve methods of measuring, assessing or validating the Group's Corporate Sustainability performance, and where appropriate, to commission an external independent assessment of the direct and indirect impact of any aspect of the Group's operations;
- V. Assess the effectiveness of Group policies and systems in identifying and managing health and safety at the workplace;
- VI. Assess the environment and community risks that are material to the achievement of the Group's objectives;
- VII. Monitor and provide recommendations to the Board on public policy, consumer, stakeholder, corporate and public trends, issues and developments that could impact the Group;
- VIII. Review business continuity management including emergency plans and crisis readiness as well as to review incidents within the scope of GRMC and assess remedial actions; and
- IX. Review and recommend the Sustainability Statement to be incorporated in the Annual Report for Board approval.

The GRMC is supported by the Management Assurance, Risk, Compliance Committee ("MARCC") who in turn receives input from Senior Management and Department Heads across the Group's organisational structure.

Sustainability in Ranhill is driven by the Group's highest decision making bodies, beginning with the Board of Directors, which is accountable for sustainability strategy and performance.

The creation of a cross-functional governance structure that spans across the organisation allows for a diversity of views to emerge thereby facilitating a more inclusive and comprehensive perspective of sustainability. This enriched internal view is then augmented by views from external stakeholders via the various the stakeholder engagement activities initiated during the year.

STAKEHOLDER ENGAGEMENT








In our second year of sustainability reporting, the Group continues to engage with stakeholders whose views and concerns are essential in developing a truly inclusive and accurate materiality matrix. Engagement allows us to see EES matters from varying viewpoints and fully grasp the complexities of the various issues that we face. Importantly, the exercise of soliciting stakeholder views gives us plenty of valuable insights that helps to ensure our sustainability efforts are truly aligned with the concerns, needs and aspirations of our stakeholders.

Our definition of stakeholder is individual or group or entity that have the power and 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.

In 2017, our original nine (9) identified stakeholders remain unchanged, whom we have reached out to via multiple channels and varying frequencies.

STAKEHOLDER	MESSAGE CONTENT/ KEY INTEREST & ISSUES	COMMUNICATION VEHICLES/METHODS	OUTCOME
 <p>Employees</p>	<p>We actively engage with our employees and value their feedbacks. We regularly communicate with employees to promote our shared understanding of our corporate values, vision and mission.</p> <p>We undertake employee survey, which provides an opportunity for employee to tell us what is important to them, what we do well and identify opportunities for improvement. Through another survey, we also gauge employee attitudes towards a wide range of topics including diversity and inclusion.</p> <p>Key Interest: Diversity and inclusion; Employment Opportunities; Opportunity for progression; Remuneration; Reputation; Work Environment.</p>	<p>Town hall: "Tanyalah Pengurusan" (TaP), forums (series).</p> <p>Employee Engagement Activities: Healthy Lifestyle Days, Sports Day.</p> <p>Employees Engagement Survey by subsidiaries</p>	<p>Employees are encouraged to raise and discuss any concern they may have throughout the year, including on their annual performance appraisals.</p> <p>In FY2017, SAJ Ranhill Sdn Bhd ("SAJR") awarded the Best Company To Work For in Asia by HR Asia.</p>
 <p>Consumers</p>	<p>Eliciting the opinions, beliefs and attitudes of our consumers towards water supply services, in terms of quality, quantity and satisfaction.</p> <p>Planned water interruption Information & enquiries of water quantity and quality.</p> <p>Use water wisely.</p>	<p>Questionnaires via Customer Satisfaction Survey</p> <p>Website and Social Media SAJ Info Center</p> <p>Community Programme School education programme</p>	<p>In FY2017, the overall water supply satisfaction is at a high level.</p> <p>Alertness and preparedness to reach affected consumers and reduce complaints during water disruptions.</p> <p>Consumer behavioural change requires long term efforts. Through this programme, the message on using water wisely was successfully shared with school students.</p>

STAKEHOLDER
ENGAGEMENT

STAKEHOLDER	MESSAGE CONTENT/ KEY INTEREST & ISSUES	COMMUNICATION VEHICLES/METHODS	OUTCOME
 Financial Community	We provide clear and open lines of communication with shareholders, analysts and investors beyond the key events of the corporate calendar. This includes platforms such as domestic and international roadshows, seminars and conferences.	Annual General Meeting Financial performance Operational performance Regulatory Compliance Reputation Investor Relations Initiatives	Our shareholder engagement programme provides a direct avenue for shareholders, investors or clients to access information and engage with the company.
 Government	We believe it is important for our company to be in line with the national and state agenda and developments in water and power sectors.	Water Rebate Programme Meetings Johor State Assembly Regulatory Compliances	Enhanced relationship and trust.
 Local Communities	We provide and engage with communities through intentional, interactive and dynamic process of which involves active listening and information sharing.	Newsletters, Media Releases, Website. Emails to response (if applicable), Community and one-on-one meetings participatory monitoring and evaluation, Perception Study, CSR and water rebate programme for the poor	<p>Positive support shown by the local communities where we operate.</p> <p>This long-term relationship is crucial for the sustainability of our operations.</p>
 Media	We engage with the media to share latest updates on our business operations as well as our journey towards achieving our vision.	Press Releases Media Interviews Editorials & Advertorials Social Media Events & Press Conferences Photos	Positive media coverage on SAJR's operations including during water disruptions. We also received positive coverage in the news on our recent license renewal for SAJR and our expansion in Thailand.
 NGOs	Continuous engagement based on NGOs interest.	Various Platforms	Support from NGOs is important to influence public opinion towards the company.
 Regulators	We believe it is critical for the Group to understand and discuss regulatory and compliance matters.	Transparency and disclosures Bursa Announcements Reports Meetings and Correspondences Regulatory Compliance	The Group is complying to various regulatory requirements set by our regulators and clients.
 Suppliers/vendors	Engagement with suppliers is important to ensure that proper transparency and governance are being practiced in procuring their services.	Regular supplier meetings Tender briefings	A fair, transparent and win-win relationship with our vendors.

MATERIALITY PRIORITISATION & MATERIALITY MATRIX

Having engaged with multiple, key stakeholders and drawing from our own internal insights and perspectives, Ranhill has developed its materiality matrix for 2017 as aligned with our four Sustainability Pillars.

As a further assessment measure, the identified and prioritised materiality matters were referenced in a check and balance exercise against the Group’s Risk Matrix to verify for accuracy. The Group’s materiality matter remains largely the same but in our second sustainability report, we have endeavoured to enhance the disclosure as best as possible for each material matter.



ENVIRONMENTAL AWARENESS & PERSEVERANCE

CIRCULAR ECONOMY

Unlike traditional linear economic model where revenue and profit and other financial returns are the primary forms of value creation (with considerations for natural resources and people usually secondary), the circular economy places equal importance between people, planet and profit – to create a sustainable business model or economy.

The Circular Economy concept also espouses that resources are to be optimised – recycled and preserved and kept in use for as long as possible – extracting the maximum value while simultaneously allowing these to regenerate for future use. This is in contrast to the typical approach of extracting and exploiting resources with little consideration for disposal, regeneration and reuse.

Guided by the International Water Association’s (“IWA”) guideline, “Water Utility Pathways in a Circular Economy” Ranhill’s implementation of a Circular Economy Approach is reflected in its provision of services via reclaim wastewater and water loss reduction.

The following are some of our key success stories post adoption of the Circular Economy Model:

ENVIRONMENT (WATER)

At Amata Nakorn Industrial Estate in Thailand, the effluent from existing wastewater treatment plant enters the reclamation plant to be treated to required standard. The plant is part of the industrial park’s efforts for ‘zero discharge’.



Figure 1 Wastewater treatment plant in Amata Nakorn Industrial Estate, Thailand

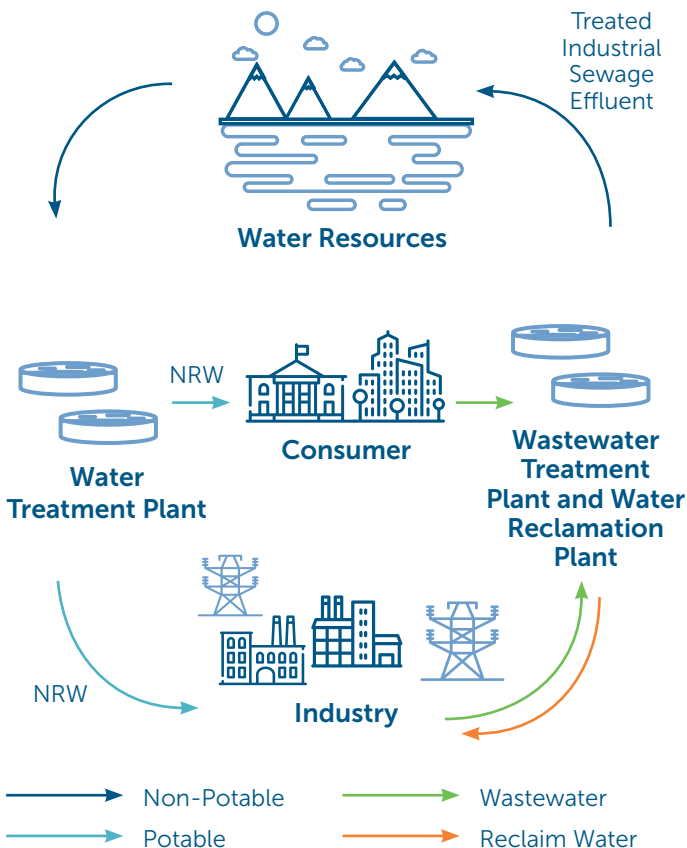
Figure 2 Reclamation plant in Amata Nakorn Industrial Estate, Thailand

In March 2018, Ranhill Water Technologies Sdn Bhd (“RWT”) via subsidiary AnuRAK Water Treatment Facilities Co. Ltd (“AnuRAK”) executed a Concession Agreement to develop a 7 MLD Reclamation Water Treatment Plant in Amata City Industrial Estate in Rayong province. This new contract will increase the Group’s reuse and recycle treatment capacity in Thailand to 17 MLD from 10 MLD by the end of 2018.

POWER

Within the power segment, our Combined Cycle Gas Turbines (“CCGT”) use both gas and steam turbine together to produce up to 50% more electricity from the same fuel than a traditional simple-cycle plant. This enables us to use fewer natural resources, while reducing our carbon footprint to clean energy for Sabah state – meeting 37% of the state’s requirement for electricity.

The Group believes that by adhering to the principles of a Circular Economy, the Group is able to better realise its sustainability goals as well as its vision and mission. The Circular Economy Approach also directly contributes in addressing key issues such as resource depletion, climate change, and contamination of water sources.



ENVIRONMENTAL AWARENESS & PERSEVERANCE

CLIMATE CHANGE

Given our presence within the environment and power sectors, the Group is aware of the potential impacts of climate change on its operations. Similarly, we are cognisant of how our business presence and activities may also potentially contribute to climate change.

Climate change may affect rainfall patterns, river flows and other water sources as well as lead to land degradation and even desertification. This may in turn impact upstream and downstream waterbodies which may disrupt the availability and distribution of the Group's required supply of water for its environment operations.

The issue of climate change is too large or macro for the Group to tackle alone. However, within its own operations, we continue to take concerted efforts in minimising our contribution to climate change. This includes complying with regulatory standards and requirements across our environment and power operations while adopting voluntary, step-up guidelines and best practices to reduce actual and potential environmental impacts.

- Monitoring the effects of climate change on our water resources.
- Tracking our performance across multiple disclosures, practices and key performance indicators ("KPI") to monitor potential environmental impact. These include (but are not limited to) non-revenue water, water withdrawn from sources, power consumption, greenhouse gas emissions and others.
- Setting tangible, defined targets i.e. reduction in production of Green House Gas (GHG) across all scopes with a 5% reduction target in emissions for every cubic meter of water produced by 2017.
- Reviewing carbon footprint reduction measures across all subsidiaries.
- Continuously working with governments, authorities, strategic partners, industry peers and across the value chain to promote awareness and action in addressing climate change issues.

PRESERVING WATER RESOURCES ENVIRONMENTAL DEGRADATION

In 2017, the pollution in Sungai Sayong and Sungai Johor caused by a poultry farm (which was channelling waste into the water source) led to the temporary shutdown of three water treatment plants in one day. This was after ammonia level had exceeded the Ministry of Health ("MOH") permissible exposure limit for standard ammonia level (ppm) of 1.5 ppm. With ammonia level decreasing, the treatment plants resumed operations the next day.

The government of Johor in Malaysia decided to temporarily shut down the poultry farm responsible for the ammonia pollution. In taking further action, the authorities have also given the farm a six-month period to improve their operations to prevent further incidents of ammonia pollution from occurring. The Ministry will continue to monitor the poultry farm's operations to ensure further incidents of pollution are prevented.

In a newspaper report, it was reported that the poultry farm, located at the border of Kulai and Kluang will adopt a new manure drying technology that will reduce the probability of water contamination going forward.

On its own accord, Ranhill continues to adopt measures to minimise the possibility of contamination of water sources:

- Working with local authorities to monitor the situation and to enforce legislation against offenders
- Continuing to educate all stakeholders on the importance of preserving upstream water sources and catchment areas.

Our subsidiary, SAJR has also established a Water Safety Plan (WSP) in 2011 to ensure the safety of drinking water through the use of a comprehensive risk assessment and risk management approach. In 2017, the WSPs' documents of 44 Water Treatment Plants were fully completed to cover all areas of operation and it encompasses all steps in water supply from catchment to consumers.



ENVIRONMENTAL AWARENESS
& PERSEVERANCE**WATER CONSUMPTION**

Given the growing demand for water from residential and industrial customers, the Group saw an increase in water consumption.

SAJ Ranhill: 3 Years Of Raw Water, Treated Water, In Plant Usage & Sludge:

Year	Raw Water (m ³)	Treated water (m ³)	In Plant Usage (m ³)	Total Sludge (KG)
2015	624,442,423	591,053,251	33,389,172	82,848,276
2016	635,595,263	607,754,575	27,840,687	86,328,579
2017	644,084,373	613,206,307	30,878,066	86,502,141

However, we are happy to report a reduction of water consumption in our power operations as given below:

RPI & RPII: 3 Years Of Water Consumption (m³)

Year	RPI	RPII
2015	76,213	40,090
2016	86,165	48,117
2017	81,427	46,638

CONTINUED REDUCTION IN NON-REVENUE WATER

Our NRW projects are located in Johor, Pahang, Kelantan, Melaka and Kedah. Johor has one of the nation's lowest NRW per KM of water pipe length at 0.017 MLD/KM while the NRW level for the state stands at 24.7% (as at 31 December 2017) with a savings of 249 MLD daily.

Year Achievement	2015	2016	2017
NRW Level	25.6%	25.9%	24.7%

ENVIRONMENTAL AWARENESS & PERSEVERANCE

WATER TARIFFS

In Malaysia, scheduled tariff increases are regulated by National Service Water Commission ("SPAN") to ensure efficiency and sustainability among water operators. Maintenance of water treatment plants and other infrastructure is part of the operating cost of water operators.

SPAN promotes a full-cost recovery model for operators to ensure funding for maintenance, water quality and good customer services. Scheduled tariff increases are inevitable for the full-cost recovery to be effective.

GREEN HOUSE GAS ("GHG") EMISSIONS

Ranhill via SAJR continues to make good progress in reducing GHG emissions produced from operation:

3 years of total CO₂ Emission (mt CO₂eq):

Performance Measure	2017	2016	2015
Total CO ₂ e emissions	247,202	269,268	256,825
Scope 1 CO ₂ e emissions	3,315.6	4,579.48	3,360.77
Scope 2 CO ₂ e emissions	219,688.42	242,060.79	231,009.34
Scope 3 CO ₂ e emissions	24,198.15	22,627.97	22,455.09
Carbon Intensity (kg CO ₂ eq/m ³ of raw water)	0.3415	0.3590	0.4114

RP has also made progress in reducing its GHG emissions via its CCGT technology. In 2017, reductions were seen from both turbine operations.

Performance Measure	Boiler	2017	2016 Average (g/m ³)	2015
NOx Emission				
RPI	HRSG 11	0.00	0.34	0.01
	HRSG 12	0.00	0.41	0.01
	HRSG 21	0.00	0.70	0.29
	HRSG 22	0.00	0.99	0.18
RPII	HRSG 1A	0.01	0.16	0.01
	HRSG 1B	0.01	0.05	0.04
SO2 Emission				
RPI	HRSG 11	0.00	0.06	0.30
	HRSG 12	0.00	0.05	0.25
	HRSG 21	0.00	0.12	0.01
	HRSG 22	0.00	0.11	0.02
RPII	HRSG 1A	0.01	0.23	0.00
	HRSG 1B	0.01	0.05	0.01

ENVIRONMENTAL AWARENESS & PERSEVERANCE



HEAT GENERATED FROM POWER OPERATIONS

The Group continues to monitor and seek ways to reduce heat and waste generated from its power operations. In 2017, we have introduced this new measurement in our sustainability reporting efforts to further improve our sustainability performance and overall disclosure.

Given that our power plants operate on a CCGT model (where both gas and a steam turbine together produce up to 50 percent more electricity from the same fuel than a traditional simple-cycle plant), our approach is more sustainable. The Group has implemented a waste heat recovery process which involves routing waste heat from the gas turbine to the waste heat recovery steam generator or boiler for combined cycle operation.

At present the average heat rate generated for RP's CCGT turbines are as follows:

	2017	2016	2015
RPI	9,468.02 kJ/kWh	9,639.15 kJ/kWh	9,871.54 kJ/kWh
RPII	9,591.24 kJ/kWh	8,791.11 kJ/kWh	8,652.53 kJ/kWh

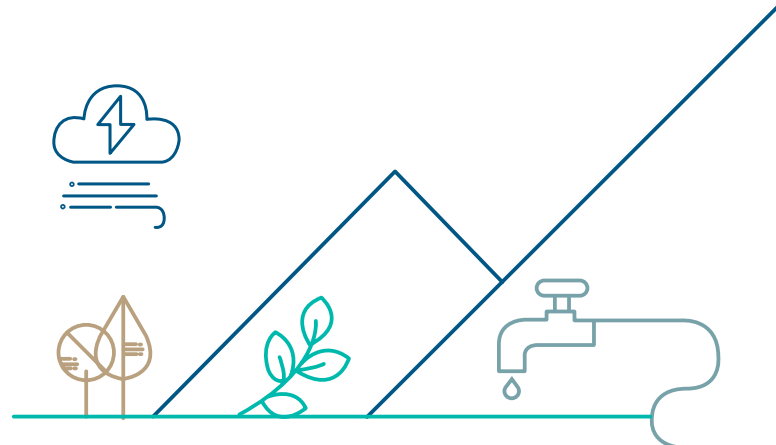
ENERGY CONSUMPTION & MANAGEMENT

SAJR has developed a MS ISO50001: 2011 Energy Policy which governs the approach to energy management and conservation. The objectives of SAJR's Energy Policy are improving efficiency in consumption, reducing utility costs and optimising capital expenditure.

In 2017, SAJR has continued to reduce its energy consumption with total electricity consumption for SAJR measured at 292.746 GWh for our water treatment plants and 1.488 GWh in its headquarters.

SAJ Ranhill: 3 Years Of Total Energy Consumption (GWh):

Year	SAJ Ranhill	SAJ Ranhill Headquarters	Ranhill Power I	Ranhill Power II
2015	289.092	1.545	31.998	37.849
2016	300.055	1.518	37.937	39.770
2017	292.746	1.488	40.650	38.013



CONTRIBUTION TOWARDS SOCIAL WELLBEING

COMMUNITY CAPACITY BUILDING COMMUNITY ENGAGEMENT

The purpose of our community engagement programmes including our school education programme is to create awareness on the need for conservation of water sources and to promote a culture of water saving habits.

Within the precepts of a Circular Economy, we believe that sustainability is more effectively achieved when there is awareness and ownership across all stakeholders. In essence, sustainability is a collective responsibility of all affected parties. Driven by this belief, we continue to actively reach out to the local communities via various programmes and initiatives.

Building on the encouraging progress achieved in previous years, in 2017, we initiated the following programmes and campaigns:

SCHOOL WATER EDUCATION & CONSERVATION PROGRAMME



▲ Creating Sustainability Awareness Among Our Children

In 2017, we reached over 4,400 students across 32 schools throughout Johor state via our water education and conservation programme. This surpasses 2016's 24 schools with 2,700 students.

This programme is an on-going collaboration with Jabatan Pendidikan Negeri Johor ("JPNJ"), Badan Kawalselia Air Johor ("BAKAJ"), Suruhanjaya Perkhidmatan Air Negara ("SPAN") and Kementerian Tenaga, Teknologi Hijau Dan Air ("KeTTHA").

Using approach of 'learn, experience, action & conserve', the programme is aimed in inculcating younger generations with water conservation habits while still in school. Importantly, we have created awareness on climate change and its impact on

water bodies and the need to start being more environmentally conscious among the younger generations.

The programme also aims to reduce water consumption by 20% across participated schools in Johor.

In making sessions interactive and entertaining for school students, a variety of engagement modules were used such as quizzes, exhibitions, testing of raw water quality and even competitions to encourage water conservation were held. Following is a list of schools that we rolled-out our water education programme in 2017:

District	Schools
Johor Bahru (20 May 2017) 450 students	1. Sekolah Engku Tun Aminah, JB 2. SMK Aminuddin baki, JB 3. SMK Gelang Patah, Iskandar Puteri
Pontian (16 July 2017) 400 students	4. SM Agama Annur 5. SMK Sri Tanjung 6. SMK Sri Benut
Kulai (3 August 2017) 400 students	7. SM Agama Bandar Tenggara 8. SMK Bandar Tenggara 2 9. SMK Bandar Tenggara
Pasir Gudang (6 August 2017) 450 students	10. SMK Desa Jaya 11. SM Agama Johor Bahru 12. SMK Taman Johor Jaya 2
Muar (18 August 2017) 450 students	13. SMK Bukit Naning 14. SMK Raja Muda 15. SMK Tun Perak
Tangkak (20 September 2017) 200 students	16. Sekolah Menengah Lughatul Arabiah 17. SM Jenis Kebangsaan Pei Hwa 18. SMK Tengku Mahmood Iskandar
Kluang (21 September 2017) 400 students	19. SMK Sri Sembrong 20. SMK Sultan Abdul Jalil 21. SMK Sri Lalang
Mersing (25 September 2017) 400 students	22. SMA Khairiah Islamiah 23. SMK Anjung Batu 24. SM Jenis Kebangsaan Pai Chee
Segamat (27 September 2017) 400 students	25. SMK Gemereh 26. SMK Jementah 27. SMK Jementah Baru
Kota Tinggi (28 September 2017) 400 students	28. SMK Laksamana 29. SMK Tun Habab 30. SMK Taman Kota Jaya
Batu Pahat (2 October 2017) 450 students	31. SMK Banang Jaya 32. SMK Senggarang 33. SMK Permata Jaya

CONTRIBUTION TOWARDS SOCIAL WELLBEING



▲ Dato' Seri Ir. Dr. Zaini Bin Ujang, Ketua Setiausaha, Kementerian Tenaga, Teknologi Hijau Dan Air (KeTTHA) present during the Water Conservation Exhibition

WATER - CONSUMPTION COMMUNITY OUTREACH PROGRAMME

Aside from students, we also outreached to the local community in promoting water conservation awareness. This programme which was first held in 21st January 2017, has proven to be effective in engaging with urban and rural communities, students of tertiary institutions, religious groups, corporate offices, shopping malls and more. In 2017, we reached out to 509,640 people spread across 10 districts.

NRW MANAGEMENT AWARENESS PROGRAMME TO TARGETED GROUPS

A NRW Management Programme was conducted to various stakeholders which included key policymakers such as SPAN and KeTTHA. Technical training on NRW management was also conducted for water operators within Malaysia and the region to improve their understanding on NRW management best practices. Public awareness on NRW was also stressed through awareness programme to higher education institutions.

The Group also had implemented eight (8) sessions on NRW Awareness to 200 participants, mainly SAJR employees.

The sessions emphasized both physical and commercial loss of NRW. The programme also featured awareness on components and activities that contributed the most to non-revenue water.

YOUNG WATER PROFESSIONAL (YWP)

In 2017, SAJR brought together 101 young professionals from across the company to nurture Malaysia's future water leaders towards creating a water sustainable future for the nation.

The activities covered a YWP Seminar, Speakers Club, Training & Study Visit, Exhibition Involvement, Carbon Footprint Assessment Team and a Water Monitoring Team. This group of YWP



▲ YWP members during seminar on "Enhancing Your Potential"

will also be trained as ambassadors to facilitate the Group's future community outreach programmes.

LEARNING CENTRE AT AMATA NAKORN INDUSTRIAL ESTATE, THAILAND

The Learning Centre is a collaboration between Amata Water Co and RWT, to showcase water treatment facilities available at the industrial estate. In 2017, it received over 326 visitors which involved about 20.5 hours of visits from the general public as well as school and university students.

INDUSTRY DEVELOPMENT

RWS and SAJR participated in the 7th IWA-ASPIRE Conference 2017 & Water Malaysia Exhibition 2017. The conference focused on a range of water related topics, including current industry developments and water management issues in Asia Pacific, overcoming the challenges in sustainable water management.

RP continued to share its knowledge and expertise with colleges and polytechnics in Kota Kinabalu (KK), Sabah via a series of talks and trainings. We also received technical visits from the Department of Occupational Safety and Health ("JKKP"), the Sabah Skills & Technology

CONTRIBUTION TOWARDS SOCIAL WELLBEING

Centre and Industry Advisory Panel for Polytechnic KK, Sabah.

ACCESS TO WATER & POWER ACCESS TO WATER FOR THE UNDERPRIVILEGED (WATER REBATE PROGRAMME)

As part of our corporate social responsibility ("CSR") efforts, SAJR continues to extend a water rebate programme for poor households in Johor State. The selected households have been verified against the State's e-kasih programme list which provides a comprehensive register of urban and rural poor and hard-core poor folks. As of December 31, 2017, over 3,049 households have benefitted from our water rebate programme (2,969 poor and 80 hard-core poor households).

ACCESS TO POWER FOR THE RURAL COMMUNITIES

RP focused on upgrading the existing wiring of facilities and providing additional setup based on the single line diagram for Rumah Anak Yatim and Asnaf ("RAYA") at Kg Langsat in Ranau. This is an orphanage and shelter home for 48 residents.

The upgrading works was part of a larger community assistance effort for RAYA which involved construction and refurbishment work for their dilapidated home. The rewiring helps to ensure better electrical safety for the residents of the home.

CORPORATE SOCIAL RESPONSIBILITY LIKAS BEACH CLEAN-UP AND DUSTBIN INSTALLATION

Among our CSR initiatives for 2017 was the cleaning-up of Likas Bay by the team at RPII Rugading Power Station. The clean-up was a collaborative effort with the Kota Kinabalu City Hall ("KKCH"). The event was attended by over 150 staff and was officiated by Mr. Jacob Galium, the Health and Environment Department Officer of KKCH.

The initial effort was followed by a second cleaning effort that also saw the installation of dustbins on October 28, 2017.

RUMAH ANAK YATIM AND ASNAF REFURBISHMENT

On 16 November 2017, RP lent a helping hand to an orphanage or Rumah Anak Yatim and Asnaf ("RAYA") at Kg Langsat in Ranau.

The project comprised civil works that involved construction activities such as alterations, fitting-out, painting, dismantling and assembling. Most of the activities were focused on improving the girls' and boys' hostels and lavatories – undertaken by 23 volunteers who are mostly RP staff. The project was completed as a cost of RM53,000.

It was a satisfying feeling to bring much needed cheer and happiness to the 48 residents. RAYA is located in the district of Ranau, approximately 107 kilometres from the state capital, Kota Kinabalu.

KEMBARA BARAKAH

During the holy month of Ramadhan, Ranhill staff undertook the Kembara Barakah initiative. This is an outreach effort aimed at helping underprivileged members of society.



▲ Ranhill staff lending a helping hand in cleaning-up Likas Bay

Under Kembara Barakah initiative, various trips were made to provide cash donations, repair water piping, installing water-saving devices as well promoting awareness on water conservation. Kembara Barakah provides us with opportunities to share the sustenance or Rizq with the people in need.

BACK TO SCHOOL PROGRAMME

In December 2017, the Group has collaborated with Yayasan Noor Al Syakur to help 152 number of underprivileged children from primary schools in Tumpat, Kelantan and each received a new school bag and equipment under the Back to School Charity Programme 2017.



▲ Sharing Session with Booth Visitors

INSPIRATIONAL WORKPLACE & CULTURE

EMPLOYEE ENGAGEMENT

The Group continues to prioritise talent as a key competitive factor and business enabler in the realisation of its business goals and objectives. Given the highly technical nature of our business operations, we seek to recruit, retain and develop innovative and dynamic talent as the strong foundation of our business going forward.

This is achieved by creating a conducive workplace environment by developing our organizational culture as well as formulating policies that enable our employee to thrive, stay motivated and grow their careers towards realising their fullest potential.

Towards this end, the Group has developed a comprehensive human capital strategy to address the following key areas:

- Recruitment & Selection
- Employee Competency and Career Development
- Succession Planning and Management
- Competency Based Performance Management System
- Promotions & Reward Management
- Management of Underperformance
- Internship and Management Trainee Programme
- Code of Conduct and Business Ethics
- Sexual Harassment
- Grievance Handling
- Fraud & Whistleblowing

WORK LIFE BALANCE

The Group advocates a good work-life balance as part of its organisational culture. As we encourage our employees to excel in delivering superior work performance and contribution, we also advocate that they prioritise non-work matters such as their health and their families, encouraging them to strive towards achieving a healthy balance between both.

On our part, the Group continues to develop a company culture that emphasizes healthy work-life balance while providing various benefits and incentives for the welfare of our employees. We provide various leave benefits such as maternity, marriage, Hajj leave, study leave and unrecorded leave for sports and social participation. This includes compassionate leave of six days due to circumstances beyond our employees' control such as natural disaster, death and serious illness in family. By having such leaves, SAJR employees are able to balance between work and personal pursuits.

On another note, the Group invested RM8.7 million on employees related activities and programme aimed at directly or indirectly promoting healthy work-life balance. The main programme that involved employees were "Safe & Healthy Day" which is held annually, health talk by our panel hospital, a healthy cooking demonstration, free medical checks, blood donation and health product exhibitions.

EMPLOYEE MEDICAL TRUST FUND

SAJR's Medical Trust Fund ("MTF") is a source of financial assistance for members and their dependents to defray the cost of treatment not covered by the company. Members need only contribute RM5 monthly.

The goal of MTF is to raise awareness on the importance of maintaining good health among staff and their families. Since it was established in July 2010, almost 70% of SAJR's employees have become members of MTF. MTF has a committee that is responsible for managing its funds, providing free cash advances and distributing medical/health equipment to members. Members' families are also privy to the benefits such as financial assistance.



LIST OF WORK-LIFE BALANCE ACTIVITIES:

Safe & Healthy Day

Blood Donation

Free Medical Checks

Health Talk

Healthy Cooking Demonstration

Indoor Games

Religious Talk or Tazkirah

EMPLOYEE ENGAGEMENT PERFORMANCE BASED REWARD

Ranhill has adopted a policy of merit, whereby work performances and contributions as well as expertise and experience are the key criteria that determine overall employee compensation and benefits.

Apart from performance based rewards, the Group fosters professional and personal growth through constructive learning and skills development via unique experiences such as managing projects, being part of multi-functional teams, cross-department or cross company interactions, mentor-ship, participating in community work, training sessions, seminars and conferences.

We also reward our employees via other platforms. These include our Employee Appreciation Day and other employee awards such as our Long Service Award, Best Employee Award, Retiring Employees, Special Contribution Award and other special awards.

INSPIRATIONAL WORKPLACE & CULTURE



▲ CEO of SAJ Ranhill, Dato' Ahmad Faizal receiving the HR Asia Best Company To Work For Awards 2017.

EMPLOYEE ENGAGEMENT – TRAINING & DEVELOPMENT

In continuing to develop competencies of its workforce, in 2017, Ranhill invested RM2.37 million in employee competencies development and training. Across the year, employees attended various professional and personal programmes, the cost of, which were borne by the Group. These consist of both technical and non-technical programme.

In 2017, SAJR was selected as one of the HR Asia Best Company to Work for Awards 2017 conferred by Business Media International. This is a reflection of our diligent and tireless efforts exemplified to create an ideal work atmosphere in which the self development and interests of our employees are prioritised.

Apart from developing their competencies, our training opportunities are provided as a reward for excellent performance or towards developing their career pathways within the Ranhill Group.

In 2017, the Group clocked in some 73,061 manhours in training time with the average training hour per employee (male and female) being 25 hours.

SUCCESSION PLANNING

People in organisations require a nurturing environment to grow and reach their potential. As such, the Group encourages employee growth and provides the space for employee to develop themselves within organisation.

In collaboration with Development Dimensions International (“DDI”), Ranhill introduced the Leadership Development Centre to further evaluate our leaders’ readiness against the defined Ranhill Business Drivers and Leadership Competencies. This assessment is essential in determining the intervention required equally to elevate leadership competencies as well as to accelerate talent and capability across the Group of companies.

SAJR has implemented its Total and Strategic Human Capital Development & Succession Planning programmes to develop staff professionally and holistically. Approximately, more than RM2 million is invested annually to develop employees at all levels of the organisation via the various programmes held.

Such programme emphasize the development of core, behavioural and functional competencies as well as

leadership skills. The Group believes it will empower employees to perform better on their jobs. The programme also serve to motivate employees and support employee retention efforts. All of these contribute to the development of a truly professional and competent talent pool, which is vital in the realisation of the Group’s vision, mission and strategic objectives.

On its own accord, RWS, in 2017 conducted training on Non-Executives and Excellence Personal Leadership Training for Non-Executives, which were held annually.

COLLECTIVE BARGAINING

About 66% of our employees are covered by collective bargaining agreement. Among others, the collective bargaining covers an agreed timeline for the implementation of any significant operational changes that could substantially affect the employees. The collective agreement for 2016-2018 was signed on 7 December 2017 between SAJR with the Union of SAJR (non-executive).

ACCULTURATION

In 2017, in line with our Culture Internalisation Programme (“CIP”), we continued to develop our high-performance organisational culture. We cascaded the CIP in 2017 to subsidiary companies and the response has been generally positive.

For instance, SAJR has successfully completed the roadshows to all district and agency offices in a bid to enhance SAJR employees’ awareness on CIP. SAJR also conducted a forum to announce and share information in relation to the reengineering and rebranding process of SAJR as part of the CIP initiatives at subsidiary level.

INSPIRATIONAL WORKPLACE & CULTURE



▲ Employee Engagement Forum

In SAJR, continuous learning is a core value and is emphasized in the Knowledge Management (KM) Programme. Our take on KM is the development of a knowledge sharing culture where important knowledge is captured, stored, disseminated, applied and shared within the organisation.

Other than KM, in 2017, SAJR also encouraged employee to become more involved in high performance culture activities such as the 2017 water treatment plant competition to assess the efficiency and effectiveness of the plant in line with the requirements set by the Ministry of Health Malaysia (“KKM”) and the company’s KPIs.

The Group encourages subsidiaries to conduct Employee Engagement Surveys to gauge employee satisfaction as well as to gather insight on employees’ concerns. For 2017, RP and SAJR has satisfaction scores of 94.33% and 85.8% respectively.

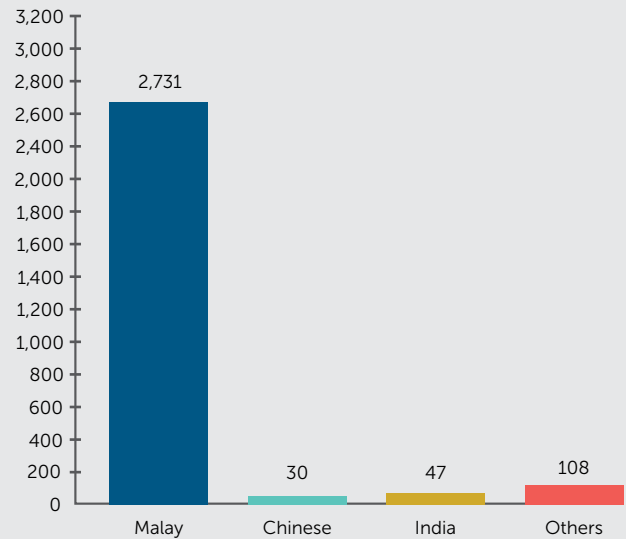
In order to close the gaps between Management and Employees, SAJR established “TaP Programme” or “Tanyalah Pengurusan” which serves as communication channel that facilitate two-way communication.

1 st ‘TaP’ (April 2017)	11 districts in Johor
2 nd ‘TaP’ (October & November 2017)	10 districts in Johor

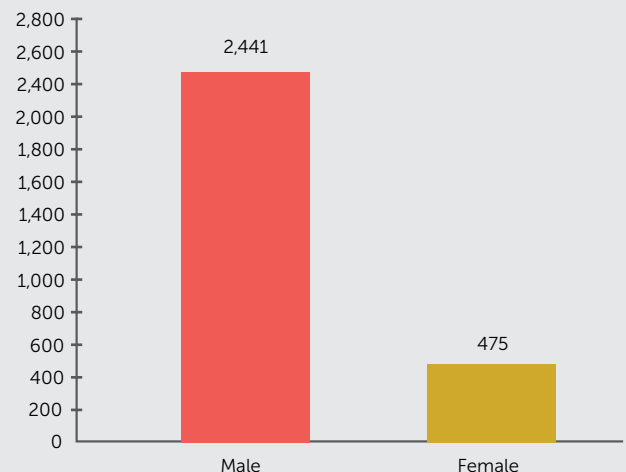
DIVERSITY & INCLUSIVITY

Ranhill upholds workforce inclusivity and diversity by providing the right working environment, and promoting active communications and engagement throughout the Group. We prohibit any discrimination based on gender, age, religion, academic achievements and physical disabilities to meet the different needs of our employees and ensure that their efforts are rewarded and recognised.

BREAKDOWN OF EMPLOYEE BASED ON ETHNICITY



BREAKDOWN OF EMPLOYEE BASED ON GENDER



WORKPLACE DATA

Description	2017
Employees	
Total Number	2,916
Permanent	2,538
Contract	378
New Hires	101
% of new hires attended the on boarding programme	100%
Diversity	
Bumiputera	2,731
Chinese	30
Indian	47
Others	108
Region/Nationality	
Local	2,916
Other Nationalities	NIL
Gender	
Male	2,441
Female	475
Age Group	
<30	614
30-50	1,733
>50	569
Composition of governance (Board), by gender	
Male	9
Female	2
Composition of governance (Top Management), by gender	
Male	11
Female	4
Composition of governance (Board), by age group	
<30	0
30-50	1
>50	10
Composition of governance (Top Management), by age group	
<30	NIL
30-50	9
>50	6
Proportion of senior management hired from the local community as significant locations of operation	100%

WORKPLACE DATA

Description	2017
Women in Management	
Top Management (Vice President and above)	3
Senior Management (Assistant General Manager, General Manager, Senior General Manager)	1
Middle Management (Assistant Manager to Senior Manager)	50
Employee Participation in Training	
Training Hours - Male	57,298.5
Training Hours - Female	15,762.5
Total Spent	RM2,373,238
Average Training Spent per Employee	RM814
Performance review towards career enhancement	
Employees who are formally appraised (annually)	100%*
One-on-one performance review for year-end evaluation	100%*
Occupational Safety and Health (OSH)	
Lost Time Injury (LTI)	12
Work related injuries	NIL
Workers who are involved in occupational activities who have a high incidence or high risk of specific diseases	NIL
Work related fatalities	NIL
Total employees covered by collective bargaining agreements	66%**
Employee Engagement Survey Results (Satisfaction Category)	
1) Ranhill Powertron	94.33%
2) SAJ Ranhill Sdn Bhd	85.80%
Non-Discrimination	
Number of incidents of discrimination during the reporting period	NIL
Customer Privacy	
Number of substantiated complaints received concerning breaches of customer privacy	NIL

Note:

* Based on employees who are eligible to participate in the year-end-appraisal

** Applicable to SAJ Ranhill

ENHANCING GOVERNANCE ACROSS THE GROUP

HEALTH & SAFETY

Health & Safety is of paramount importance to the Group, which extends to ensuring the safety of our staff as well as customers and other external stakeholders.

The Group adheres to the Occupational Health and Safety Assessment Series, (OHSAS 18001) certification with nine (9) locations under SAJR and two (2) locations under RP in compliance with the standard.

In addition, SAJR and RWT has upgraded its certification to ISO 9001:2015 by SIRIM Malaysia and UKAS in December 2017. The certification testifies the subsidiaries' commitment to the highest quality standard and ensuring paramount attention to clients' requirements.

CORPORATE GOVERNANCE

The Group continues to align itself with the stipulated practices in the new Malaysia Code of Corporate Governance ("Principles") which was launched in April 2017.

We continue to emphasize transparency, accountability, integrity and risk mitigation in our business operations, which is driven by the Board of Directors and then cascaded across all levels of the Group. The Board has a defined Board Charter with each Board Committee having its own respective Terms of Reference.

Both the Board Charter and Terms of References can be found at Ranhill's website. The Group is also guided by the following policies:

- Code of Conduct and Business Ethics
- Business Continuity Management
- Third Party Dealings
- Risk Management
- Fraud and Whistleblowing
- Corporate Disclosure

INTEGRITY

SAJR has published its Customer Charter and signed the government's Corporate Integrity Pledge ("CIP") as the company's commitment to guarantee the best service to its customers.

During the year, there were no cases of whistleblowing or fraud reported. The Group's commitment to Corporate Governance is also extended to 3rd parties. For example, RWS has made it compulsory for contractors and suppliers to sign anti-bribery agreements upon awarding of contracts.

In meeting external stakeholders' requirements, SAJR policies and procedures for example, are in accordance with the provisions in the Water Services Industry Act (WSIA) 2006 and subsidiary laws. Water supply services agreements signed between customers and SAJR clearly states the responsibilities of the water distribution licensee and customers' obligations. The Company's policies and procedures are consisted with SPAN.

In the power segment, RP adheres to the Gas Supply Agreement (GSA) with Petronas and Contractual Service Agreement with GE.

LOST TIME INJURY (LTI)*

2017	2016	2015
12	3	7

Note: LTI is defined as an occurrence that resulted in a fatality, permanent disability and any work related injury or illness which caused the employee unable to perform his normal duties.

OHSAS 18001 Certification

SAJR:

- SAJR Headquarters
- Sg. Sayong Water Treatment Plant
- Semangar Water Treatment Plant
- Sg. Johor Water Treatment Plant
- Sg. Lebam Water Treatment Plant
- Tenglu Water Treatment Plant
- Sultan Iskandar Water Treatment Plant
- Sri Gading Water Treatment Plant
- Gersik Water Treatment Plant

Ranhill Power:

- Teluk Salut Power Station
- Rugarding Power Station

* Data verified by CAD

**ENHANCING GOVERNANCE
ACROSS THE GROUP**

In ensuring price competitiveness and fair competition, the concept of open tender is always adopted with regards to selection of contractors and suppliers. At present, the Group continues to adopt a policy of locally preferred suppliers as below:

- SAJR: 99% local suppliers/vendors*
- RWT 100% from local suppliers /vendors*
- Ranhill Power: 89% local suppliers* with balance being foreign suppliers
- RWS: 100% local suppliers/vendors

** Local suppliers are defined as suppliers/vendors who are incorporated within the country of origin in which Ranhill operates in.*

CUSTOMER ENGAGEMENT (CUSTOMER SATISFACTION & TRUST)

Since FY2007, SAJR have been conducted customer perception survey to determine needs of customer by tracking all progress on the implementation of the company's programme by questionnaires and sampling approach had to be kept consistently from the previous years. Generally, customers responded their satisfaction level from moderate to high. In FY2017, the Customer Satisfaction Index level is at 87.18%.

In line with SAJR role to lead the formation of Personal Data Protection Code of Practice for the utilities sector (Water), we conducted a seminar in November 2016 for all water operators in the country. In 2017, we have moved closer to the formation of a Personal Data Protection Code of Practice – awaiting approval by the Personal Data Protection Commissioner.

We draw pride and satisfaction in having played a leadership role in this initiative and look forward to the final approval and subsequent implementation of the Code.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	Organizational profile			
	102-1 Name of the organization	Cover Page	Cover Page	-
	102-2 Activities, brands, products, and services	Page 4	Our Business	-
	102-3 Location of headquarters	Page 4	Our Business	-
	102-4 Location of operations	Page 4	Our Business	-
	102-5 Ownership and legal form	Page 6	Annual Report 2017 (Corporate Information)	-
	102-6 Markets served	Page 4	Our Business	-
		Page 5	Group Financial Highlights	-
	102-7 Scale of the organization	Page 4	Our Business	-
	102-8 Information on employees and other workers	Page-Fact Sheet	Fact Sheet	-
		Page 24	Inspirational Workplace & Culture	-
	102-9 Supply chain	Page 27	Enhancing Governance Across The Group	-
	102-10 Significant changes to the organization and its supply chain		No significant changes reported	-
	102-11 Precautionary Principle or approach	Inside Cover	Vision, Mission and Values	-
		Page 8	Ranhill's Four Pillars of Sustainability	-
102-12 External initiatives	Page 7	About This Report (Scope & Material Boundary)	-	
102-13 Membership of associations	Page 18	Contribution Towards Social Wellbeing	-	
Strategy				
102-14 Statement from senior decision-maker	Page 6	Message from the President/Chief Executive	-	
Ethics and integrity				
102-16 Values, principles, standards, and norms of behavior	Inside Cover	Vision, Mission & Values	-	
102-17 Mechanisms for advice and concerns about ethics		None reported	-	

GRI STANDARDS
CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	Governance			
	102-18 Governance structure	Page 32	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-19 Delegating authority	Page 32	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-21 Consulting stakeholders on economic, environmental, and social topics	Page 57	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-22 Composition of the highest governance body and its committees	Page 48	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-23 Chair of the highest governance body	Page 48	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-24 Nominating and selecting the highest governance body	Page 49	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-26 Role of highest governance body in setting purpose, values, and strategy	Page 50	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-29 Identifying and managing economic, environmental, and social impacts	Page 57	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-31 Review of economic, environmental, and social topics	Page 57	Annual Report 2017 (How We Are Governed) & Governance & Leadership	-
	102-32 Highest governance body's role in sustainability reporting	Page 9 Page 25	Governance & Leadership Annual Report 2017 (Sustainability Statement)	-
	Stakeholder engagement			
	102-40 List of stakeholder groups	Page 10	Stakeholder Engagement	-
	102-41 Collective bargaining agreements	Page 22	Inspirational Workplace & Culture	-
	102-42 Identifying and selecting stakeholders	Page 10	Stakeholder Engagement	-
	102-43 Approach to stakeholder engagement	Page 10	Stakeholder Engagement	-
	102-44 Key topics and concerns raised	Page 10	Stakeholder Engagement	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 200 Economic Standard Series				
GRI 102: General Disclosures 2016	Reporting practice			
	102-45 Entities included in the consolidated financial statements	Page 5	Group Financial Highlights	-
	102-46 Defining report content and topic Boundaries	Page 7	About This Report (Scope & Material Boundary)	-
	102-47 List of material topics	Page 12	Materiality Prioritisation & Materiality Matrix	-
	102-48 Restatements of information		Information is restated where there have been no material changes to either data, policies, frameworks or strategies.	-
	102-49 Changes in reporting		No significant changes reported	-
	102-50 Reporting period	Page 7	About This Report (Scope & Material Boundary)	-
	102-51 Date of most recent report		Available at www.ranhill.com.my	-
	102-52 Reporting cycle	Page 7	Annually	-
	102-53 Contact point for questions regarding the report	Page 7	Group Corporate Communication Ranhill Holdings Berhad	-
	102-54 Claims of reporting in accordance with the GRI Standards	Page 7	About This Report (Scope & Material Boundary)	-
102-55 GRI content index	Page 28	Provided at the end of the report under GRI Content Index section	-	
102-56 External assurance	Page 7	About This Report (Scope & Material Boundary)	-	
Economic Performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 10	Annual Report 2017 (President's Message)	-
	103-2 The management approach and its components	Page 8	Ranhill's Four Pillars of Sustainability	-
	103-3 Evaluation of the management approach	Page 8	Ranhill's Four Pillars of Sustainability	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 200 Economic Standard Series				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 5	Group Financial Highlights	-
	201-2 Financial implications and other risks and opportunities due to climate change	Page 14	Environmental Awareness & Perseverance	-
Market Presence				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 21	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 21	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach		Information unavailable	-
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Page 24	Inspirational Workplace & Culture	-
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 10	Annual Report 2017 (President's Message)	-
	103-2 The management approach and its components	Page 18	Contribution Towards Social Wellbeing	-
	103-3 Evaluation of the management approach	Page 18	Contribution Towards Social Wellbeing	-
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Page 18	Contribution Towards Social Wellbeing	-
Procurement Practices				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 27	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
	103-2 The management approach and its components	Page 27	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
	103-3 Evaluation of the management approach	Page 27	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 27	Enhancing Governance Across the Group	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
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 25	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
	103-2 The management approach and its components	Page 25	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
	103-3 Evaluation of the management approach	Page 25	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	Page 25	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
	205-3 Confirmed incidents of corruption and actions taken		None reported	-
Anti-competitive Behavior				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 26	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
	103-2 The management approach and its components	Page 26	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
	103-3 Evaluation of the management approach	Page 26	Enhancing Governance Across the Group & Annual Report 2017 (CG Overview Statement)	-
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		None reported	-
GRI 300 Environmental Standards Series				
Materials				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 13	Environmental Awareness & Perseverance	-
	103-2 The management approach and its components	Page 13	Environmental Awareness & Perseverance	-
	103-3 Evaluation of the management approach	Page 13	Environmental Awareness & Perseverance	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 200 Economic Standard Series				
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 17	Environmental Awareness & Perseverance	-
	103-2 The management approach and its components	Page 17	Environmental Awareness & Perseverance	-
	103-3 Evaluation of the management approach	Page 17	Environmental Awareness & Perseverance	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 17	Environmental Awareness & Perseverance	-
	302-3 Energy intensity	Page 16	Environmental Awareness & Perseverance	-
	302-4 Reduction of energy consumption	Page 16	Environmental Awareness & Perseverance	-
	302-5 Reductions in energy requirements of products and services	Page 17	Environmental Awareness & Perseverance	-
Water				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 15	Environmental Awareness & Perseverance	-
	103-2 The management approach and its components	Page 15	Environmental Awareness & Perseverance	-
	103-3 Evaluation of the management approach	Page 15	Environmental Awareness & Perseverance	-
GRI 303: Water 2016	303-1 Water withdrawal by source	Page 14	Environmental Awareness & Perseverance	-
	303-2 Water sources significantly affected by withdrawal of water	Page 14	Environmental Awareness & Perseverance	-
	303-3 Water recycled and reused	Page 13	Environmental Awareness & Perseverance	-
Emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 16	Environmental Awareness & Perseverance	-
	103-2 The management approach and its components	Page 16	Environmental Awareness & Perseverance	-
	103-3 Evaluation of the management approach	Page 16	Environmental Awareness & Perseverance	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 200 Economic Standard Series				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 16	Environmental Awareness & Perseverance	-
	305-2 Energy indirect (Scope 2) GHG emissions	Page 16	Environmental Awareness & Perseverance	-
	305-3 Other indirect (Scope 3) GHG emissions	Page 16	Environmental Awareness & Perseverance	-
	305-4 GHG emissions intensity	Page 16	Environmental Awareness & Perseverance	-
	305-5 Reduction of GHG emissions	Page 16	Environmental Awareness & Perseverance	-
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Page 16	Environmental Awareness & Perseverance	-
Effluents and Waste				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 13	Environmental Awareness & Perseverance	-
	103-2 The management approach and its components	Page 13	Environmental Awareness & Perseverance	-
	103-3 Evaluation of the management approach	Page 13	Environmental Awareness & Perseverance	-
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	Page 13	Environmental Awareness & Perseverance	-
	306-2 Waste by type and disposal method	Page 13	Environmental Awareness & Perseverance	-
	306-4 Transport of hazardous waste	Page 13	Environmental Awareness & Perseverance	-
Environmental Compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 13	Environmental Awareness & Perseverance	-
	103-2 The management approach and its components	Page 13	Environmental Awareness & Perseverance	-
	103-3 Evaluation of the management approach	Page 13	Environmental Awareness & Perseverance	-
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations		No cases reported	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 400 Social Standards Series				
Employment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 21	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 21	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 21	Inspirational Workplace & Culture	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 24	Inspirational Workplace & Culture	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 21	Inspirational Workplace & Culture	-
	401-3 Parental leave	Page 21	Inspirational Workplace & Culture	-
Labor/Management Relations				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 21	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 21	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 21	Inspirational Workplace & Culture	-
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page 21	Inspirational Workplace & Culture	-
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 26	Enhancing Governance Across the Group	-
	103-2 The management approach and its components	Page 26	Enhancing Governance Across the Group	-
	103-3 Evaluation of the management approach	Page 26	Enhancing Governance Across the Group	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 400 Social Standards Series				
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	Page 26	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	Page 26	Enhancing Governance Across the Group	-
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Page 26	Enhancing Governance Across the Group	-
	403-4 Health and safety topics covered in formal agreements with trade unions	Page 26	Enhancing Governance Across the Group	-
GRI 200 Economic Standard Series				
Training and Education				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 22	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 22	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 22	Inspirational Workplace & Culture	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 22	Inspirational Workplace & Culture	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 22	Inspirational Workplace & Culture	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 25	Workplace Data	-
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 23	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 23	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 23	Inspirational Workplace & Culture	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 24	Workplace Data	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 200 Economic Standard Series				
Non-discrimination				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 23	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 23	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 23	Inspirational Workplace & Culture	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		None reported	-
Freedom of Association and Collective Bargaining				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 22	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 22	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 22	Inspirational Workplace & Culture	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 22	Inspirational Workplace & Culture	-
Child Labor				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 21	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 21	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 21	Inspirational Workplace & Culture	-
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		None reported	-
Forced or Compulsory Labor				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 21	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 21	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 21	Inspirational Workplace & Culture	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 200 Economic Standard Series				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		None reported	-
Human Rights Assessment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 21	Inspirational Workplace & Culture	-
	103-2 The management approach and its components	Page 21	Inspirational Workplace & Culture	-
	103-3 Evaluation of the management approach	Page 21	Inspirational Workplace & Culture	-
Local Communities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 18	Contribution Towards Social Wellbeing	-
	103-2 The management approach and its components	Page 18	Contribution Towards Social Wellbeing	-
	103-3 Evaluation of the management approach	Page 18	Contribution Towards Social Wellbeing	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 18	Contribution Towards Social Wellbeing	-
	413-2 Operations with significant actual and potential negative impacts on local communities		None reported	-
Public Policy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 26	Enhancing Governance Across the Group	-
	103-2 The management approach and its components	Page 26	Enhancing Governance Across the Group	-
	103-3 Evaluation of the management approach	Page 26	Enhancing Governance Across the Group	-
GRI 415: Public Policy 2016	415-1 Political Contributions		None made during the year	-
Customer Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 26	Enhancing Governance Across the Group	-
	103-2 The management approach and its components	Page 26	Enhancing Governance Across the Group	-
	103-3 Evaluation of the management approach	Page 26	Enhancing Governance Across the Group	-

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GRI Standard	Disclosure	Page number(s)	Reference/Link	Omission
Material Topics				
GRI 200 Economic Standard Series				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 26	Enhancing Governance Across the Group	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		None reported	-
Marketing and Labeling				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 26	Enhancing Governance Across the Group	-
	103-2 The management approach and its components		Not applicable	-
	103-3 Evaluation of the management approach		Not applicable	-
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		Unlike consumer goods or retail businesses, the Group's operations do not require much labelling	-
	417-2 Incidents of non-compliance concerning product and service information and labeling		None reported	-
	417-3 Incidents of non-compliance concerning marketing communications		None reported	-
Customer Privacy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 26	Enhancing Governance Across the Group	-
	103-2 The management approach and its components	Page 26	Enhancing Governance Across the Group	-
	103-3 Evaluation of the management approach	Page 26	Enhancing Governance Across the Group	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		None reported	-

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