



FUELLING THE NATION RESPONSIBLY

Sustainability Report 2023




FUELLING THE NATION RESPONSIBLY




Having fuelled Malaysians for over a decade, Petron remains committed to mobilising the nation's economy responsibly and sustainably. Guided by the three focus areas – advancing ethical business growth, protecting the environment and nature, and fostering societal well-being – we are all set to make strong strides forward on our sustainability journey. As we help propel Malaysia forward through energy security, we are mindful of our economic, environmental and social impact and are committed to Fuelling the Nation Responsibly.

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OUR VISION

To be the leading provider of total customer solutions in the oil sector and its allied businesses.

OUR MISSION

We will achieve this by:

- Being an integral part of our customers' lives, exceeding expectations and meeting changing needs, delivering a consistent customer experience through quality products and innovative services
- Developing strategic partnerships in pursuit of growth opportunities
- Fostering an entrepreneurial culture that encourages teamwork, innovation, and excellence
- Acting with professionalism, integrity, and fairness at all times
- Adhering to the strictest safety and environmental standards
- Promoting the best interests of all our stakeholders and caring for our community

OUR VALUES



ABOUT THIS REPORT



THIS IS PETRON MALAYSIA'S 7TH SUSTAINABILITY REPORT.

This sustainability report for financial year ending 31 December 2023 is Petron Malaysia's 7th standalone annual sustainability report. This report provides an update on the progress of our initiatives and performance for the long-term, anchored on our material matters. This document is the full report of the Sustainability Statement embedded in our 2023 Annual Report and is available on our corporate website.



Sustainability forms the bedrock of our mission to cultivate an enduring future. We aim to go beyond mere compliance as we integrate sustainability principles and practices deeply and comprehensively across the entire spectrum of our operations. From the procurement of raw materials up to the delivery of finished products and services to our customers, we strive to minimise our environmental impacts, promote social responsibility and bolster economic viability.

Petron's commitment to sustainability is deeply rooted in our core values of Excellence, Customer Focus, Innovation, Teamwork, Ethics, and Safety. These guiding principles enable us to expertly navigate the complexities of the oil industry without losing our focus on the horizon and beyond. By adhering to these values, we ensure that our pursuit of business growth and innovation is balanced with a responsible approach to environmental stewardship and social well-being.

Since our initial foray into sustainability reporting in the 2013 Annual Report, we have continually enhanced our reporting practices. This has evolved to the alignment with both local and global standards, leading to our inaugural standalone 2017 Sustainability Report published in 2018.

This report focuses on the Company's material matters and their impacts to the economy, environment and people as noted on of this report. This report also highlights our strategic programmes and initiatives and their outcomes, underscoring the integration of sustainable practices into everyday operations and management's strong leadership on sustainability. This effort reflects our commitment to generate lasting value for stakeholders, marking our unwavering dedication to sustainability at every step.

SUSTAINABILITY IMPACTS

ABOUT THIS REPORT

REPORTING PERIOD, SCOPE AND BOUNDARIES

This report presents a comprehensive overview of the sustainability performance of the Petron Malaysia Group, encompassing Petron Malaysia Refining & Marketing Bhd (PMRMB), its sister companies Petron Fuel International Sdn. Bhd. (PFISB) and Petron Oil (M) Sdn. Bhd. (POMSB) for the fiscal year from 1 January 2023 to 31 December 2023, except noted otherwise.

REPORTING FRAMEWORKS

This sustainability report has been prepared with reference to the latest Global Reporting Initiative (GRI) Standards and the GRI 11: Oil and Gas Sector 2021 and incorporates principles and metrics from several key reporting frameworks and guides:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- The Malaysian Code on Corporate Governance (MCCG) 2021, issued by the Securities Commission
- The United Nations Sustainable Development Goals (UN SDGs)
- Task Force on Climate-related Financial Disclosures (TCFD)

ASSURANCE

To ensure the accuracy and transparency of our disclosures, this report has been internally reviewed on key Environmental data by Petron Corporation's Internal Audit.

We shall continue to further enhance our data accuracy and quality to strengthen our disclosures moving forward. In addition, we plan to expand the scope of the review.

BOARD OF DIRECTORS' APPROVAL

The Board of Directors was presented with the performance of our Material Matters and approved by the Board on 14 March 2024.

FEEDBACK

We welcome feedback from our stakeholders. For any comments and queries, please send to corporate.sustainability@petron.com.my.



THE BUSINESS OF PETRON

OUR STRUCTURE

With more than 10 years journey in Malaysia, Petron Malaysia Group ("the Group") has embraced a global mindset while firmly rooting itself in the Asian context. The Group is Malaysia's third-largest downstream provider in oil and gas sector.

The Group operates a refinery, a Palm Oil Methyl Ester (PME) biodiesel plant, fuel distribution terminals and a network of more than 770 service stations.

**Petron Malaysia
Refining &
Marketing Bhd**

► **73.4%**

**Petron Fuel
International
Sdn. Bhd.**

► **100%**

**Petron Oil (M)
Sdn. Bhd.**

► **100%**



PMRMB

is a publicly listed
company on the Main
Board of **Bursa Malaysia
Securities Berhad**



Our head office is
located at

**Damansara
Heights,
Kuala Lumpur**




We have

660 employees
under
**Petron Malaysia
Group**








THE BUSINESS OF PETRON

Our Business	Our Facilities	Our Products
<p>REFINERY</p> 	<p>Port Dickson Refinery, Negeri Sembilan</p>	<p>Refined Products</p> <ul style="list-style-type: none"> • Motor Gasoline 100, 97 and 95 RON • Automotive Diesel Oil (ADO) • Liquefied Petroleum Gas (LPG) • Jet Fuel • Naphtha • Low Sulphur Waxy Residue (LSWR)
<p>BIOFUEL PLANT</p> 	<p>Lumut PME Plant, Perak</p>	<p>Distribution of our high quality fuels and LPG</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1261 762 1491 868">  <ul style="list-style-type: none"> • Turbo Diesel Euro 5 </div> <div data-bbox="1637 770 1850 868">  <ul style="list-style-type: none"> • Diesel Max Euro 5 </div> </div>
<p>TERMINALS</p> 	<p>10 strategically located terminals</p> <ul style="list-style-type: none"> • Port Dickson Terminal, Negeri Sembilan • Bagan Luar Terminal, Penang • Kuantan Terminal, Pahang* • Westport Terminal (JV-BHP), Selangor* • KLIA Aviation Depot • Klang Valley Distribution Terminal (JV-Petronas/Shell), Selangor • Pasir Gudang Terminal (JV-Chevron), Johor* • Sepangar Bay Terminal, Sabah* • Sandakan Terminal, Sabah* • Tawau Terminal, Sabah* 	<div style="display: flex; justify-content: space-around;"> <div data-bbox="1261 903 1529 1015">  <ul style="list-style-type: none"> • Blaze 100RON Euro 4M </div> <div data-bbox="1637 903 1895 1015">  <ul style="list-style-type: none"> • Blaze 97RON Euro 4M </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div data-bbox="1261 1031 1514 1126">  <ul style="list-style-type: none"> • Blaze 95RON Euro 4M </div> <div data-bbox="1637 1031 1809 1126">  <ul style="list-style-type: none"> • Petron Gasul </div> </div>

Note:

* PMRMB's sister companies' facilities.

THE BUSINESS OF PETRON

Our Business	Our Facilities	Our Products
<p>RETAIL</p> 	<p>>770 service stations nationwide >100 F&B inserts</p>	<p>Our convenience store Treats, provides a rewarding one-stop shop experience to cater to customers' needs.</p> 
<p>LPG</p> 	<p>>180 service stations offer cash and carry LPG</p>	<p>Petron Gasul provides efficient energy for Malaysian households for cooking, lighting, etc.</p> 
<p>INDUSTRIAL</p> 	<p>Supplies fuels to unbranded mini-stations, transportation, power plants, plantations, airlines, lubes workshops</p>	<p>High quality selection of industrial products to fuel the Malaysian economy</p> <ul style="list-style-type: none"> • Automotive Diesel Oil (ADO) • Gasoline • Jet Fuel • Bulk LPG • Lubricants

MESSAGE FROM THE CHAIRMAN



TO OUR ESTEEMED STAKEHOLDERS,

The past year saw Petron Malaysia making significant contributions towards a more sustainable and resilient future. Challenges notwithstanding, we remained steadfast in helping ensure Malaysia's energy security by fuelling mobility and economic activity. At the same time, we remain committed to seeking growth while further greening our operations, giving back to our communities, and responsibly governing our enterprise. As we reflect upon 2023 with a sense of accomplishment, we proudly share in this report the progress we have made in pursuing the long-term success of our Company and in advancing our sustainability initiatives.

materiality assessment from 2022-2023. We validated our identified material matters, and underscored the value of aligning our sustainability initiatives with stakeholders' concerns and business priorities. These material matters, which range from climate change and natural resources to biodiversity and sustainable supply chain management, will be our focus in developing initiatives to address our impacts.

Good governance remains the cornerstone of our operations. This year, we reinforced our anti-corruption measures and enhanced our governance framework. As we stayed true to these principles, we gained various awards and certifications. We are proud to maintain our position among Malaysia's Top 5 most trusted companies, leading over a hundred other brands in Institut Public de Sondage d'Opinion Secteur's (IPSOS) Trust Track for the second straight year. IPSOS is one of the largest market research companies in the world and the trust track is reflecting Malaysians' level of trust towards the corporations and institutions.

The enhancements in our governance structure represent significant strides in Petron Malaysia's journey. By integrating and institutionalizing the practice of economic, environmental, and social (EES) into our corporate goals, we create enduring value and contribute to a more viable future for our shareholder and stakeholders.

ENHANCING SUSTAINABILITY GOVERNANCE FOR STRONGER OPERATIONS

We continued to enhance our sustainability as an organisation. Central to these efforts was the strengthening of our sustainability governance structure. In 2022, we established the Board Sustainability Committee (BSC) to assist the Board of Directors (BOD) in reviewing our strategies, targets, and programmes while aligning them with sustainability goals and strategies of the San Miguel Group, which includes Petron Malaysia. The BSC is supported by the Sustainability Council (SC) and the Technical Working Group (TWG)¹. Our Risk Management has also been updated to incorporate sustainability. We conducted a comprehensive

OUR SUSTAINABILITY ACHIEVEMENTS

We implemented strategic initiatives to address our EES impacts. We put into action immediate sustainability targets and accelerated quick-hit initiatives on energy savings, reduced water consumption, waste management, and building a culture of sustainability.

¹ Note:

¹ For more information on our sustainability governance structure, refer to Sustainability Governance from

MESSAGE FROM THE CHAIRMAN

With a strong and stable financial performance, we continued to support Malaysia's economy by contributing RM17 billion in value through various channels, including payments to local suppliers, employees' salaries, shareholders dividends, taxes, and community-centric CSR initiatives. Notably, our sales volume surged by 10%, reaching 37.3 million barrels, driven by robust domestic demand supported by higher production at our Port Dickson Refinery (PDR). This achievement reflects our commitment to cater to the nation's energy needs.

In line with our unwavering support to the local economy, 93% of the goods and services purchased in 2023 were sourced from local suppliers, representing RM7.7 billion in direct investment in the local market. We also expanded our *Sapot Lokal* programme, which aims to empower local and rural entrepreneurs for greater reach and inclusion.

This year, we recorded 100% attendance in the Standards of Business Conduct (SBC) training for our employees, reinforcing ethical business practices. This was a milestone in our efforts to ensure the highest standards of ethics and integrity across our operations. We conducted anti-corruption training to include all members of the Board of Directors to ensure alignment of our sustainability commitment at the highest level.

Our greening efforts remained focused on reducing our carbon footprint and enhancing the use of renewable energy in our operations. Optimising equipment utilisation and expanding the use of solar panels as well as solar-powered and LED lighting resulted in a notable 4% reduction in Scope 2 Greenhouse Gas (GHG) emissions¹. By 2022, we installed



We have equipped 20 service stations with solar panels in 2023

solar panels at 15 service stations, and additional 20 were added in 2023, in line with our goal to energise 100 more service stations using solar power by 2025. In a major move towards clean energy, we piloted an electric vehicle (EV) charging station in 2021. We plan to put up eight more in select service stations by 2024.

We also installed 16 polytanks with a capacity of 26.2 thousand litres of rainwater at our refinery to drive our water conservation efforts. In 2023, we completed the first phase of our Green Lung Project at PDR. This establishes the baseline on the variety and density of flora and fauna species within the facility while determining the carbon stock and potential carbon sequestration of the Green Lung.

To enhance our long-term environmental sustainability efforts, we partnered with Universiti Putra Malaysia to generate valuable insights on the local ecosystem and enhance our carbon sequestration initiatives. Even as this partnership advances our commitment to biodiversity conservation, the scope of our engagement will also include opportunities to repurpose and recycle waste opportunities in support of promoting a circular economy.

On the social aspect, we take pride in the diversity of our Petron Board of Directors where 44% are women. We likewise kept our eye on business continuity by growing our next leaders in the Company as we increased training hours on Management Development by 41%. We participated in Bursa

¹ Note:

¹ The Group Scope 2 GHG Emissions covering Port Dickson Refinery and Terminal, Terminals (BLT, KTN, SBT, SDK, TWU), Lumut PME Plant, Head Office and Petron Retail Training Centre.

MESSAGE FROM THE CHAIRMAN



Petron continues its commitment to uphold the highest occupational safety and health standards

Malaysia Workshop on Climate Change, specifically the GHG Assessment Training Programme to enhance the reporting of our climate-related disclosures.

To promote health and safety, our employees received training on health and safety standards. This has contributed to the Company's achievement of zero recordable injuries and fatalities for the year. Our Distribution and Terminal Operations (D&TO) conducted assessment of Petron Operations Integrity Management System (POIMS) System Verification & Measurement to assess the performance of safety management systems that are being implemented. The reviews are conducted regularly to ensure compliance to the management system. We prioritise the health and welfare of our customers through the 'Tandas Kita Bersih' programme which ensures clean and hygienic restrooms. Our efforts were recognised with one (1) service station receiving the ASEAN Public Toilet Award.

Our outstanding performance on Safety and Occupational Health was recognised by the 41st Malaysian Society for Occupational Safety & Health Awards (MSOSH) 2023 where we received three (3) achievements for each award category: Grand, Gold Merit and Gold Class 1 Awards. This is Petron's best MSOSH performance so far.

FORGING A PATH TOWARDS A MORE SUSTAINABLE FUTURE

Petron will continue to support Malaysia's National Energy Policy and work towards more carbon efficient operations. Recognising the importance of climate-related financial disclosures, we will be adopting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to further boost our ability to manage climate risks and seize more opportunities. We will develop a Sustainable Supply Chain & Procurement Policy and a Supplier Code of Conduct to continue uphold our high standards of ethics and integrity and ensure that our operations contribute to the transition towards a low-carbon economy.

Our journey towards sustainability is made possible by the collective efforts of our employees, partners, and stakeholders. It is a path that cannot be forged by one entity alone and we appreciate your unwavering support and dedication. Together, we are building towards a more sustainable future, making significant strides for the benefit of our planet and future generations.

Ramon S. Ang

RAMON S. ANG
Chairman

AWARDS AND CERTIFICATIONS

AWARDS



Putra Brand Awards 2023

Silver Award

Automotive Category Fuel, Lubricants & Accessories



The Royal Society for The Prevention of Accidents (RoSPA) Health & Safety Awards 2023

Silver Award

Facility: Kuantan Terminal*



Malaysian Society for Occupational, Safety and Health Awards (MSOSH) 2023

Grand Award Winner

Facility: Kuantan Terminal*, Pasir Gudang JV Terminal*, Bagan Luar Terminal

Gold Merit

Facility: Sepangar Bay Terminal*, Sandakan Terminal*, Tawau Terminal*

Gold Class 1

Facility: Port Dickson Refinery, Port Dickson Terminal, KLIA Aviation Depot



Malaysia's 100 Leading Graduate Employers 2023

Winner

Best Newcomer



GRADUAN Brand Awards 2023

2nd Runner Up

Malaysia's Most Preferred Employer 2023 - Energy Sector

AWARDS



Graduates' Choice Award 2024 Graduates' Choice of Employers to Work for (received in 2023)

4th Place

Oil & Gas category

8th Place

Convenience Store category

CERTIFICATIONS



5S/Quality Environment Certification



3-Star Rating (Highest Rating)

Sepangar Bay Terminal*, Bagan Luar Terminal, Port Dickson Terminal, Pasir Gudang JV Terminal*, Sandakan Terminal*, Tawau Terminal*

2-Star Rating

Kuantan Terminal*

Integrated Management System (ISO 9001, ISO 14001, ISO 45001)

Port Dickson Refinery, Port Dickson Terminal, Kuantan Terminal*, Bagan Luar Terminal, Pasir Gudang JV Terminal*

Quality Management System (ISO9001)

KLIA Aviation Depot, Sepangar Bay Terminal*, Sandakan Terminal*, Tawau Terminal*

Malaysian Sustainable Palm Oil (MSPO) Certification

Bagan Luar Terminal, Lumut PME Plant

HALAL Certification from JAKIM

Lumut PME Plant

KOSHER Certification from Orthodox Jewish Community of Singapore

Lumut PME Plant

Note:

* MRMB's sister companies' facilities.

SUSTAINABILITY HIGHLIGHTS



Note:
* Compared to 2022.

SUSTAINABILITY FRAMEWORK

Petron Malaysia operates within a sustainability framework that is critical in generating enduring value for all stakeholders. As an integral part of San Miguel Corporation, we are equally committed to attain its goal of becoming net zero by 2050, consistent with Malaysia’s aspiration of being carbon neutral by the same year.

Our framework is anchored within the sustainability pillars of Economic, Environmental and Social (EES), each with specific focus areas. In 2022, we refined this framework to embed Petron Malaysia’s core values: Excellence, Customer Focus, Innovation, Teamwork, Ethics and Safety. This enhancement has allowed us to weave these values into our sustainability efforts, creating a more robust and holistic approach across all aspects of our operations. Equally significant, our efforts also align with efforts to meet the UN Sustainable Development Goals (SDGs).

OUR FOCUS AREAS



To stay **CUSTOMER FOCUSED** and promote work **EXCELLENCE** towards **ETHICAL** business growth by giving due regards to sustainability impacts of business activities

- Generating Economic Benefits
- Ethical Business Practices

To adopt **INNOVATIONS** to promote responsible use of resources, reduce GHG emissions, minimise adverse environmental impacts and transition to low carbon operations

- Climate Change and GHGs
- Air Emissions and Pollution Management
- Waste and Circular Economy
- Water Management
- Natural Resources
- Biodiversity
- Sustainable Supply Chain

To promote **TEAMWORK** and **SAFETY** at all times whilst creating a balanced co-existence with all stakeholders

- Agile, Diverse and Thriving Workforce
- Safety
- Customer Data Protection



SUSTAINABILITY GOVERNANCE

The establishment of a strong governance framework in Petron Malaysia is crucial to ensure sustainable operations that are ethical and responsible.

The Board of Directors (BOD) provides leadership and oversight, and reviews and approves the Company’s sustainability agenda, frameworks and strategies, focusing on key matters such as integrity, anti-corruption, ethical conduct, occupational health and safety, talent management and risk management. This strategic oversight ensures that our sustainability initiatives are comprehensive, addressing both internal and external challenges and opportunities.

The formation of the Board Sustainability Committee (BSC) in 2022 marked a strategic advancement in our sustainability focus. The BSC reviews and recommends to the BOD on sustainability-related matters, strategies and objectives. The BSC meets on a quarterly basis, and is supported by the Sustainability Council (SC) and the Technical Working Group (TWG). This structure ensures alignment in our approach throughout the organisation in managing and leveraging the EES programmes and operations.

Our governance framework is further strengthened through regular coordination and meetings held by the BOD, BSC, SC and TWG which focused on addressing our EES impacts as well as the associated risks and opportunities. The inaugural Sustainability Board Evaluation conducted in 2022, as recommended by the MCCG 2021, marked a critical step in assessing the effectiveness of our sustainability governance. This evaluation garnered an average score of 3.94 out of 5, due to the new set up of our sustainability governance. In 2023, we improved our average score to 4.26 with the strengthening of our sustainability governance structure and integration of sustainability into our risk management.

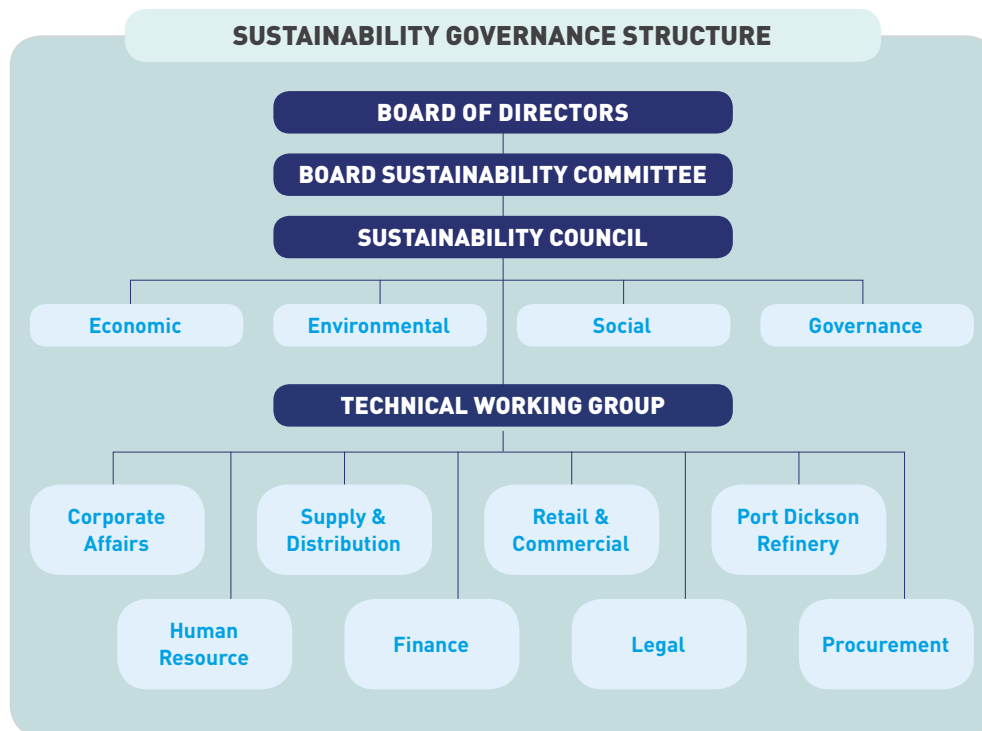
We have established policies, guidelines, and procedures through our management systems to address our environmental impacts and occupational safety and health (OSH) concerns. Our commitment to excellence in these areas is recognised through certifications in various ISO management system standards, including SIRIM’s Occupational Health and Safety Management System (OHSMS), Environmental Management System (EMS), and Quality Management System (QMS). These ensure that our sustainability efforts are integrated into our operations and that we continue to evolve and refine our sustainability practices.

For detailed insights into our policies and guidelines on sustainability governance, please visit our corporate governance section at

SUSTAINABILITY POLICY

Our Sustainability Policy underscores our dedication to fostering positive economic outcomes, addressing our environmental impacts, strengthening our societal engagements, and improving our governance practices.

To learn more about our Sustainability Policy, we encourage you to visit our corporate website at



SUSTAINABILITY GOVERNANCE

Petron Malaysia's Sustainability Governance Structure and its Key Roles and Responsibilities

Petron Malaysia's sustainability structures are organised in a top-down manner to ensure that the roles and responsibilities are cascaded and aligned with the appropriate level, ensuring necessary actions are implemented in an efficient manner. While the BOD provides leadership at executive level, the TWG is responsible to ensure implementation of sustainability-related matters:

Board of Directors (BOD)

- Meets four (4) times per year.
- BOD has oversight of sustainability including climate related risks and opportunities.
- Strategies, goals and targets related to material matters are reviewed and approved at BOD level.

Board Sustainability Committee (BSC)

- Meets four (4) times per year.
- Comprises two Independent Directors and either (i) two Executive Directors, one of whom is the CEO, or (ii) one Executive Director (the CEO) and one Non-Executive Director. Additionally, the BSC is supported by up to three advisors, who are Senior Management members either from our company or the parent company.
- Advises the BOD by reviewing and endorsing sustainability strategies, goals and targets.
- Ensures alignment of the Company's sustainability efforts, programmes and reporting (where applicable) with the ultimate parent company.
- Reports of its activities to the BOD and in the Company's Annual Report or in the Company's Annual Sustainability Report (as applicable/appropriate).
- Provides updates on a quarterly basis to the BOD on pertinent items addressed by the BSC.

Sustainability Council (SC)

- Meets six (6) times per year.
- Comprises the Company's key Senior Management.
- Oversees the strategic management of material sustainability matters approved by the BOD.
- Ensures that sustainability related issues are taken into consideration when devising business strategies.
- Determines and reviews sustainability material matters.
- Recommends appropriate KPIs in addressing the Company's material matters and sustainability related matter.

Technical Working Group (TWG)

- Meets twelve (12) times per year.
- Comprises key personnel nominated by the SC.
- Facilitates day-to-day management of material sustainability matters.
- Assists the SC to determine and validate sustainability material matters.
- Gathers and consolidates sustainability related data for KPI monitoring and reporting purposes.

Note:

- Read more about the sustainability roles and responsibilities of our BOD at [\[Link\]](#)


STAKEHOLDER ENGAGEMENT

Stakeholders play a pivotal role in our organisation, as they comprise individuals or groups that either influence or are influenced by our activities, products, services, operational decision and business direction. To ensure we fully understand the impact we have on and that the strategies we develop effectively address their needs and expectations, we conduct stakeholder engagements regularly and monitor their effectiveness. The insights we gather are instrumental in shaping our sustainability strategies and the initiatives that support it.



Following the strategic update to our stakeholder engagement approach, we identified nine crucial stakeholder groups with direct impact or importance to Petron Malaysia. This categorisation was made through internal discussions and analysis of interactions that ensured the approach closely align with our operations and corporate objectives. Recognising the dynamic nature of our relationship with stakeholders, which are subject to various external and internal factors as well as changes in the business environment, we have added Financial Institutions as a new category of stakeholders. We have also combined Unions within the broader Employees group, aiming for a more unified and inclusive stakeholder engagement framework.

To better address the nuanced needs of our stakeholders, we distinguished Contractors, Vendors, Suppliers, and Service Providers from the general Business Partners category and redefine them as External Providers. We segmented our Customers into two distinct groups, (i) Dealers, Distributors and Commercial Entities, and (ii) End Users. These two groups are distinct from each other in terms of their business relationship with Petron Malaysia and the impacts surrounding them, enabling us to establish more targeted engagement strategies.



The table below is a detailed snapshot of these stakeholder groups, highlighting their key needs and expectations, our engagement methods, and the frequency of these interactions.

Stakeholder Groups	Stakeholder's Relevant Needs and Expectations	Engagement Methods	Frequency
1 REGULATORS  These are the authorities, local governments and ministries that are relevant to our business. We seek to work closely with regulators to ensure compliance and to keep abreast of the evolving regulatory landscape.	<ul style="list-style-type: none"> Demonstration of compliance with respective authorities' requirements Supporting government policies and objectives Timely and responsive communication and actions 	Meetings E-mail communication Site visits and inspections Periodic reports Corporate website	Ongoing Ongoing Ongoing Monthly/ Quarterly/ Annually As and when



STAKEHOLDER ENGAGEMENT

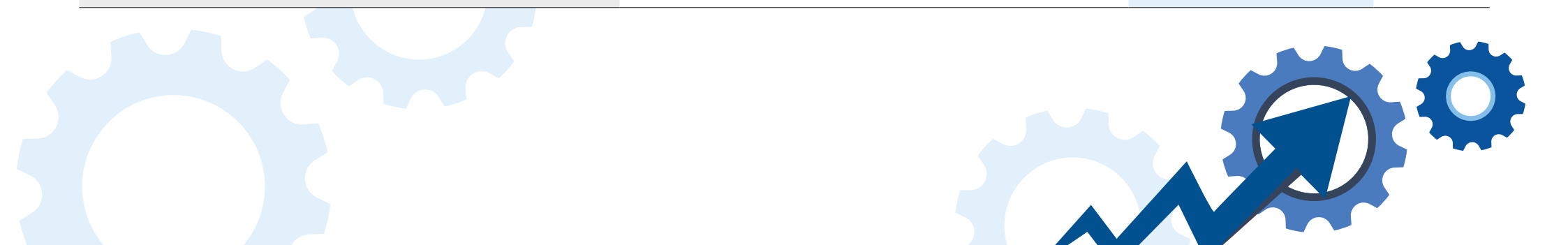
Stakeholder Groups	Stakeholder's Relevant Needs and Expectations	Engagement Methods	Frequency
<p>2 CUSTOMERS Dealers, Distributors, Commercial Entities</p>  <p>Our dealers and distributors are the face of the Company before our prospective end users. They also act as an important channel of communication between Petron and the end users of our products and services.</p>	<ul style="list-style-type: none"> • Quality products and services as per product specifications • Fair and competitive product pricing • Timely and responsive communication and actions • Provision of support and guidance • Honouring contractual agreements • Conducive environment to conduct business 	<p>Meetings</p> <p>Ongoing social media - Instagram and Facebook</p> <p>E-mail/Memo communication</p> <p>Corporate website</p> <p>Petron Miles Website</p> <p>Call PMiles Customer Service Hotline 1300 888 812</p>	<p>Ongoing</p> <p>Ongoing</p> <p>As and when</p> <p>As and when</p> <p>As and when</p>
<p>3 CUSTOMERS End Users</p>  <p>We continue to gather feedback from our end users to improve the quality of our products and services as we seek to deliver excellence. End users are customers that are using our products and services.</p>	<ul style="list-style-type: none"> • Quality products and services as per product specifications • Fair and competitive product pricing • Timely and responsive communication and actions - good customer service • Public safety and security • Good housekeeping at service stations 	<p>Social media - Instagram and Facebook</p> <p>E-mail Petron Care petroncare@petron.com.my</p> <p>Corporate website</p> <p>Petron Miles Website</p> <p>Call PMiles Customer Service Hotline 1300 888 812</p>	<p>Ongoing</p> <p>As and when</p> <p>As and when</p> <p>As and when</p>

STAKEHOLDER ENGAGEMENT



Stakeholder Groups	Stakeholder's Relevant Needs and Expectations	Engagement Methods	Frequency
<p>4 EMPLOYEES</p>  <p>Employees are the driving force behind Petron Malaysia. As such, we strive to meet their needs and ensure the provision of a safe, healthy and conducive workplace to nurture their career development. Employees include direct hires, permanent and regular employees, third-party contract workers and unions.</p>	<ul style="list-style-type: none"> • Safety and health at the workplace • Fair and competitive compensation and benefits • Compliance to legal requirements and labour standards • Opportunities for training and education • Comprehensive guidance and support at workplace • Non-discrimination and equal opportunity • Diversity and representation at the workplace • Employment security • Job satisfaction 	<p>Team meetings</p> <p>Team building sessions</p> <p>Individual/Group discussions/ Coaching</p> <p>Formal performance evaluation</p> <p>Training on HR Policies</p> <p>Corporate website</p>	<p>Weekly/ Monthly/ As and when</p> <p>Annually</p> <p>Ongoing</p> <p>Annually</p> <p>Ongoing</p> <p>As and when</p>
<p>5 LOCAL COMMUNITIES</p>  <p>Engaging with the local communities in our operational areas enables us to address their needs and generate long lasting positive impact. We are committed to give back to society and ensure no one is left behind in our bid to contribute to a sustainable future for all.</p>	<ul style="list-style-type: none"> • No harm to public safety, security and the environment • No disturbance to quality of life • Support for and participation in community programmes • Timely, responsive and transparent communication and actions • Potential business opportunities 	<p>Advocacy programmes such as Go-to-Safety Point, road safety and environment</p> <p>Corporate Social Responsibility (CSR) programmes</p> <p>Fenceline community engagements/Meetings with community representatives</p> <p>Instant messaging/ Telephone calls/Letters</p>	<p>Annually</p> <p>Annually</p> <p>Quarterly</p> <p>Ongoing</p>

STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Stakeholder's Relevant Needs and Expectations	Engagement Methods	Frequency
<p>6 INVESTORS/SHAREHOLDERS</p>  <p>Shareholders and investors are vital to the health and wealth of the Company. Regular engagements with our shareholders and investors will ensure long-term business growth.</p>	<ul style="list-style-type: none"> Continued profitability and growth Product and service innovation to meet changing demands Compliance to legal and other requirements Petron image and reputation to maintain business and social licence to operate Compliance to legal and other requirements 	<p>Annual General Meeting</p> <p>Annual Report and Sustainability Report</p> <p>Announcements</p> <p>Corporate website</p> <p>Engaging with the local Treasury/Investor Relations group in Manila</p>	<p>Annually</p> <p>Annually</p> <p>As required</p> <p>As and when</p> <p>As and when</p>
<p>7 EXTERNAL PROVIDERS</p>  <p>We work closely with our contractors, vendors, suppliers and service providers to deliver excellence and explore opportunities for mutual growth.</p>	<ul style="list-style-type: none"> Clear contract specifications Clear requirements on compliance with Petron's code of conduct, policies and requirements Honouring contractual agreements e.g. prompt payment Fair treatment of workers according to legal requirements and labour standards Fair procurement practices - non-discrimination and equal opportunity Timely, responsive and transparent communication and actions Continued business relationship 	<p>E-mail communication/Memo</p> <p>Site visits/Instant messaging/ Telephone calls</p> <p>Meetings by territory/Area</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Monthly/ Quarterly/ Annually/ As and when</p>



STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Stakeholder's Relevant Needs and Expectations	Engagement Methods	Frequency
<p>8 FINANCIAL INSTITUTIONS</p>  <p>We ensure continuing access to competitive rates/terms by maintaining the trust and confidence of financial institutions such as banks and insurance providers. They provide insight into the early identification of opportunities and emerging trends within the financial markets.</p>	<ul style="list-style-type: none"> • Compliance to banking terms and conditions and legal requirements • Continued financial soundness • Timely, responsive and transparent communication and continued business relationships 	<p>Meetings and telephone calls</p> <hr/> <p>E-mail communication</p>	<p>As and when</p> <hr/> <p>Ongoing</p>
<p>9 BUSINESS PARTNERS AND JOINT VENTURES (JVs)</p>  <p>We actively engage with our business partners including marketing partner and JVs by exploring mutually beneficial partnerships.</p>	<ul style="list-style-type: none"> • Honouring terms and conditions of agreement • Timely, responsive and transparent communication and actions • Continued business relationship 	<p>Meetings</p> <hr/> <p>E-mail communication</p> <hr/> <p>Periodic report</p>	<p>Monthly/ Quarterly/ Annually/ As and when</p> <hr/> <p>Ongoing</p> <hr/> <p>Monthly/ Quarterly/ Annually</p>



MATERIALITY ASSESSMENT

Our material matters reflect the significant impacts we have on the economy, environment, and people, including human rights. We periodically revisit these to align them with the evolving sustainability challenges within the oil and gas industry and with the changing needs and expectations of our stakeholders. The insights from our materiality assessments are pivotal in addressing significant impacts and the associated risks and opportunities.

The identification of our material matters includes evaluating the significance of actual and potential EES impacts based on their severity, likelihood, scale, and scope. The assessment also incorporates findings from mandatory impact assessments, such as Environmental Impact Assessments (EIA), as well as those ongoing reviews conducted in conformance to international standards like ISO 14001 and ISO 45001.

Stakeholder perspectives are integral to this process, gathered through structured questionnaires and interactive ongoing engagement sessions including employee awareness workshops, internal focus group discussions, and interviews.

IDENTIFY AND ASSESS IMPACTS ON AN ONGOING BASIS

Engage with relevant stakeholders and experts

- 1 Understand the organisation's context
- 2 Identify actual and potential impacts
- 3 Assess the significance of the impacts

DETERMINE MATERIAL MATTERS FOR REPORTING

Test the material matters with subject matter experts

- 4 Prioritise the most significant impacts for reporting

Material matters

- ▶ Generating Economic Benefits
- ▶ Ethical Business Practices
- ▶ Climate Change and GHGs
- ▶ Air Emissions and Pollution Management
- ▶ Waste and Circular Economy
- ▶ Water Management
- ▶ Natural Resources
- ▶ Biodiversity
- ▶ Sustainable Supply Chain
- ▶ Agile, Diverse and Thriving Workforce
- ▶ Safety
- ▶ Customer Data Protection

Note:

- For more information on stakeholder groups engaged for the identification and prioritisation of sustainability matters, refer to Stakeholder Engagement from

MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT PROCESS

Petron Malaysia's identification of material matters involves a structured materiality assessment process outlined as follows:

STEP 1 Assessment of EES Impacts

Based on the outcome of the internal EES Impact Assessment, we identified significant impacts on the economy, environment and people, including human rights that are relevant to Petron, taking into account of both positive and negative ones.

STEP 2 Stakeholder Engagement

We engaged both internal and external stakeholders to score our Sustainability Survey that included face-to-face interaction/engagements to obtain their opinions on Petron's significant impacts on the economy, environment and people, including human rights.

STEP 3 Analysis of Responses

We collated and analysed responses from stakeholders to understand their priorities of the material matters.

STEP 4 EES Categorisation

The material matters were categorised based on Bursa Malaysia's 11 Common Sustainability Matters and the GRI 11: Oil and Gas Sector 2021 Standard, as well as the practices of industry peers and sustainability leaders.

STEP 5 List of Material Matters

Validation of material matters through the Sustainability Council and the Board Sustainability Committee and reporting the result to the Board for their approval.



MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT RESULT

Established from the insights of our survey and internal evaluations in 2022-2023, Petron Malaysia has delineated 12 material matters for focused reporting. With these updated matters we aim to enhance our strategies including targets and initiatives related to each area.

The topic of risk management, a critical aspect of Petron's governance framework, is thoroughly addressed in our 2023 Annual Report within the 'Risk Management Statement' section.

Summary of the changes made as follows:

2022 Materiality Assessment



ECONOMIC

- Financial Performance
- Procurement Practices
- Indirect Economic Impact
- Market Presence



ENVIRONMENTAL

- GHG Emissions
- Energy Management
- Waste Management
- Water and Effluents
- Environmental Compliance
- Supplier Environmental Assessment



SOCIAL

- Workplace Health and Safety
- Talent Development
- Employee Diversity and Inclusivity
- Labour Management Relations
- Freedom of Association and Collective Bargaining
- Community Inclusivity/Engagement
- Customer Focus



GOVERNANCE

- Ethics and Integrity
- Risk Management and Business Continuity

2023 Materiality Assessment



ECONOMIC/GOVERNANCE

- Generating Economic Benefits
- Ethical Business Practices



ENVIRONMENTAL

- Climate Change and GHGs
- Air Emissions and Pollution Management
- Waste and Circular Economy
- Water Management
- Natural Resources
- Biodiversity
- Sustainable Supply Chain



SOCIAL

- Agile, Diverse and Thriving Workforce
- Safety
- Customer Data Protection



MATERIALITY ASSESSMENT

The materiality assessment conducted by Petron Malaysia served to identify critical matters that are essential to our business operations and sustainability strategy. These matters not only address our impacts but also align with the expectations of our stakeholders.

“Climate Change and Greenhouse Gases (GHGs)” emerged as a crucial topic, reflecting the global call for urgent action. Given the oil and gas industry’s carbon footprint, Petron Malaysia acknowledges its role and responsibility in contributing to and mitigating climate change impacts. The focus on Climate Change also mirrors the growing awareness among our stakeholders of how our operations are impacting the environment. To this end, we have developed the Petron Climate Action Guide that outlines our Climate Action Strategy in accordance with TCFD recommendations.

“Ethical Business Practices” encapsulates our strong focus on ethical conduct and governance. It underscores the importance of integrity in our business operations, signifying our pledge to ethical operation that is underpinned by strong governance practices. In line with this commitment, “Customer Data Protection” has also been highlighted to stress our dedication to safeguard our customers’ personal information, demonstrating our respect for privacy and data security.

The material matter “Agile, Diverse, and Thriving Workforce” underscores the significance of nurturing human capital by focusing on employee development, diversity, and safety. This matter highlights the importance of having a robust, inclusive workforce in driving sustainable business success.

THE MATERIALITY ASSESSMENT CONDUCTED BY PETRON MALAYSIA SERVED TO IDENTIFY CRITICAL MATTERS THAT ARE ESSENTIAL TO OUR BUSINESS OPERATIONS AND SUSTAINABILITY STRATEGY.

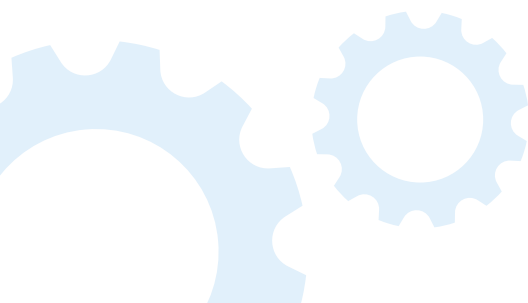
Regarding our impact on local communities, we have evolved our approach to emphasise the interconnectedness of Social, Environmental, and Economic impacts, leading to the removal of Community Inclusivity/Engagement as a standalone material matter. Instead, community engagement is now integrated within the broader context of “Generating Economic Benefits,” to reflect a holistic view of our contributions to societal prosperity.

“Sustainable Supply Chain” has been broadened from the previous “Supplier Environmental Assessment” to encompass Environmental and Social impacts, with a particular focus on human rights. The expanded scope acknowledges the comprehensive nature of sustainability within our supply chain, emphasising the importance of responsible and ethical procurement practices.

The updated material topics guide Petron Malaysia in ensuring the effectiveness of our sustainability programmes within and outside the organisation. They provide a framework for assessing our sustainability practices and offer insights into the issues most pertinent to our stakeholders, ensuring our efforts are both relevant and impactful.

Material Matters:

Generating Economic Benefit	
Ethical Business Practice	
Climate Change and GHGs	
Air Emissions and Pollution Management	
Waste and Circular Economy	
Water Management	
Natural Resources	
Biodiversity	
Sustainable Supply Chain	
Agile, Diverse and Thriving Workforce	
Safety	
Customer Data Protection	



RISKS AND OPPORTUNITIES

Petron is dedicated in protecting its operations against all potential risks and threats while seeking out and leveraging promising opportunities. To accomplish this, we rigorously assess all risks and opportunities associated with our 12 identified material matters, as shown in the table below accompanied by defined goals to manage them. This proactive stance ensures our readiness to address challenges and embrace opportunities that align with our strategic objectives.



ECONOMIC/GOVERNANCE TOPICS - ADVANCING ETHICAL BUSINESS GROWTH

Material Matter	Description	Risk	Opportunity	Goal
Generating Economic Benefit 	<p>In generating revenue from our operations, we make direct and indirect contributions to the economy be it by paying taxes and wages, procuring from local suppliers, or supporting the creation of jobs along the supply chain. Our economic contributions help develop public infrastructure and other social investments.</p>	<p>Poor sales or low profitability can diminish our direct and indirect economic contribution to society, lower market share and reduce our attractiveness to lenders, investors and shareholders, leading to undervaluation of the Company.</p>	<ul style="list-style-type: none"> Promoting the Petron brand and enhancing brand equity, will help generate higher sales, profit and wealth contribution. Advancing organisational value and enhancing product and service presence. Promoting transparency and enhancing confidence of investors and lenders. 	<p>To improve the overall sustainability performance of Petron Malaysia and deliver enhanced value to stakeholders.</p>
Ethical Business Practice 	<p>We have a responsibility to uphold our integrity in the course of doing business and strive for the same in our supply chain. Unethical business practices e.g. corruption, embezzlement, fraud, intimidation, or false claims have adverse economic consequences to society as it promotes uneven wealth distribution and further worsens inequality. Such practices indirectly encourage uncontrolled environmental exploitation and human rights abuse.</p>	<p>Unethical business practices occurring in any part of our operations or supply chain can lead to litigation, sanctions and incur compensation costs. Any allegation of involvement in unethical business conduct can lead to a decline in customer and investor confidence, as well as a drop in share value and brand reputation, affecting our legal and social licence to operate.</p>	<ul style="list-style-type: none"> Continuing to advocate ethical business practices in the oil and gas industry including among external goods and services providers to bolster stakeholder confidence. 	<p>To conduct business at the highest level of integrity and promote Petron Malaysia's core values at all times.</p>

RISKS AND OPPORTUNITIES




ENVIRONMENTAL TOPICS - PROTECTING THE ENVIRONMENT AND NATURE

Material Matter	Description	Risk	Opportunity	Goal
<p>Climate Change and GHGs</p>	<p>Being an oil company, the production and use of our products contribute to climate change. The combustion of fossil fuels to generate energy gives rise to greenhouse gas (GHG) emissions, contributing to the warming of the planet which leads to climate change. In turn, our operations and supply chain face climate related risks that can affect business continuity.</p>	<p>TRANSITION RISKS:</p> <p>Policy and legal risks: Governments may introduce regulations aimed at mitigating the impacts of climate change, such as emissions reduction targets, carbon taxes, stricter products and services requirements, or enhanced emissions reporting obligations and climate related disclosures, which can increase the costs of doing business in terms of operations and potential compensation payments.</p> <p>Technology risks: Current refinery, terminals and retail technology become obsolete and not be able to deliver value due to the changing demand for alternative fuel sources. This will require capital investments and may increase operating costs and negatively impact the continued viability of the facility.</p> <p>Market risks: The transition to renewable energy, reduction in global demand for fossil fuel increased demand for electric vehicles, policies favouring lower emission transportation modes and overall growing restrictions on oil and gas production may impact our business model and resilience.</p> <p>Reputation risks: Growing unfavourable perception of the oil and gas industry and increasing stakeholder concerns on climate change will lead to heightened scrutiny over our performance in addressing climate change impacts. Failure to identify and effectively address known climate risks on our assets, facilities and production capabilities can affect customers, investors and lenders preferences as well as our business and social licence to operate.</p>	<ul style="list-style-type: none"> Improving production efficiency through climate risk management by identifying areas to reduce GHG emissions, such as through energy efficiency measures, waste reduction and supply chain optimisation. Improving stakeholder relations by taking proactive steps to manage climate risks and to be viewed more favourably by stakeholders, including customers, investors and regulators. Enhancing product diversification to include more low carbon products and services for example by providing electric charging stations and other renewable energy solutions, ultimately transitioning into a renewable energy provider to meet climate goals. Incorporating specific climate adaptation and mitigation measures into our processes and operations including the selection of materials and design features e.g. installation of solar panels and climate adaptive design features into our building standards and incorporating climate related criteria in our supply chain. 	<p>To reduce GHG emissions and address climate change risks.</p>

RISKS AND OPPORTUNITIES





ENVIRONMENTAL TOPICS - PROTECTING THE ENVIRONMENT AND NATURE

Material Matter	Description	Risk	Opportunity	Goal
<p>Climate Change and GHGs (continued)</p> 		<p>PHYSICAL RISKS: Physical risks resulting from climate change can be event-driven (acute) or longer-term shifts (chronic) in climate patterns.</p> <p>Acute Risks: Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as storms, droughts, heavy rainfall or floods. For our refinery, terminals and service stations, this may mean reduced availability of raw materials (e.g. crude etc.) due to supply chain disruptions, physical damage to equipment and facilities, delayed construction projects, increased risk of spills/leaks and limited employee mobility and transportation activities due to unsafe road conditions. These impacts can ultimately lead to reduced revenue, increased repair and other remediation costs, as well as higher insurance premiums. Chronic Risks: Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves. These incremental changes over time can result in increased energy and water consumption, specifically by those production equipment, compressor stations and cooling towers which need to compensate the increase in temperatures. This is exacerbated by potentially higher energy costs and reduced water availability in the future. As for sea level rise, this intensifies storm surges which can damage facilities and lead to shutdowns. Such impacts may cause disruptions in our supply chain and financial health in the long-term.</p>	<ul style="list-style-type: none"> • Staying competitive and capitalising on emerging trends through innovations such as product development, supply chain management and renewable energy and water reclamation technologies. • Improving data collection, analysis and monitoring to help establish effective climate strategy and actions, and ensure transparent and reliable disclosures to all our stakeholders. 	

RISKS AND OPPORTUNITIES



ENVIRONMENTAL TOPICS - PROTECTING THE ENVIRONMENT AND NATURE

Material Matter	Description	Risk	Opportunity	Goal
Air Emissions and Pollution Management 	<p>Our production processes, transportation and day-to-day operations at the terminals, refinery and service stations as well as our products, may release pollutants that end up in the air (other than GHGs), soil, waterways and oceans, which may also emit excessive noise and light. The prevention and management of such environmental pollution is critical for us to maintain a legal and social licence to operate.</p>	<p>Exposure to harmful environmental releases can negatively affect human health e.g. respiratory illnesses, neurological disorders and the health of natural ecosystems. Noise and light pollution can create a nuisance to surrounding communities and the public at large which can lead to legal action, incurring remediation and compensation costs, ultimately affecting overall profitability and reputation.</p>	<ul style="list-style-type: none"> Effective management of environmental pollution provides a competitive advantage by differentiating Petron Malaysia from other industry players at a time when environmental sustainability is increasingly important to customers, investors and other stakeholders. Enhancing research and development (R&D) efforts to improve our products and processes to minimise potential pollution and costs for treatment and remediation. 	<p>To reduce harmful air emissions and pollution arising from Petron Malaysia's operations.</p>
Waste and Circular Economy 	<p>The traditional linear concept of "take, make and dispose" can lead to negative environmental impacts and cannot be sustained as resources can be depleted. We have a responsibility to address waste-related impacts resulting from our operations and supply chain and to implement circular economy in our processes.</p>	<p>Poor waste management practices can result in lawsuits, financial losses, penalties and damages to the Company and its reputation. Slow adoption of circularity measures in our operations and supply chain can also lead to missed opportunities for cost savings and revenue generation.</p>	<ul style="list-style-type: none"> Enhancing R&D efforts to incorporate circularity into our products and services and reduce disposal costs in the long term e.g. utilising sustainable packaging, and increasing scheduled waste recovery. 	<p>Minimise waste and promote circular economy.</p>

RISKS AND OPPORTUNITIES



ENVIRONMENTAL TOPICS - PROTECTING THE ENVIRONMENT AND NATURE

Material Matter	Description	Risk	Opportunity	Goal
<p>Water Management</p>	<p>Water is a vital resource for our operations. Being a commodity shared with other members of society, we have a duty to ensure that water consumption and wastewater discharge are managed effectively throughout our operations and supply chain.</p>	<p>As water scarcity may become an issue in the future, our reliance on water for operations will be affected and this will lead to business implications. Discharges to water bodies from our production processes including through accidental spills/leaks throughout our supply chain can lead to water pollution. This affects water quality and availability for society at large, leading to poor public perception and potential legal action and remediation costs. Such events and the increasingly frequent supply disruptions due to water scarcity indirectly increases operations cost.</p>	<ul style="list-style-type: none"> Implementing latest water technologies related to reclamation/recycling, harvesting and treatment to help meet water needs during supply disruptions and minimise water and treatment costs in the long term. Collaborating and partnering with other stakeholders, such as NGOs, government agencies, and communities, to share knowledge, resources, and best practices, and to collectively address water-related challenges. 	<p>Conserve and protect shared water resources.</p>
<p>Natural Resources</p>	<p>The use of natural resources such as crude oil and minerals as raw material in our products and services can contribute to their depletion. Our reliance on these resources must be addressed to minimise our impact on its availability and at the same time ensuring continuity of our products and services.</p>	<p>Natural resource scarcity and depletion can directly drive-up material costs. This may require the use of substitutes or making other process changes which can incur extra costs and disrupt our delivery of products, leading to adverse financial implications.</p>	<ul style="list-style-type: none"> Exploring renewable energy as an alternate source of income e.g. biofuels, wind, solar or hydrogen. Utilising renewable raw materials with minimal harm to the environment and adopting latest technologies into our processes to minimise our reliance on non-renewable resources e.g. using solar power in our operations, implementing chemical-free processes and using recycled or biobased packaging for our products. 	<p>To reduce the use of non-renewable material and increase the use of renewable material.</p>

RISKS AND OPPORTUNITIES



ENVIRONMENTAL TOPICS - PROTECTING THE ENVIRONMENT AND NATURE

Material Matter	Description	Risk	Opportunity	Goal
Biodiversity 	<p>Uncontrolled release of waste and discharges including spills/leaks of hazardous material from our activities can contaminate land and natural waterbodies, potentially harming the species and ecosystems they support. Activities such as land clearing for construction of new buildings or facilities; and those occurring within our supply chain may also increase access to and damage natural habitats. Thus, we have a clear responsibility to address our impacts on biodiversity loss wherever we operate.</p>	<p>Biodiversity loss can occur through uncontrolled release of harmful waste onto land and oceans, clearing of forests, or extraction of natural resources, among others. Such events, compounded by climate change, contribute to biodiversity loss, which may incur legal action, restoration costs, and poor public perception.</p>	<ul style="list-style-type: none"> Investing in biodiversity conservation programmes with high conservation value. 	<p>Protect and promote biodiversity.</p>
Sustainable Supply Chain 	<p>There is increasing government, market expectations/requirements for supply chain responsibility in the oil and gas industry. As such we are responsible for addressing the impacts of our external goods and services providers along the supply chain, including their environmental, social and ethical performance. Issues of concern include human rights and environmental practices, corruption, diverse and inclusive supply chain and capacity building.</p>	<p>Unaddressed environmental and social impacts occurring in our supply chain (including customers) will incur remediation costs and negatively affect our reputation. Disruptions in the supply chain caused by stop work orders or other factors e.g. resource unavailability and global sanctions, will cause delays and affect our productivity. These can reduce confidence from our investors, customers, the general public as well as potential suppliers and business partners.</p>	<ul style="list-style-type: none"> Developing supply chain programmes including sustainable procurement to enhance sustainability performance in the supply chain and leveraging on the collective knowledge to improve our processes. 	<p>Prevent and mitigate negative environmental and social impacts in our supply chain.</p>

RISKS AND OPPORTUNITIES




SOCIAL TOPICS - FOSTERING SOCIETAL WELL-BEING

Material Matter	Description	Risk	Opportunity	Goal
Agile, Diverse and Thriving Workforce 	<p>Persons who work on our behalf, including our employees, are essential for our continued operations and the achievement of our goals. We recognise our significant role in contributing to society's resilience by ensuring our workers are provided for and empowered. This requires ensuring fair treatment in the workplace and upholding diversity, equity and inclusion (DEI) principles.</p>	<p>Employee/worker concerns over compensation and benefits, limited career development opportunities and lack of a sense of belonging or empowerment can lead to higher turnovers and affect our productivity. Not being able to maintain reputation as an attractive workplace or leveraging on diversity in our workforce will also lead to missed opportunities for innovation, collective knowledge, and overall workforce resilience in a rapidly changing business environment.</p>	<ul style="list-style-type: none"> Establishing workforce development programmes fit for a low carbon future. 	<p>Develop an agile and resilient workforce for the future.</p>
Safety 	<p>Our activities inherently carry safety and health risks due to the nature of our operations, products and services. We therefore have a duty to manage potential safety and health impacts such as injuries and illnesses to employees, other workers, customers and the public that may arise from our operations in the refinery, terminals, transportation and service stations, as well as those occurring in the supply chain.</p>	<p>Our workers including employees, face physical risks such as fires, exposures to hazardous chemicals, manual handling, as well as those related to psychosocial risks. These types of risks can also occur in our supply chain which if unaddressed can lead to disruptions in our production and delivery. Failure to manage physical safety and health risks from our operations, products and services can also cause injuries and illnesses to our customers and surrounding communities. These factors will affect our legal and social licence to operate.</p>	<ul style="list-style-type: none"> Enhancing our operations and products to embed a safety culture aimed at minimising safety and health risks for our workers and the public through innovative means and use of technology. Participating in national occupational safety and health benchmarking/awards to enhance our reputation as a safe operator. 	<p>Promote safety at all times as a vital core value to Petron Malaysia.</p>

RISKS AND OPPORTUNITIES



SOCIAL TOPICS - FOSTERING SOCIETAL WELL-BEING

Material Matter	Description	Risk	Opportunity	Goal
Customer Data Protection 	Breaches of customer data in our possession will compromise our customers' privacy and safety. We are responsible for upholding best practices when collecting, using and securing our customers' personal data to ensure prevention of data losses and breach of their right to privacy.	The invasion of our customer data privacy and safety can lead to loss of trust from customers and investors, incurring legal action and compensation costs, ultimately damaging our reputation.	<ul style="list-style-type: none"> Continuing to monitor cyber threats and enhancing our data protection systems to maintain stakeholders' confidence. 	Safeguard all rights related to data privacy.





ADVANCING ETHICAL BUSINESS GROWTH

Petron Malaysia remains steadfast in its dedication to achieve ethical business growth while pursuing sustainable operations. With a customer-centric approach, the Company continues to strive for excellence, ensuring its business expansion aligns with long-term sustainability goals. Petron also plays a pivotal role in driving economic development by contributing to the nation through taxes, employment and supply of essential fuel products to support economic progress and mobility while considering the well-being of society.

Above all, the Company places a strong emphasis on ethical business practices as a cornerstone to sustain the trust and confidence of our stakeholders. By adhering strictly to legal frameworks, including the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLA), we showcase our unwavering commitment to not just comply but also to lead with integrity. Through these efforts, we seek to maintain our position as a company well regarded for ethical business practices within the industry.

2023 Key Highlights:

Generated **RM17.4 billion**
of economic value



100% of Board of Directors members
received anti-corruption training



Paid **RM36 million**
in taxes



Invested **RM1.2 million**
in local communities



93% of suppliers engaged
were local



GENERATING ECONOMIC BENEFITS

In 2023, our commitment to responsible growth underscored our efforts to foster sustainable development, contributing both directly and indirectly to the national economy. We aimed not only to provide attractive dividends to our shareholders but also to uphold our responsibilities to support broader economic development. We actively contribute to economic development through tax payment, employment creation, and by providing essential petroleum products that fuel commercial activities and mobility in the country. As we do so, we also carefully consider the well-being of our local communities, and ensuring that as our business grows, so do our communities.

Our approach aligns with UN Sustainable Development Goal (SDG) 8 (Decent Work and Economic Growth), as we champion decent job creation and foster entrepreneurship, particularly among small and medium-sized enterprises (SMEs). This commitment to economic growth is supported by a robust governance structure that encompasses effective sales strategies, cost and resource optimisation, and a comprehensive risk management framework.

For more detailed insights into our economic contributions and the strategic measures that underpin them, our 2023 Annual Report offers an in-depth discussion, illustrating our multifaceted approach to generating economic benefits while adhering to our principles of sustainable and ethical business practices.



DIRECT ECONOMIC IMPACT MANAGEMENT

For the year 2023, PMRMB continued to be a reliable provider of the country's fuel and energy requirements, ensuring constant fuel supply for commercial and industrial use, as well as household consumption. With Malaysia's GDP registering a 3.7% growth in 2023, the domestic demand for fuel continued to be robust as well. Consistent with this, PMRMB increased sales volume by 10% or an equivalent of 37.2 million barrels, with refinery production also similarly improving by 10%. Economic Value Generated by the Company totalled RM17.4 billion, mainly from the sale of petroleum products.

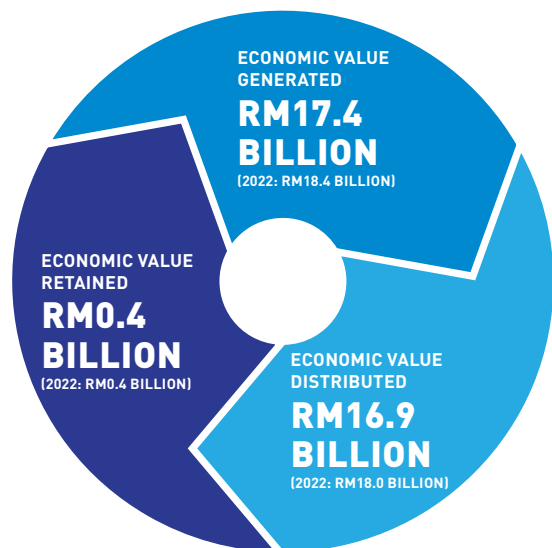
Beyond our operational achievements, we made substantial economic contributions totalling RM16.9 billion or 97% of our revenues to benefit our stakeholders, mainly our suppliers and vendors, employees, shareholders, government, and the communities where we operate. These investments demonstrate our ongoing commitment to bolster stakeholders' welfare and the society in general, while supporting the continuous growth of our business. The Company also retained RM434 million for reinvestment into the business, marking an increase from RM388 million in 2022.

We continued to prioritise purchasing materials and services utilised in our operations from local sources, which accounts for 93% of our total suppliers. The bulk of the Company's expenditures is for crude oil, which is almost entirely Malaysian crude.

Despite the increase in refinery production and sales volume, lower oil prices mainly reduced the economic value that PMRMB generated and distributed in 2023 compared to the previous year.

GENERATING ECONOMIC BENEFITS

DIRECT ECONOMIC IMPACT PERFORMANCE



	Unit	2021	2022	2023
Economic Value Generated				
Revenue	RM billion	9.2	18.4	17.2
Other Income	RM million	61	98	164
Economic Value Distributed				
Payment to Suppliers/Business Partners/Contractors	RM billion	8.7	17.9	16.8
Salaries and Benefits for Employees	RM million	69	48	53
Dividend Paid to Investors	RM million	14	54	67.5
Tax Paid to Government	RM million	6	26	36
Community Investment	RM million	0.1	0.6	1.2
Economic Value Retained for Investment		424	388	434

Note:
- PMRMB data only.

Supporting Local Industries

PMRMB continues to uphold its commitment to bolster domestic industries by prioritising business opportunities with local vendors and service providers. This strategy not only stimulates the local economy but also allows our supply chain operations to be more cost-effective and efficient. We prioritise products and services from local sources wherever possible, turning to international suppliers only after exhausting all local options. Through fostering strong relationships with our partners and actively seeking reputable local suppliers for our procurement needs, we contribute to creating employment opportunities along the supply chain and within the communities where we operate.

In 2023, local suppliers comprised 93% of our total vendor pool. This accounted for 69% of our total procurement expenditure of RM11.6 billion, most of which was spent on crude oil purchases (predominantly Malaysian crude oil). Meanwhile, we contracted with foreign suppliers in the amount of RM5.3 billion for specialised services and finished products not available locally.

SUPPORTING LOCAL SUPPLIERS AND TOTAL MONETARY VALUE OF PAYMENTS MADE TO SUPPLIERS

	Unit	2021	2022	2023
Total Suppliers		1,007	1,004	1,066
Local Suppliers	Number	938 (93%)	941 (94%)	992 (93%)
Foreign Suppliers		69 (7%)	63 (6%)	74 (7%)

	Unit	2021	2022	2023
Total Spent		8.7	17.9	16.7
Payment to Local Vendors	RM billion	4.4 (50%)	8.2 (46%)	11.6 (69%)
Payment to Foreign Vendors		4.3 (50%)	9.7 (54%)	5.3 (31%)

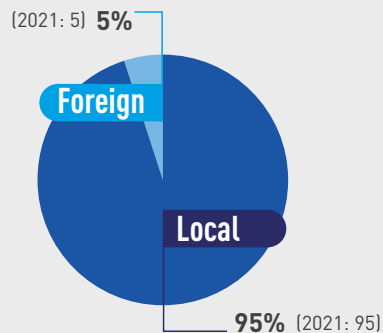
GENERATING ECONOMIC BENEFITS

Uplifting Local Leadership

Petron Malaysia’s prioritisation of local talent stems from our understanding that incorporating Malaysian professionals into our Senior Management team not only enriches our workforce but also bolsters our insight into the nuances of the local market. Our Senior Management comprises individuals in roles beyond the supervisor level who are tasked to oversee and guide decision-making processes within their respective teams and departments.

Our ongoing dedication to empower local talent is represented by our Senior Management in Malaysia, which is made up of 95% locals. This strategy guarantees that our operations within Malaysia continues to benefit from leadership that is in tune with the cultural and economic nuances of the country. By prioritising local insights and aspirations, we not only catalyse economic development within the nation but also solidify our standing as a trusted and familiar household brand. In pursuit of this goal, we remain focused on providing leadership opportunities and competitive remuneration for Malaysian nationals thus, reinforcing our pledge to contribute to the nation’s prosperity and growth.

Percentage of Senior Management at Significant Locations of Operation that are Hired from the Local Community



Dividend Paid to Investors

We enhanced shareholder value in 2023 as we increased our dividend distribution by 25% to RM67.5 million. The higher payout was sourced from the strong performance of the financial year 2022. The higher dividends were declared and paid after careful consideration of the Company’s cash reserves, operational requirements, and strategic investment needs, ensuring we maintain a balance between rewarding our shareholders and sustaining our growth trajectory.

Taxes

In 2023, PMRMB’s tax contributions amounted to RM36 million, encompassing corporate income tax, sales and service tax, and property-related taxes, including quit rent and assessment fees. The increase in tax payments compared with the preceding year was mainly attributed to the higher taxable profit reflecting improved financial performance.

Serving Local Communities

Fostering strong relationship is an integral part of our commitment to preserve and improve the welfare of the communities where we operate. By investing in these communities, we aim to not only strengthen our bond with them but also to elevate awareness about safety and environmental stewardship. Our goal is to position our selves as a reliable and engaged partner, especially in our fence-line communities, whose daily lives may be influenced by our activities. In the year 2023, we invested RM1.2 million which benefitted over 7,700 members of local communities.

In 2023, we invested **RM1.2 million** in various community programmes, including:

Go-to-Safety-Point (GTSP)



Road Safety Programme (RSP)



Disaster Relief



Green Programme



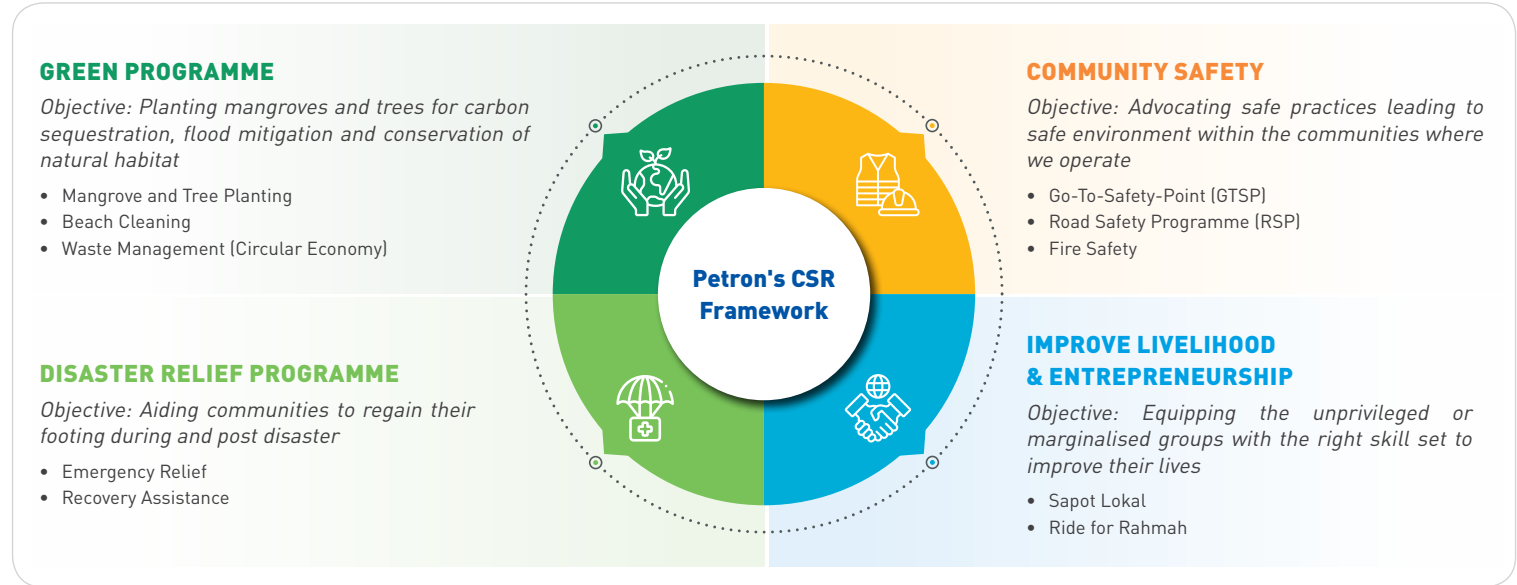
Sponsorship



GENERATING ECONOMIC BENEFITS

COMMUNITY-BASED INITIATIVES

Petron Malaysia’s CSR Framework is a guiding force in our corporate social responsibility (CSR) efforts. With four core pillars – the “Green Programme” “Community Safety”, “Disaster Relief” and “Improve Livelihood and Entrepreneurship”, they all reflect our dedication to the long-term well-being of our communities. By aligning company initiatives and those driven indirectly by our dealers and employees, the framework ensures a comprehensive CSR approach that enhances focus, optimises resource allocation, and contributed to the growth of our fence-line communities.



Petron Malaysia’s approach in generating economic value encompasses more than just financial gains. It also reflects our dedication to engaging and enabling the communities around us. Working with these communities is multifaceted and encompasses a range of CSR activities that come under the ambit of our EES pillars, such as local entrepreneurship, environmental stewardship, and assistance to the underprivileged.

We champion initiatives that bolster the well-being of local communities in the areas we operate in. Our efforts range from supporting local events and charitable activities organised by villages, educational institutions and organisations during cultural festivities or sporting events, to sponsoring programmes that directly benefit community welfare. To date, our CSR activities have benefitted over 7,700 stakeholders, which include our dealers, students, teachers as well as members of our fenceline communities.

Ranging from safety and awareness programmes to tree-planting initiatives and cultural celebrations, our endeavours are in line with Petron Malaysia’s Corporate Citizenship Policy¹ which is stated in our Standards of Business Conduct (SBC). The policy outlines our commitment to be an exemplary corporate citizen by going beyond relevant laws and regulations to bring holistic positive change to the communities where we operate.

Furthermore, we prioritise open communication with our communities through engagement sessions and townhall meetings. These interactions are crucial for ensuring a better understanding of our projects, addressing any potential concerns by the community, and ensuring that we have a shared appreciation of the benefits brought by our activities. In the same light, we are able to have a common knowledge of any potential challenges, and the steps that are in place to achieve a swift and peaceful resolution, as well as the opportunities that may arise.

¹ Note:
For more information on the Corporate Citizenship Policy, refer to our SBC on our corporate website.

GENERATING ECONOMIC BENEFITS

Go-To-Safety Point

The Go-To-Safety-Point (GTSP) programme is a collaboration with the Royal Malaysia Police (PDRM) that aims to create safe havens within our service stations and to provide 'early assistance' to the public. The GTSP comprised of refresher courses for our dealers and retail sales team, a commendation letter ceremony for notable safety practices, and a state-level event all aimed at bolstering safety measures and protocols at the service stations with the PDRM. In 2023, the Group's continued investment in the GTSP programme benefitted 945 station dealers and staff.

We also doubled our efforts in enhancing safety measures through the GTSP training alongside community-centric safety initiatives. The GTSP refresher training was conducted across multiple states for retail dealers, with sessions covering essential safety protocols, legal aspects of civilian arrest and self-defence, and the use of the Volunteer Smartphone Patrol (VSP) application. These comprehensive sessions serve to equip the Group's network, including dealers and station staff, with the necessary skills and knowledge to effectively handle emergencies and uphold stringent safety practices.

Moreover, the Group's commitment for safe communities covered creative campaigns with Richiamo Sdn. Bhd., a local coffee chain, to further promote safety awareness among the public. The collaboration saw the launch of the Richiamo Coffee cup sleeve, a continuation from the 2022 GTSP initiative which featured a series of designs adapted from the safety-themed murals at our service stations.

Dealer Refresher



In 2023, we conducted the following GTSP refresher courses for dealers in 385 service stations across six states:

- 40 stations in Kelantan on **14 June**
- 45 stations in Kedah & Perlis on **23 August**
- 130 stations in Selangor on **16 October**
- 125 stations in Johor on **26 October**
- 45 stations in Pahang on **16 November**

Retail Sales Refresher Training



In July, we collaborated with Royal Malaysia Police (PDRM) Bukit Aman to conduct the first GTSP refresher training to thirty-five (35) Retail Sales employees. The session focused on essential GTSP practices such as victim support, emergency coordination, adherence to protocols, and prompt reporting to Petron Malaysia. The session also introduced legal considerations for public assistance and the use of VSP app, a PDRM tool for the public to report incidents, enhancing emergency response and community safety.

Commendation Letter Ceremony



Twenty-six (26) Petron station dealers were honoured with GTSP Commendation Letters by the PDRM for their exemplary handling of 36 GTSP incidents in 2022. These awards were presented by the Deputy Commissioner of Police (Operations - JPJ) from Bukit Aman, recognising the dealers' outstanding contribution to public safety and security.

Pahang State Event and Refresher



The Pahang State Event and Refresher, marked by the presence of distinguished officials including the Senior Assistant Commissioner of Crime Prevention and Community Safety Department (JPJ), Dato' Mohamad Noor Bin Yusof Ali, the Head of JPJ Pahang, and Dato' Mohd Yusri bin Othman, the Head of the Criminal Investigation Department (JSJ) in Pahang, took place on 16 November. This significant event was attended by 45 service station dealers and was part of the celebrations commemorating the 10th anniversary of the GTSP initiative. Highlighting the decade-long journey, a special video montage was showcased, underscoring the pivotal role of service stations in providing safe havens and early emergency assistance to the community.

GENERATING ECONOMIC BENEFITS

Road Safety Programme

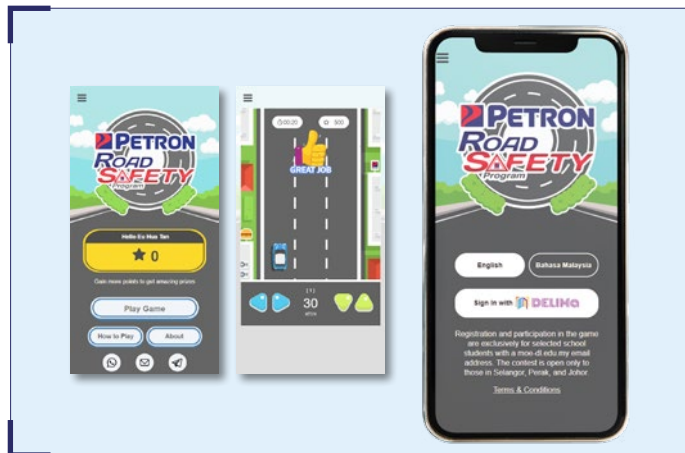


Throughout the year, Petron Malaysia actively engaged communities with road safety programmes, in strategic partnership with the Road Transport Department (JPJ). Petron Malaysia invested in the Road Safety Programme initiative in schools and an orphanage, where we successfully reached out to over 3,900 youths across five states. Participating schools included SMK Sultan Abdul Aziz Shah, SMK Jalan Tasek and SMK Pasir Gudang. Moreover, our sister companies' Kuantan and Sepangar Bay terminals and fleet group extended their road safety education efforts to their local communities, which directly benefitted over 400 youths. These comprehensive programmes, which are tailored specifically for school children, include road and fire safety presentations, as well as safe riding and fire-fighting demonstrations to emphasise the importance of cultivating safety awareness from a young age.



- Our sister companies' terminals organised Community Engagement Programmes (CEP) in Kuantan and Kota Kinabalu focusing on educating orphanages and school children through fire safety briefings, live firefighting exercises, and road safety seminars with support from our hauliers. These collaborative efforts with BOMBA were designed to embed fundamental safety principles and understanding for more than 200 attendees.
- A standout camp at SK Taman Rimba, Sandakan, featured enlightening talks on safety awareness, environmental standards, and basic first aid training, offering students practical and relevant safety insights. Around 200 students and five teachers attended this initiative which highlighted the importance of safety and environmental protection on the community.

Through these diverse yet impactful programmes, Petron Malaysia demonstrated its dedication to enhancing safety education and awareness across communities, contributing significantly to the well-being of students, teachers, and vulnerable groups.



The "Program Keselamatan Jalan Raya Petron Malaysia Bersama Jabatan Pengangkutan Jalan" in Selangor, Perak and Johor, successfully engaged more than 3,500 students and teachers in efforts to increase road safety awareness. The three states selected were identified by JPJ as the regions with highest rates of road accident fatalities. In Perak, safety helmets were presented to accident survivors and the signing of a pledge to commemorate the World Day of Remembrance for Road Traffic Victims 2023. We also introduced the *Petron Road Safety Gamification* competition in collaboration with the Ministry of Education through their DELIMA platform, spotlighting the prevention of road accidents. The quiz garnered overwhelming participation with over 1,800 entries. The top five (5) winners and the best school from each state received cash prizes.



GENERATING ECONOMIC BENEFITS

Green Programme



Petron Malaysia's sustainability agenda includes the conservation of natural resources through a series of dedicated CSR activities such as promoting recycling, conserving biodiversity and fostering green spaces that positively impact both the environment and the local communities. Through meaningful engagement with community members, educational institutions and local governments, we aim to promote collective action towards a more sustainable future.

Following the successful initiation of the Green Programme in 2022 with Sekolah Menengah Dato' Abdul Samad (SDASA), activities in 2023 aimed to deepen the impact of our tree-planting efforts and engagement with schools and extend our reach within the community.

We expanded the Green Programme to our Lumut PME Plant (LPP). In July 2023, LPP spearheaded a Mangrove Conservation and Protection programme in collaboration with the Manjung Municipal Council (MPM), the Department of Agriculture (DOA) and the NGO Persatuan Aktivis Sahabat Alam (KUASA). Participants included Petron Malaysia management and staff, and some 60 students and teachers from the nearby school, SMK Ahmad Boestaman, who learned more about the environmental significance of mangroves. The day's activities included an environmental talk, a site walk, soil bagging, a nursery visit and seedling activities, before culminating in the planting of 150 trees in a designated conservation area, in line with the community's commitment to mangrove preservation.

We also expanded the Green Programme to include Sekolah Kebangsaan Port Dickson (SKPD), with the installation of a rainwater harvesting system and the planting of 40 bamboo trees to commemorate World Bamboo Day on 18 September. Benefitting 900 students, the 1,000-litre rainwater harvesting system was uniquely designed by our PDR Team and recycled additive drums and old metals from the refinery. The water sourced from this system will be utilised for non-potable use such as gardening.



The Group also supported SDASA's ongoing fertigation programme (the application of fertilisers or nutrients into a farming system via the irrigation network) by installing a greenhouse and planting 50 hybrid pandan coconut trees. This project aims to help educate 1,200 students on the importance of plant cultivation.

These initiatives aligned with Petron Malaysia's broader goal to foster a strong, mutually beneficial relationship with fence line communities. The Group aims to assist schools by providing project-based learning opportunities outside the classroom and enhancing entrepreneurial skills and knowledge for teachers and students. These efforts are in line with the government's School Transformation 2025 Programme (TS25) which aspires to enhance the quality of education and student well-being through innovative leadership and teaching practices.

Throughout 2023, Petron Malaysia dealers also implemented impactful CSR activities to bolster community well-being and advance environmental preservation efforts nationwide. The '2023 Plant for Life' initiative at Kampung Kuantan Firefly Park in Selangor gathered 170 participants comprising of service station dealers and Petron Malaysia volunteers to participate in conservation activities, collectively planting 100 "Berembang" trees and undertaking a comprehensive river clean-up effort that both benefitted the local community and aided in the conservation of unique firefly species.

Disaster Relief



Disaster relief intends to quickly aid communities affected by natural calamities. On top of our ongoing support for local causes, we also extended our support to communities abroad. In the wake of the devastating earthquake that hit Turkiye early in 2023, Petron Malaysia demonstrated solidarity and support for the victims. At that time, Petron Malaysia and the Turkiye Tourism Board had just launched the 'Jom Jalan Jalan Turkiye', a nationwide promotional campaign. Together with our employees and tapping our network of service station dealers, we initiated the "Jom Bantu Turkiye" donation drive.

GENERATING ECONOMIC BENEFITS

Through our Employees Volunteerism In Action (VIA), the campaign also raised funds through cash donations and proceeds from the sale of products at their Treats/P-Kedai, demonstrating the collective effort and spirit of generosity within the Petron Malaysia community.

The initiative culminated in the “*Jom Bantu Turkiye*” Handover Ceremony, hosted at the Turkiye Embassy in Kuala Lumpur in which the Ambassador of Turkiye, H.E. Emir Salim Yuksel, received our contributions.

This gesture of solidarity not only added much-needed financial support to the earthquake victims but also highlighted the importance of corporate involvement in addressing global crises.

Sponsorship



Throughout 2023, PDR supported its local communities with sponsorships that benefitted over 1,100 individuals and improved educational resources, supported law enforcement activities, and contributed to cultural and sporting events, all to foster unity within these communities. These included the refurbishment of the computer laboratory at Sekolah Kebangsaan Port Dickson (SKPD), which benefitted its 900 students. It also involved the repainting of the lab’s interior walls and the provision of updated educational tools, computer hardware and software.

Similarly, Petron Malaysia sponsored the Form 5 Students Appreciation Ceremony at Datuk Haji Abdul Samad School (SDASA) in Port Dickson, celebrating their academic achievements with a high tea event. The celebration honoured 200 beneficiaries, which included the graduating batch and their teachers. The engagement between PDR and SDASA is part of a broader three-year CSR Green Programme, which successfully concluded Phase 1 in December 2022. The completion was celebrated in an event attended by representatives from the Department of Environment (DOE) Negeri Sembilan. It underscores Petron Malaysia’s commitment to support its neighbouring communities and promote academic excellence.

PDR’s provision of hampers during the Chinese New Year festivities to its closest neighbouring community, Kampung Hailam, showed the value we place in embracing cultural inclusivity and enhancing the welfare of our host communities.



In September 2023, 73 motorcyclists representing the Ministry of Domestic Trade and Cost of Living (KPDN) Selangor embarked on ‘*Kembara Rahmah 2023*’. Starting from Dataran Kemerdekaan Shah Alam, the convoy travelled to deliver essentials to Rumah Sejahtera Warga Emas Kerling in Ulu Selangor. Petron Malaysia supported this CSR activity by providing fuel sponsorships and special goodie bags through our Petron Bukit Lanjan Northbound service station. Petron service station dealers complemented this effort by donating cash vouchers to the home.

Through these initiatives, Petron Malaysia reinforced its role as a pivotal community supporter.

GENERATING ECONOMIC BENEFITS

INDIRECT ECONOMIC IMPACT

In addition to the activities above, Petron Malaysia is also committed to driving the nation's economy forward through initiatives that will cultivate prosperity from the grassroots level. From our entrepreneurial programmes to our school-based activities and employee-driven CSR initiatives, we aim to build a stronger and more sustainable future for the communities where we are present.

Sapot Lokal

- Piloted programme with **50** entrepreneurs in 2021
- In 2023, total **79** local entrepreneurs are involved with Sapot Lokal with over **280** products offered



Provide Job Opportunities

- More than **8000** jobs supported across our retail, LPG and supplier networks



Improving Livelihood & Entrepreneurship

- Providing support to dealer-led community programmes: *Light of Hope, Medical & Sustainability Camp, Bubur Lambuk CSR programme*
- **>6,000** beneficiaries from the local community



Volunteerism In Action (VIA)



- Invested in community programmes such as: Back-To-School
- School essentials and tertiary education savings provided to **120** students from Klang Valley and Port Dickson

Encouraging Rural Entrepreneurship



- **8** Portable Container System (PCS) units introduced since 2016
- **1** additional unit installed in Sabah
- Provided opportunity for rural entrepreneurs to become service station dealers with smaller capital

GENERATING ECONOMIC BENEFITS

Supporting Entrepreneurship with “Sapot Lokal”



In 2023, Petron Malaysia's “Sapot Lokal” initiative continued to foster rural entrepreneurship. Initially launched in 2021 across six service stations at the Klang Valley, “Sapot Lokal” has been providing a platform for local entrepreneurs to showcase and sell their products directly at Petron service stations.

In 2023, the programmes' approach was further enhanced to support the project's long-term viability. Among the initiatives was to focus on entrepreneurs able to provide competitive prices and handle the logistics of growing demand. The reframing led to a reduction in participants from 120 to 79 entrepreneurs and with this, a corresponding reduction

in the number of Stock Keeping units (SKUs) offered, from over a thousand to just 280 SKUs. However, we see this as rationalising the selection of local and rural entrepreneurs who can more successfully manage their businesses on a long-term basis. The “Sapot Lokal” initiative remains a key strategy in the Group's commitment of promoting rural entrepreneurship. A collaboration with the Ministry of Rural and Regional Development and the Ministry of Domestic Trade and Cost of Living, the programme continues to feature a selection of best-selling products, including pastes, *sambal*, *kerepek*, *keropok*, and other popular local food and beverages. While there are challenges in retaining small businesses that can offer competitive prices and meet

demand, Petron Malaysia is dedicated to the programmes' expansion. We target to extend the initiative to 150 service stations by 2025 and to all Treats stations by 2030, further supporting the growth and viability of local entrepreneurs across Malaysia.

Providing Job Opportunities

Petron Malaysia and its sister companies' combined network of over 770 service stations nationwide play a pivotal role in bolstering the local economy. The retail network offers more than 7,200 employment opportunities. Equally significant, this prioritises hiring Malaysian citizens, demonstrating a strong commitment to local workforce development. Furthermore, our LPG distribution sector has an additional 270 jobs through our distributors and distribution centres. In addition, our supplier network supports 992 local businesses ranging mainly of suppliers of crude, finished products and logistics services. All these allows us to create more jobs and energize local businesses across the country.

WE TARGET TO EXTEND THE INITIATIVE TO 150 SERVICE STATIONS BY 2025.



GENERATING ECONOMIC BENEFITS

Improving Livelihood and Entrepreneurship

Our retail service station dealers and Petron Malaysia Head Office (HQ) joined forces for the 'Light of Hope 2023'. This initiative aims to improve basic educational infrastructure at Sekolah Kebangsaan Titom and enriching the lives of 139 students, 20 teachers and 60 villagers within the Pos Titom Orang Asli community. This is by transforming the local school into a dynamic centre of creativity, thereby motivating and enhancing the student boarding rate among the members of the community. In upgrading the infrastructure of the village, cash donations were used to install solar streetlights, renovate the village surau, or small mosque, equip the school's E-games facilities, and set up a new dance studio. These improvements are seen to encourage school attendance among the Orang Asli children despite its remote location, some 50 km away from the nearest town of Kuala Sungai Koyan in Lipis, Pahang.

Our sister companies' service station dealers organised the 'Medical and Sustainability Camp 2023' to elevate the quality of life of over 200 members of two villages in Kota Marudu, Sabah. The event had 91 dealers together with their staff from Sabah service station and 20 Petron Malaysia employees volunteer to carry out essential infrastructural improvements in Kampung Bombong 1 & Kampung Soniton, such as the installation of gravity water containment systems and solar lighting. They also conducted vital medical screenings and helped clean public areas.



Berbuka Puasa Bersama Petron

The holy month of Ramadhan is a time for reflection, devotion, and compassion for Muslims around the world. During this auspicious period, Petron's service station dealers, our dedicated employee volunteers, with support from Petron Malaysia embarked on a series of activities under the theme '*Berbuka Puasa Bersama Petron Malaysia*' to help the underprivileged, and spread the spirit of togetherness and generosity. Here are some notable philanthropic efforts by our Petron colleagues during Ramadan.



- 24 dealers from Kuala Selangor, Shah Alam, and Klang collaborated to distribute 100 packs of essential food items to B40 communities as part of their Kasih Ramadan programme with the Kuala Selangor District Welfare Department. By reaching out to those in need, this project exemplified the essence of compassion and solidarity during the month of Ramadhan.
- More than 100 Petron dealers throughout Malaysia joined forces to provide community aid to three disabled business owners, 47 orphans and the underprivileged. Held at Masjid Jamek, Kampung Baru, the dealers and employees also distributed over 5,600 packs of *Bubur Lambuk*, for the annual *bubur lambuk* distribution at the heart of Kuala Lumpur.
- Petron GASUL was the proud official LPG partner for the RASA "*Bubur Lambuk*" *Warisan* Campaign held at Dataran Kemerdekaan, Shah Alam in April. Organised annually, the event was supported by Petron employees who managed the Petron booth, pack goodie bags for media and orphans, and participated in the cooking and distribution of over 6000 packs of "*bubur lambuk*" to the public.

Volunteerism in Action (VIA)

Volunteerism in Action (VIA) is Petron Malaysia's employee volunteer programme, drawing inspiration from its parent company Petron Corporation's volunteerism programme in fostering community support and uplifting the underserved and underprivileged. Employees invest their time and resources across a spectrum of CSR initiatives, including providing school supplies to underprivileged students and essential items to flood victims. Petron Malaysia dealers also supported these efforts, enhancing the overall impact. VIA is dedicated in creating positive impact to society, aiming to provide relevant assistance and to enhance quality of life on education and the environment, among others. Significantly growing in the number of volunteers, programmes and beneficiaries over the years, VIA expanded in 2023 to include volunteer support for the Group's CSR programmes demonstrating a robust commitment to community welfare and sustainability. As a company, Petron Malaysia supports VIA activities by allowing volunteers time-off from work if the events were to be held during office hours.

GENERATING ECONOMIC BENEFITS

VIA 2023 Back to School (BTS) Handover Event

VIA's flagship programme Back-To-School (BTS) continues to inspire our employees to equip underprivileged students with school essentials for the next academic year. VIA, in collaboration with the National Higher Education Fund Corporation (PTPTN), introduced a sustainable feature into BTS by allocating RM100 of the total RM350 sponsored amount into the National Education Savings Scheme (SSPN-Prime) savings account for every child. This savings account is the first step for long-term savings and will be useful in supporting the students' tertiary education in the future. The balance RM250 were given in the form of MYDIN vouchers for purchase of school uniforms Popular Bookstore vouchers for books and stationeries.

In 2023, the programme benefitted 120 students, with 80 from the Klang Valley and 40 from Port Dickson. PTPTN and Petron Malaysia also collaborated to identify deserving students from the Klang Valley via the state Education Office, while in Port Dickson, 40 students were chosen from SKPD.

In February 2023, the distribution ceremonies took place at SKPD for Port Dickson students and at Pusat Sains Negara for those from the Klang Valley. Apart from handing over school supplies, there were also other activities, such as a science exhibition tour, offering students a holistic educational experience.

Continuing the initiative, the 2023 VIA Day raised cash donations from Petron employees which is earmarked for the 2024 Handover event, demonstrating ongoing commitment to this relevant programme.



GENERATING ECONOMIC BENEFITS

Encouraging Rural Entrepreneurship



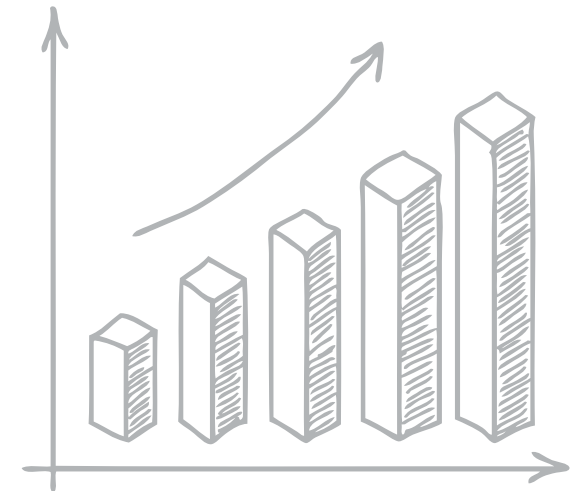
Petron Malaysia continued to champion rural entrepreneurship, building upon initiatives that generate indirect economic impacts. A cornerstone of this effort is the Portable Container System (PCS), introduced in 2016, which offers rural entrepreneurs the opportunity to establish and manage service stations with significantly reduced initial capital outlay. This innovative approach empowers residents in remote areas to operate as dealers, even in localities where traditional service stations are not economically feasible due to lower fuel demand.

By facilitating the establishment of these PCS units, we provide rural communities with access to safer and more cost-effective fuel at regulated retail prices while discouraging the practice of purchasing fuel from unregulated sources. In 2023, we installed an additional PCS unit in Kg Rosok, Kota Belud, Sabah, bringing the total to eight PCS units across Sabah under our sister company. Each potential location for a PCS unit undergoes a thorough evaluation and assessment to ensure suitability and compliance with the requirements set by KPDN.

Through the PCS initiative which is intended to be further expanded even in Peninsular Malaysia, Petron reaffirms its dedication in fostering rural entrepreneurship while at the same time enhancing accessibility to essential fuel supplies, a crucial role in supporting economic development and safety of rural communities across Malaysia.

In alignment with our CSR Framework, Petron Malaysia remains steadfast in our commitment to improve community well-being. As we strive to increase our investment in the community and the number of beneficiaries by an 5% in 2025, our dedication to sustainable initiatives and impactful engagement only grows stronger. Through focused efforts guided by our framework, we aim not only to create positive change but also to foster enduring relationship and prosperity within our communities.

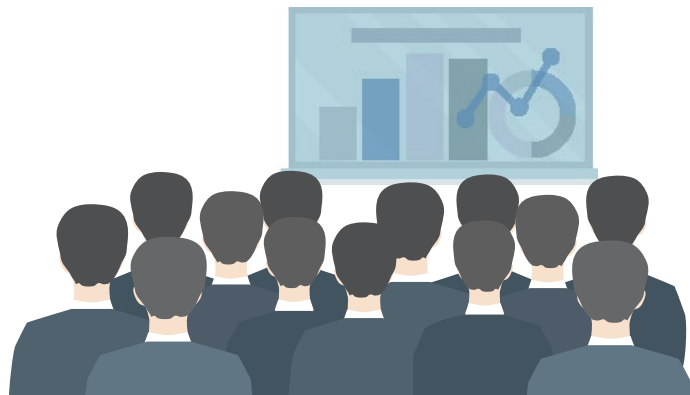
**WE STRIVE TO INCREASE OUR
INVESTMENT IN THE COMMUNITY BY
5% IN 2025.**



ETHICAL BUSINESS PRACTICES

Petron Malaysia integrates ethical business practices as part of its core values, supported by relevant guidelines at every level of its operations. Our commitment to a fair and ethical business conduct is crucial in building trust, mitigating risks and fostering stronger relationship with our stakeholders. Incorporating ethical principles and practices into the governance framework not only helps the Group build and maintain trust and bolster its reputation, but also creates lasting value for everyone involved, laying a strong foundation for sustained resilience and future success.

Stringent ethical standards lie at the heart of our corporate governance, as they guide our decision-making process, which enhances accountability and promotes responsible management. We uphold a zero-tolerance policy against corruption, bribery, and fraud, ensuring our business is conducted with the utmost fairness and integrity. This approach safeguards the interests of our stakeholders comprised of shareholders, management, employees, customers, suppliers and our communities.



ETHICAL BUSINESS MANAGEMENT

Key Highlights				
100% of employees received training on anti-corruption	100% Board of Directors received anti-corruption training	Zero known incidents of corruption	100% of employees completed Annual Declaration	100% new suppliers screened for AMLA

Standards of Business Conduct

Petron Malaysia's commitment to ethical business practices is enshrined in its Standards of Business Conduct (SBC), which form the cornerstone of the Company's efforts to mitigate legal, regulatory, financial, and reputational risks. The SBC encompasses a comprehensive set of policies and guidelines addressing critical issues, including business ethics and integrity, corruption, money laundering, and sexual harassment. The updated SBC also introduced enhanced policies in these areas, reinforcing Petron Malaysia's dedication in maintaining the highest standards of business conduct.

Available on the Company's website, the revised SBC includes, but are not limited to policies on dealer and supplier partnerships, ethics and business integrity, fair competition and political activities. Our commitment to uphold ethics and integrity in all aspects of Petron's operations is further demonstrated by the clear delineation of roles between the Chairman and the Chief Executive Officer, alongside a Board of Directors that includes a majority of Independent Directors, to ensure robust governance and oversight.

Both the Internal and External Audit functions play important roles to guarantee the integrity, fairness and quality of the Group business operations, performances and processes through the conduct of regular audit, which are then reported directly to the Board Audit & Risk Management Committee (BAC), safeguarding independence and integrity of information and reports. While an audit is not a guarantee to identify potentially fraudulent activity, it is nonetheless an effective deterrent as relevant controls, processes and performance results are reviewed and compared with certain standards to identify deficiency or failure of compliance. Internal audits are conducted on a regular basis through the intermediate parent company's Manila-based internal audit team. We also engage external financial auditor to provide independent third-party assurance on the financials and internal control matters of the Group on an annual basis as part of statutory compliance and good governance. To further ensure transparency, the BAC's rigorous review process includes private session with the external auditor without management presence. Overall, these audit activities add greater value to Petron Malaysia management in helping to ensure the high quality and integrity of its operations in accordance with the standards.

ETHICAL BUSINESS PRACTICES

An Ethical Supply Chain

Petron Malaysia is dedicated to fostering an ethical supply chain, underpinned by our comprehensive Dealers and Suppliers Partnership Policy¹. This policy mandates all our partners to comply with the SBC, ensuring that our supply chain is aligned with the highest ethical standards. Additionally, our Whistleblowing Policy¹ offers protection to our vendors and suppliers, empowering them to report any unethical conduct or corruption safely and without fear of retaliation.

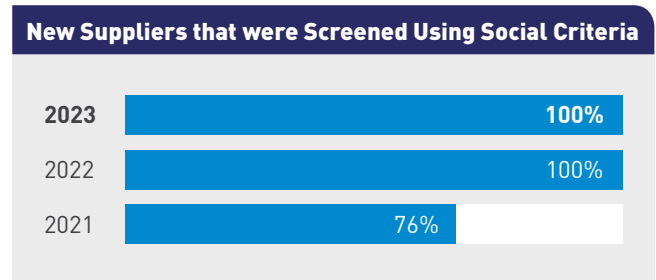
To ensure our retail dealers are fully aware of and comply with these ethical standards, we integrate ethics and business integrity training into the induction process for new retail dealers, focusing particularly on management levels. This is complemented by refresher training every five years, underscoring our commitment to continuous education and adherence to ethical practices. We are also enhancing our tracking of training participation to measure effectiveness and further engagement amongst dealers.

For all Petron Malaysia dealers, adherence to The Group's ethical standards is integral to their contractual obligations. The terms of these agreements explicitly cover the expectations for business conduct, ensuring that ethics and integrity are at the core of our partnerships. This commitment is further reinforced by making our ethical policies readily accessible in our operational handbooks.

Likewise, we ensure our suppliers are well-informed about our anti-corruption policies and practices through the inclusion of pertinent clauses within their formal contractual agreements.

In addition to these internal measures, we employ sanctions screening processes in line with the Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Act (AMLA) 2001. Before engaging with any vendor or supplier, we conduct thorough verifications against sanctions lists maintained by the Ministry of Home Affairs, Bank Negara Malaysia and Office of Foreign Assets Control of the US Department of Treasury, among others, to prevent any with entities linked to crimes, terrorism, or other unethical activities. As of 2023, 100% of our new suppliers have been screened against sanctions.

Through these initiatives, Petron Malaysia strives to ensure that our supply chain not only meets our ethical standards but also contributes positively to our commitment to conduct business with integrity, transparency, and respect for all stakeholders.



Anti-Corruption

We remain resolute in our aim to mitigate corruption through rigorous enforcement of comprehensive policies, delivering targeted training, and fostering awareness among employees, business partners, suppliers, and vendors. Our robust Anti-Corruption and Anti-Money Laundering policies and procedures are disseminated across the organisation and its stakeholders through various channels, including email communications, dedicated training sessions, intranet platform, and prominently through our corporate website.

To maintain an operating environment that is devoid of corruption, Petron Malaysia undertakes regular corruption risk assessments. These evaluations are critical in identifying potential vulnerabilities within our operations, as well as among third parties and vendors we engage. This thorough risk assessment process is rigorously audited internally and is scheduled to occur triennially or more frequently if necessary. Our 2022 corruption risk assessment, covering 100% of our Malaysian business operations found zero known incidents of corruption, related risks, or incidents of money laundering. Similarly, in 2023, there was no known incidents of corruption and money laundering. Our next risk assessment is scheduled to take place in 2025 during which we aim to assess 100% of our operations for corruption-related risks.

¹ Note:

¹ For more information on the Dealers and Suppliers Partnership and Whistleblowing Policy refer to our SBC on our corporate website.

ETHICAL BUSINESS PRACTICES

Our vigilance extends in ensuring compliance with laws governing anti-competitive behaviour, anti-trust, and monopoly regulations. In 2023, we were proud to report zero instances of anti-competitive conduct or violations of such legislation. Through these concerted efforts, Petron Malaysia continues to uphold its zero-tolerance policy towards corruption, safeguarding the integrity of our operations and fostering trust among our stakeholders.

Anti-Corruption Training



At Petron Malaysia, we are dedicated to foster a culture of integrity and compliance through comprehensive education on our Standards of Business Conduct (SBC). This commitment ensures all employees, including those newly recruited, receive annual review of the SBC. Our approach includes mandatory refresher courses for our entire workforce. This initiative is part of our target to ensure that 100% of our employees will have received training on the Standards of Business Conduct by 2025.

During the unprecedented challenges presented by the COVID-19 pandemic throughout 2020 and 2021, we transitioned to online platforms for our training programmes. This allowed us to continue our anti-corruption education efforts uninterrupted, despite movement restrictions in the country. In 2022, as these restrictions were lifted, we resumed face-to-face training sessions. This enabled our employees to directly engage with and gain a more comprehensive understanding of our revised policies on anti-corruption, sexual harassment, whistleblowing, and anti-money laundering. These efforts continued into 2023, culminating in the achievement of a significant milestone where 100% of employees successfully completed the training, thereby reinforcing our commitment to ethical business practices across the entire organisation. This achievement is further evidenced by an annual declaration from all personnel, affirming their adherence to the SBC.

Similarly, we are pleased to report that in 2023, all members of Petron Malaysia's Board of Directors (BOD) have undergone anti-corruption training. This ensures that the highest standards of integrity are applied throughout all levels of the organisation.

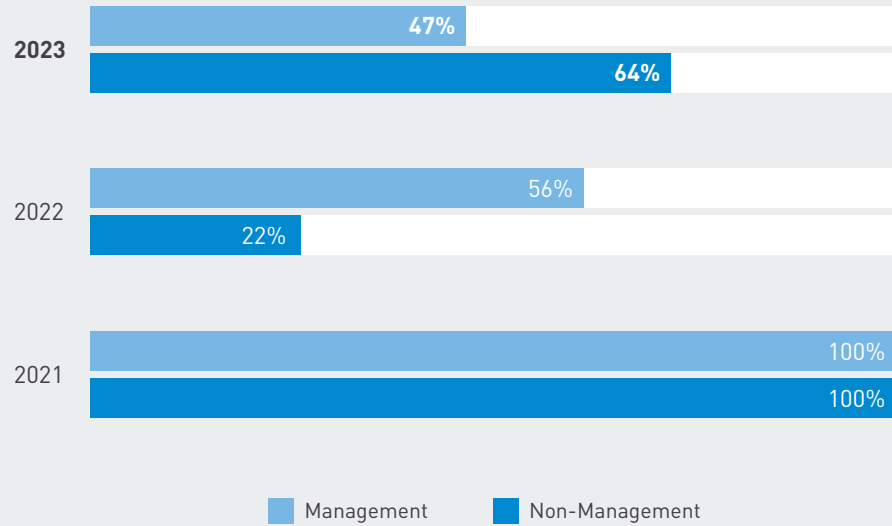
WE TARGET TO TRAIN 100% OF OUR EMPLOYEES ON THE STANDARDS OF BUSINESS CONDUCT BY 2025.



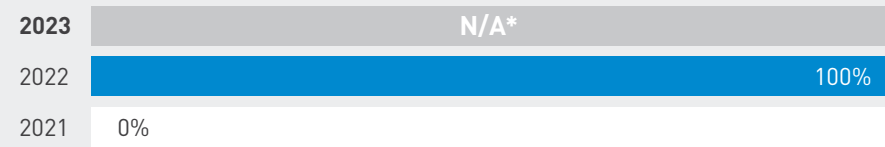
ETHICAL BUSINESS PRACTICES

ETHICAL BUSINESS PERFORMANCE

Employees Who Have Received Training on Anti-Corruption by Employee Category

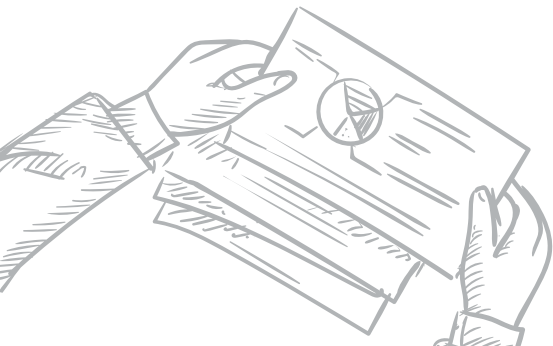


Operations Assessed for Risks Related to Corruption



* Risk assessment conducted every 3 years. Next assessment in 2025.

Employees that have Completed Annual Declaration





PROTECTING THE ENVIRONMENT AND NATURE

Petron Malaysia remains steadfast in our goal to minimise and mitigate any adverse environmental impact of our business operation. This commitment drives us to embrace and implement best practices and innovative ways for effective protection of the environment. Our strategic efforts to reduce emissions, repurpose waste, and improve water efficiency continue to be crucial in our pursuit for sustainable operations.

We uphold both local regulatory requirements as well as global environmental standards. Our operations undergo rigorous audit and verification by the authorities to ensure operational excellence. This commitment to high standards is evidenced by our certifications in Occupational Health and Safety Management System (OHSMS), Environmental Management System (EMS), and Quality Management System (QMS), all recognised by SIRIM.

2023 Key Highlights:

Reduced total group Scope 2 Greenhouse Gas (GHG) emissions by **4%**
(FY2022: 74 ktCO₂e)



Increased total group hazardous waste diverted from disposal by **76%**
compared (FY2022: 244 tonnes)



Reduced total group water consumption by **30%**
(FY2022: 249 ML)



Collaboration with **Universiti Putra Malaysia** on biodiversity conservation and circular economy



PROTECTING THE ENVIRONMENT AND NATURE

Our refinery and all our terminals are ISO 14001:2015 EMS Standard certified. In addition, our refinery and all fuel terminals fully owned and operated by the Group in Peninsula Malaysia are Integrated Management System (IMS) certified for ISO 45001 OHSMS, ISO 14001 EMS, and ISO 9001 QMS.

In July 2023, SIRIM auditors undertook an IMS Surveillance Audit focusing on multisite certification at the Petron Malaysia Peninsular Terminal (PPT) for QMS, EMS, and OSHMS ISO standards. The audit selected Bagan Luar Terminal as the pilot site, with Pasir Gudang Terminal the alternate site. SIRIM identified no issues and allowed PPT certification.

<p>Port Dickson Refinery</p> <p>Scope</p> <ul style="list-style-type: none"> Manufacturing of petroleum products and interface work with Supply, Port Dickson Terminal and Multipurpose Pipeline <p>Certification</p> <p>Integrated Management System (IMS)</p>	<p>Port Dickson Terminal</p> <p>Scope</p> <ul style="list-style-type: none"> Loading/Bottling and Distribution of Petroleum Products (Fuel/LPG) Receive, storage and supply of petroleum products <p>Certification</p> <p>Integrated Management System (IMS)</p>	<p>KLIA Aviation Depot</p> <p>Scope</p> <ul style="list-style-type: none"> Refuelling of Jet A1 into Plane and Aircraft Defueling <p>Certification</p> <p>Quality Management System (QMS)</p>
<p>Bagan Luar Terminal, Kuantan Terminal, Pasir Gudang JV Terminal</p> <p>Scope</p> <ul style="list-style-type: none"> Receiving, storing and supplying of petroleum products <p>Certification</p> <p>Integrated Management System (IMS)</p>	<p>Sepangar Bay Terminal, Sandakan Terminal, Tawau Terminal</p> <p>Scope</p> <ul style="list-style-type: none"> Receiving, storing and supplying of petroleum products <p>Certification</p> <p>Quality Management System (QMS)</p>	

We address the environmental impact of our operations in our Environmental Business Plan (EBP) which sets yearly targets for a five-year horizon. The EBP requires regular assessments of our objectives, targets and plans to ensure these align with Petron Malaysia’s sustainability strategy and commitments and to the Company’s annual Business Plan.

Our environmental data include all operating facilities which Petron Malaysia owns more than 50% equity share and have full operational control. These include Port Dickson Refinery, Port Dickson Terminal, Bagan Luar Terminal, Lumut PME Plant (LPP), our sister companies’ Kuantan Terminal, Sepangar Bay Terminal, Sandakan Terminal, Tawau Terminal. The Group energy consumption and GHG emissions data also included Petron Malaysia Head Office at Menara I&P, Kuala Lumpur (HQ) and Petron Retail Training Centre (PRTC). “PDR” specifically covers both our refinery and terminal at Port Dickson, Negeri Sembilan.



CLIMATE CHANGE AND GREENHOUSE GASES (GHGs)

The increasing impact of the global climate change continues to pose significant threats to the environment, human health, and overall socioeconomic systems. The year 2023 highlighted the critical need to address climate change, with extreme weather conditions and events causing widespread disruption to the people and ecosystems globally. The rise in global temperatures is attributed to elevated levels of GHGs in the atmosphere from human activities such as burning of fossil fuels, deforestation, and various industrial processes. This situation also exacerbates biodiversity loss, with the United Nations projecting the potential extinction of up to one million species within the next few decades if current trends continue.

In response to these challenges, climate experts have emphasised the need to reduce emissions by half by 2030 to prevent global temperatures from rising beyond 1.5 degrees Celsius, a target that calls for immediate and decisive actions from public and private sectors. We acknowledge the impact of climate change arising from our business and recognise this as a material matter to the Group and to our stakeholders. Petron Malaysia is committed to address climate risks and opportunities associated with our operations and supply chain with the BOD's having oversight on sustainability matters, including climate change and GHG emissions.

Our initiatives in climate action are directed by our Climate Action Guide that was developed in 2022. It is Based on the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, and it outlines our systematic approach for long-term climate action.

With TCFD disclosures expected to be mandatory for main market listed companies by Bursa Malaysia in 2025, we are proactively developing the necessary policies and strategies to support our adoption of TCFD recommendations by 2024 and to enhance our TCFD disclosures by 2025.

Our plans are geared towards establishing a robust framework for climate action, include the following:

- Develop internal policies and strategies focused on mitigating global warming.
- Integrate identified climate-related risks and opportunities into our operational planning.
- Incorporate aspects of Petron Malaysia's Climate Policy into our Business Plans.
- Standardise GHG inventory across our operations for effective monitoring and measurement of emissions.
- Set climate-related targets and metrics.
- Establish a climate task force to promote awareness and encourage behavioural change.



Notes:

¹ Source:

² Source:

³ Source:

- For more details on our climate-related risks and opportunities, please refer to Risks and Opportunities at

CLIMATE CHANGE AND GREENHOUSE GASES (GHGs)

EFFICIENT ENERGY MANAGEMENT

Petron Malaysia remains committed to meet its GHG emissions reduction goals, in line with the National Energy Policy 2022-2040. Specifically, we target to reduce our Scope 1 and Scope 2 GHG emissions intensity by 4% by 2025, from 6.49 kg of CO₂e/barrel in 2022. The Malaysian Government's is committed to increase the nation's renewable energy capacity to 31% by 2025, from 6% in 2020. Petron Malaysia supports the national agenda through improving energy management and lowering GHG emissions, ensuring our operations contribute to the creation of a more sustainable and efficient energy framework.

WE TARGET TO REDUCE OUR SCOPE 1 AND SCOPE 2 GHG EMISSIONS INTENSITY BY 4% BY 2025.

The biggest contributor to Petron Malaysia's renewable energy, is Lumut PME Plant, which produces renewable PME for 10% blending with Automotive Diesel Oil (ADO) to generate biodiesel. The Group has also started to install solar panels and solar-powered lights. By 2022, 15 service stations had been installed with solar panels, with 20 more added in 2023. Our target is to have 100 more service stations equipped with solar energy by 2025. Through this initiative, we aim to decrease our total annual CO₂ emissions by 5,616 tCO₂e. We piloted an electric vehicle (EV) charging station in 2021 and plan to add eight more at service stations by 2024. We will progressively expand on solar and EV charging infrastructure.

OUR TARGET IS TO HAVE 100 MORE SERVICE STATIONS EQUIPPED WITH SOLAR ENERGY BY 2025.

We are transitioning to LED lights from traditional lighting in all our facilities, including terminals, LPP, retail service stations, our HQ and training centre as additional energy saving measures. This was carried out in phases and completed in 2023. In the design of our new service stations, we optimise natural lighting and ventilation to be more power efficient and lessen the demand for grid-supplied electricity.



In addition to better managing our electricity usage, we also focus in improving our operations through energy efficiency optimisation. We have a dedicated team to develop and implement strategic energy management plan, which includes two main pilot projects – solar panel installation at the refinery and an energy audit at LPP to target specific equipment and facilities with high consumption of electricity and identifying opportunities to further optimise energy utilisation. We also install solar-powered perimeter lightings at our refinery, terminals, LPP and retail service stations. Our terminals and LPP have adopted the use of energy efficient ENERGY STAR-certified appliances and inverter type energy-saving air conditioning systems to optimise energy use; and we will continue to invest in energy-efficient technologies and equipment to optimise energy consumption.



Earth Hour: Making Every Minute Count

Petron Malaysia consistently demonstrates its commitment to environmental stewardship by actively participating in the annual Earth Hour event. This involves turning off non-essential lighting at our facilities including refinery, terminals, plant and service stations for one hour. This action symbolises our dedication to support and reduce our environmental impact and to create awareness. During this event, to ensure the safety of our personnel and customers we used reflective vests and implemented stringent traffic control measures. The one-hour lights-off activity on 25 March 2023 led to a reduction in our carbon footprint, saving approximately 1,953 kWh of electricity which translated into 1,400 kg of CO₂ equivalent across the Group. This initiative is a part of our broader commitment to environmental responsibility and sustainability.

1,400kg CO₂e avoided = **90,070** smartphones charged



Source: US EPA Gov – Greenhouse Gas Equivalences Calculator

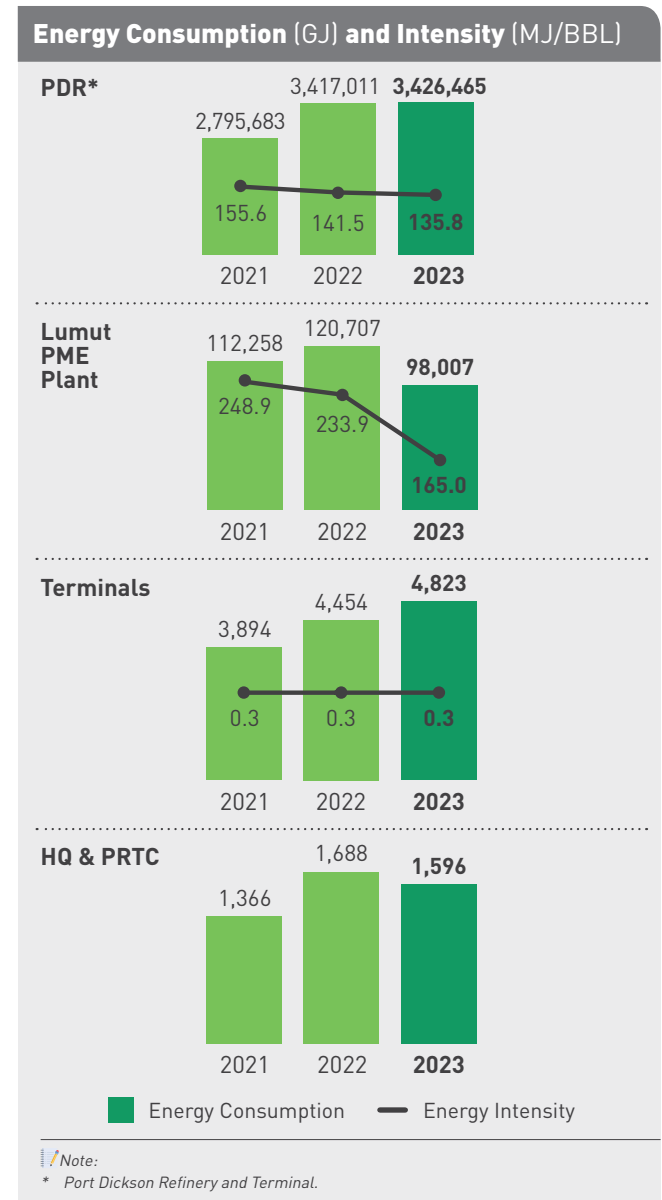
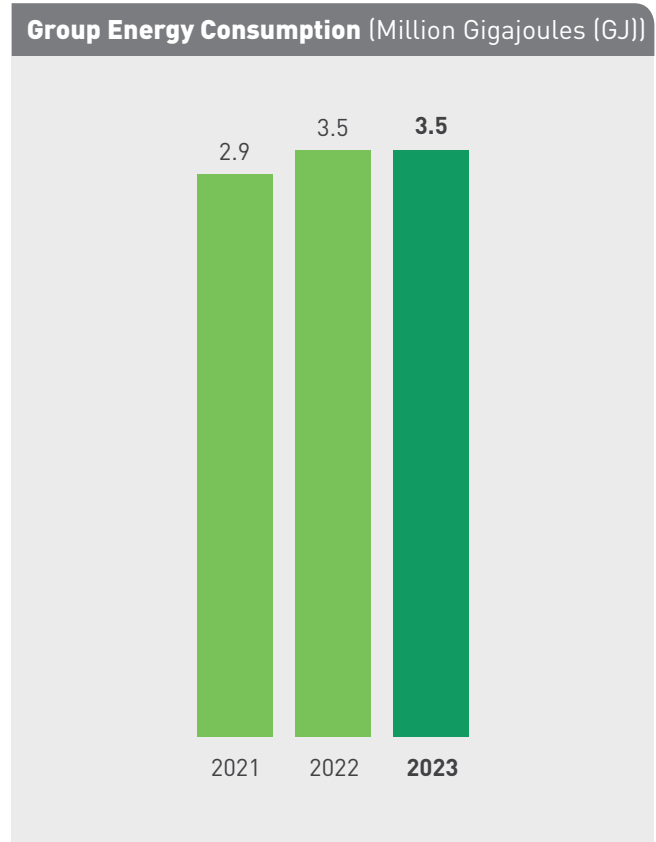
CLIMATE CHANGE AND GREENHOUSE GASES (GHGs)

ENERGY PERFORMANCE

Petron continued to be a reliable provider of the country’s fuel and energy requirements, ensuring undisrupted supply for household, commercial and industrial consumption. With Malaysia registering a 3.7% GDP growth in 2023, the domestic demand for petroleum fuel continued to be robust. This heightened domestic requirement fueled the refinery to increase its production by 9%. Similarly, LPP had capacity upgrade to produce 30% more sustainable palm oil methyl ester to support higher demand for biodiesel. Despite higher production and increased in sales volume, we improved energy consumption and Scope 2 GHG emissions.

Petron’s energy requirement is mainly from electricity and other sources such as fuel gas, natural gas, light fuel oil, diesel and gasoline, which are used across our supply chain, including refinery, terminals and LPP. The refinery accounted for 97% of the total group energy consumption and was mainly used for furnaces and boilers. Despite higher production volume, total energy consumption was slightly lower than in 2022 with a 4% reduction in unit intensity. The Diesel Hydrotreater (DHT) unit in PDR was more stable and efficient due to scheduled maintenance program. Similarly, LPP consumed less energy in 2023, mainly as the Refined Glycerine unit optimised operation to produce only when economically viable and there is sufficient demand. Despite operational adjustments, including a slight increase in LFO usage for steam production during boiler maintenance, LPP delivered a notable reduction in energy consumption. Increased production volumes of PME and CG, indicating efficient operational improvements. However, both energy consumption and intensity increased at terminals due to higher throughput volumes, requiring extended operational hours to meet the industry demand.

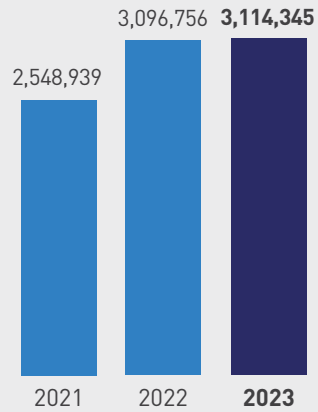
By the end of 2023, Petron Malaysia successfully completed transitioning to LED lighting in LPP, HQ and PRTC, contributing to lower Scope 2 emissions. Plans are also in place for LPP to replace perimeter lighting with solar powered lights by 2025 and install digital power meters (DPM) by 2024 for better energy monitoring and savings.



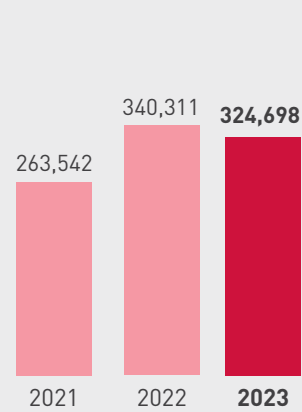
CLIMATE CHANGE AND GREENHOUSE GASES (GHGs)

Group Energy Consumption by Sources (Gigajoules (GJ))

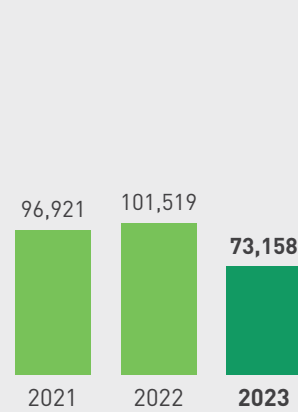
Fuel Gas



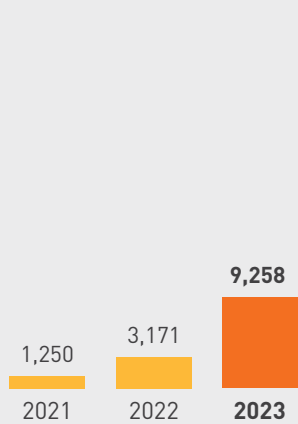
Electricity



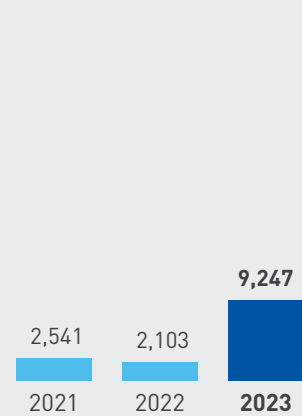
Natural Gas



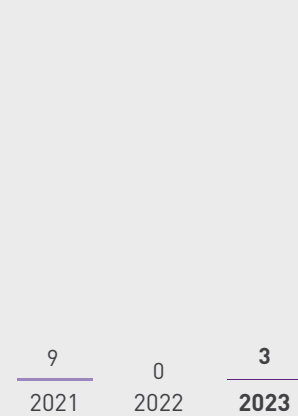
LFO



Diesel



Gasoline



How much is **1 gigajoule** of energy?



Surf the web for
5,500 hours

Source: Natural Resources Canada

Petron Malaysia's energy initiatives also include replacing outdated and inefficient equipment with energy-saving ones. Our refinery will be installing Variable Frequency Drives (VFD) for pumps to optimise electricity consumption and integrating solar panel and LED lighting to reduce electricity usage. We made operational adjustment to enable switching off underutilised electrical equipment during low crude oil processing which contributed to a 4.6% reduction in electricity consumption in 2023.

Through these strategic measures, Petron Malaysia is enhancing its energy efficiency and contributing to global efforts to mitigate climate change.

Notes:

- Gasoline and NG consumption figures in 2021 and 2022 have been restated following the refinement of data categorisation.
- Fuel gas is generated from refinery Power Former 2, crude gas and LPG.

CLIMATE CHANGE AND GREENHOUSE GASES (GHGs)

GHG EMISSIONS MANAGEMENT

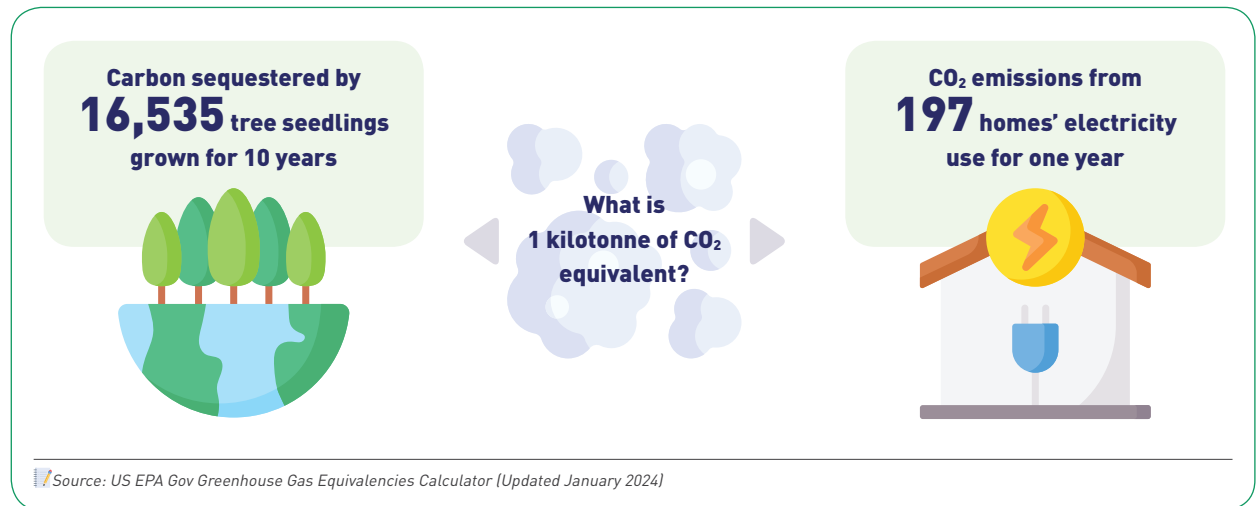
Petron Malaysia’s greenhouse gas emissions are predominantly Carbon Dioxide (CO₂), with minimal and occasional Methane (CH₄) and Nitrous Oxide (N₂O) only when there’s incomplete combustion in the furnace and boilers. Complete combustion results in the formation of CO₂ and water.

To achieve our commitment to have low carbon-footprint operation, we have initiated a series of energy-saving and operational enhancements aimed at lowering our GHG emission. These initiatives include:

- Enhancing heat integration processes to reduce furnace firing and flaring.
- Consistent routine and preventative maintenance, particularly targeting heat exchangers and burners to maintain efficiency.
- Comprehensive leak detection and repair programmes to ensure the structural integrity of tanks, pipelines, valves, and flanges.
- Advanced vapor monitoring systems along pipelines to promptly identify and address any potential leaks.

Through these measures, Petron is focused in ensuring efficient and environmentally sound operational processes, thus reflecting our unwavering commitment to sustainable practices and the pursuit for energy efficiency.

GHG Emissions Across Petron Malaysia Network			
	Refinery	LPP	Terminals
Applicable GHGs	CO ₂ , CH ₄ , N ₂ O	CO ₂	CO ₂
Scope 1	<ul style="list-style-type: none"> • Furnaces • Boiler • Flaring • Genset • Company Vehicles 	<ul style="list-style-type: none"> • Boiler • Forklift 	<ul style="list-style-type: none"> • Pump • Genset • Company Vehicles
Source of Emission Factors	<ul style="list-style-type: none"> • American Petroleum Institute (API) Compendium of GHG Emissions Methodologies for the Natural Gas and Oil Industry (2009) 	<ul style="list-style-type: none"> • U.S. Environmental Protection Agency (EPA) 2021 	
Scope 2	Purchased Electricity		
Source of Emission Factors	MY Energy Commission 2019 Grid Electricity		



CLIMATE CHANGE AND GREENHOUSE GASES (GHGs)

GHG EMISSIONS PERFORMANCE

In 2023, Petron Malaysia continued to make good progress in managing its GHG emission, achieving notable reduction of 4% in our Scope 2 (Indirect) emission from reduced electricity consumption. This is contributed by better equipment efficiency and optimisation, including expanded use of solar powered and LED lights. However, our Scope 1 (Direct) emission increased by 13% mainly due to higher crude oil refining to meet the domestic demand and processing of heavier crude slates.



For Petron Malaysia, about 97% of total GHG emission was from the refinery of which 99% of this was from CO₂. With the commissioning of DHT in 2021, the refinery enhanced its capability to process higher sulphur crude oil, thus broadening the range of crude oil for processing and enabling the production of ultra-low sulphur diesel product meeting five (5) standards, in-line with government's Environmental Quality (Clean Air) Act. However, processing heavier crude requires higher furnace firing. Additionally, the refinery Bio

Sulphur Recovery (BSR) unit had some upsets which resulted in more flaring. On the other hand, the refinery had lower Scope 2 GHG emission, in both absolute and intensity due to improved equipment optimisation including from in pumps and compressors at varying level of refinery production.

Other initiatives that contributed to the refinery's improved Scope 2 emission included regular cleaning of heat exchangers and burners to effectively remove fouling and enhance the plant's heat transfer and combustion efficiency. Furnaces at the refinery are fitted with heat recovery system in the convection section giving optimum steam production, minimising any excess steam and making it more energy efficient.

The refinery also focused on optimising heat integration, reducing the need for furnaces firing and flaring in process streams. Efforts to optimise flaring included analysing the best crude mix to process.



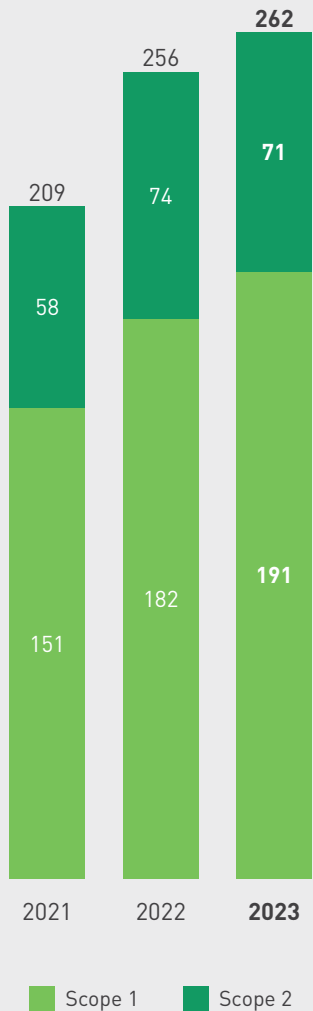
The operations at our DHT facility were also refined to minimise excess gas. The DHT process which reduces sulphur content in diesel products, produces fuel gas that requires treatment due to high Hydrogen Sulfide (H₂S). The desulphurisation process using organic bacteria to remove H₂S at the BSR plant is not only for full recovery and utilisation of fuel gas within our plant operations but also allows the recovery of H₂S sulphur waste that can be repurposed for other commercial use. These processes culminated in a notable decrease in GHG emission for PDR. All of these were achieved amidst an increase in Automotive Diesel Oil (ADO) usage for additional boilers and during plant maintenance.

Concurrently, LPP has been upgrading its machinery, fitting high-power pumps with inverters and progressively transitioning to the latest energy-efficient equipment. These steps are instrumental in lowering Scope 2 emission, underscoring the plant's commitment to sustainable practices and its contribution to the Group's overall environmental performance improvements.

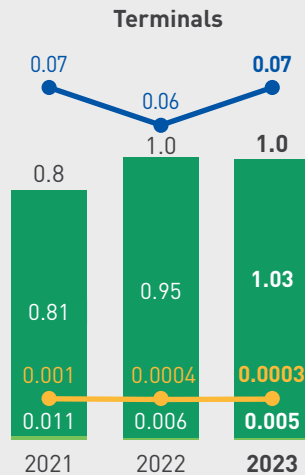
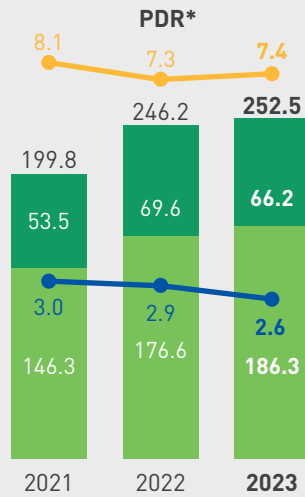
Similar reductions in Scope 2 emission were also recorded in our terminals as a result of optimising our operational processes. These concerted efforts across Petron Malaysia's operations reflect a holistic approach to manage GHG emission, aligning with global sustainability goals and demonstrating a firm commitment to environmental stewardship.

CLIMATE CHANGE AND GREENHOUSE GASES (GHGs)

Group GHG Emissions (ktCO₂e)



GHG Emissions (ktCO₂e) and Intensity ((kgCO₂e)/BBL)



Petron Malaysia persistently undertakes strategic changes to reduce emission from our products and address Scope 3 emission. The introduction of Malaysia's first RON 100 fuel in 2016 with low sulphur content below 10ppm, has contributed to cleaner air and a reduction in GHG. Similarly, Petron Turbo Diesel B7 and Diesel Max B10 meeting Euro 5 standard.

To further reduce Scope 3 emissions, Petron Malaysia commissioned the Marine Import Facility 2 (MIF2) in 2021 to enable larger parcel imports, thus reducing the frequency of imported shipments. Our investment in a Multi-Product Pipeline and the Klang Valley Distribution Terminal also optimised truck deliveries, resulting in significant CO₂ emissions savings, equivalent to the carbon sequestration capabilities of 8,036 tree seedlings over ten years.

Petron Malaysia is committed to undertake a comprehensive data collection and inventory of Scope 3 emissions, prioritising on employees' business travels and commuting to/from work in 2024, aligning with Bursa Malaysia's listing requirements.

- GHG Emissions Scope 1
- GHG Emissions Scope 2
- GHG Intensity Scope 1
- GHG Intensity Scope 2

Notes:

- * Port Dickson Refinery and Terminal.
- Lumut PME Plant Energy and GHG Emissions intensities figures in 2021 and 2022 have been restated using an accurate Crude Glycerin (CG) conversion factor after a thorough review.
- The global warming potential rates used in the calculation of CO₂e are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period.

AIR EMISSIONS AND POLLUTION MANAGEMENT

At Petron Malaysia, we recognise the need to actively manage and reduce air emission other than GHGs from our operation. Our environmental stewardship includes stringent control over Sulphur Oxides (SO_x) and Nitrogen Oxides (NO_x), pollutants which are mandated for monitoring under local environmental legislation. Our commitment on pollution management extends to air emission, water, soil, noise and light pollution emanating from our facilities. These efforts are supported by comprehensive training programmes and thorough assessments such as chemical and waste handling training.



The main lagoon is regularly maintained through various methods such as planting of water hyacinth

Petron Malaysia is committed to ensure its operations comply with all pertinent standards and regulatory requirements as stipulated in our Safety, Security, Health and Environmental (SSHE) Policy. Our refinery and LPP undergo quarterly air quality and noise assessments under our Environmental Monitoring Programme (EMP), and weekly effluent water tests to meet Department of Environment (DOE) requirement. Our Port Dickson Refinery Predictive Emission Monitor System (PEMS) is integrated to the DOE's Integrated Remote Monitoring Enforcement (iREMOTE) system allowing direct monitoring of PDR's emissions. Our terminals conduct annual air quality and noise evaluations, and bi-annual effluent water testing.

We take community feedback on pollution seriously and are committed to address concerns raised in a timely manner. We are committed to produce cleaner, low-sulphur fuels aligned with the government's Clean Air Action Plan (CAAP). The CAAP supports the Environmental Quality Act 1974, which sets out the strategy to improve air quality. In 2023, our commitment to environmental standards have been affirmed by zero significant instances of court-imposed fines in relation to non-compliance with environmental laws and regulations.



Note:

- For more information on the Safety, Security, Health, and Environment (SSHE) Policy, refer to our SBC on our corporate website.

AIR EMISSIONS AND POLLUTION MANAGEMENT

SOx AND NOx EMISSIONS MANAGEMENT

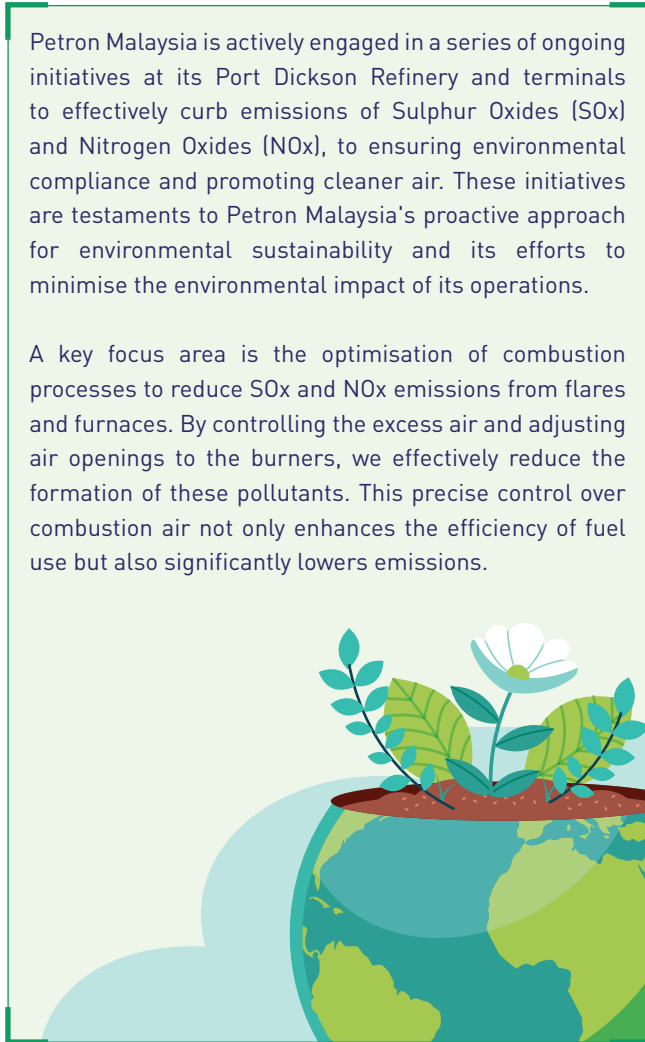
Sulphur Oxides (SOx) and Nitrogen Oxides (NOx) emission by Petron Malaysia is from furnace at the refinery. In 2021, we installed advanced Oxygen (O₂) and Carbon Monoxide (CO) analysers in the DHT furnace to control excess air and to minimise SOx and NOx formation. This initiative is part of our broader strategy to manage air pollution by closely monitoring and tracking SOx and NOx emissions. At the terminals and LPP plant, SOx and NOx emissions are minimal and emitted from diesel generators and fire water pumps used only as back-up, emergencies or during testing.

Routine burner servicing and maintenance is another critical component of Petron Malaysia's strategy to manage emission and to ensure equipment efficiency and reliability. This is performed during refinery operation and planned shutdown, to ensure that all equipment operates optimally, and with minimal emission.

The refinery has implemented the No Oil to Sewer (NOTS) initiative, aimed at preventing oil from entering the sewer system, thereby reducing Volatile Organic Compounds (VOCs) contamination. The timely recovery of hydrocarbons from the skim pond back into the slop tank is a crucial aspect of this initiative.

Petron Malaysia is actively engaged in a series of ongoing initiatives at its Port Dickson Refinery and terminals to effectively curb emissions of Sulphur Oxides (SOx) and Nitrogen Oxides (NOx), to ensuring environmental compliance and promoting cleaner air. These initiatives are testaments to Petron Malaysia's proactive approach for environmental sustainability and its efforts to minimise the environmental impact of its operations.

A key focus area is the optimisation of combustion processes to reduce SOx and NOx emissions from flares and furnaces. By controlling the excess air and adjusting air openings to the burners, we effectively reduce the formation of these pollutants. This precise control over combustion air not only enhances the efficiency of fuel use but also significantly lowers emissions.

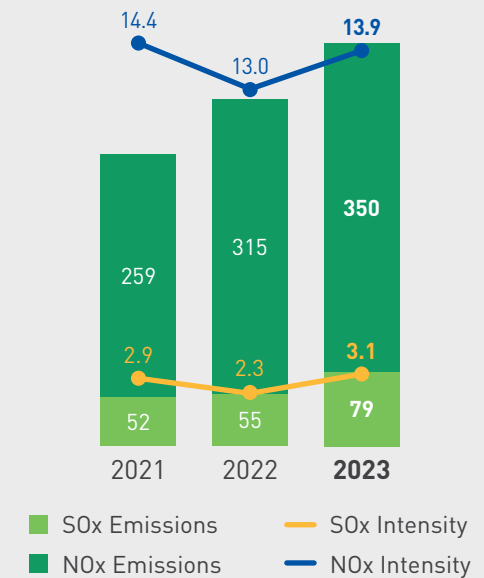


SOx AND NOx EMISSIONS PERFORMANCE

The intensity of both SOx and NOx emission are low and below regulatory limits, with SOx only at 3% and NOx at 25% of DOE's regulated limit. This is despite SOx emission increasing by 44% in 2023 and NOx emission increasing rising by 11% from higher production to meet post-pandemic demand.

Petron Malaysia remains committed to adhere to all relevant environmental standards and regulations. Through continuous improvement and the implementation of advanced emission control technologies, we strive to ensure that our SOx and NOx emission not only comply with regulatory requirements but also reflect our commitment to reduce them.

SOx and NOx Emissions (Tonnes) and Intensity (G/BBL)



AIR EMISSIONS AND POLLUTION MANAGEMENT

SPILLS/LEAKS MANAGEMENT

Petron Malaysia has a strong spill management to safeguard the environment, including marine ecosystems and coastal areas, while minimising legal and reputational risks. To this end, the Company has integrated a Mechanical Integrity & Global Reliability System within Petron Operations Integrity Management System (POIMS). This comprehensive system monitors processes and equipment to prevent spills, incorporating rigorous testing, inspection, maintenance programmes and documentation to ensure compliance with regulatory requirements and industry standards.



To bolster safety, Petron Malaysia has defined operational parameters and implemented surveillance programmes to monitor the health of equipment conducts extensive employee training programme and performs regular emergency drills. The Group is on track to conduct a Risk-Based Inspection of all refinery equipment by 2025, with plans to replace outdated assets to ensure operational integrity.

At retail service stations, an advanced leak detection system has been put in place and service station dealers are trained to prepare and understand daily oil loss report. A standard operating procedure is in place to avoid any environmental discharges, including the use of Tank Pump Reconciliation Report, Automatic Tank Gauging (ATG) systems and Critical Safety Devices (CSD).

In the event of a spill, immediate and regulatory-aligned actions are taken to manage the incident to ensure minimal environmental impact. Collaboration with the Petroleum Industry of Malaysia Mutual Aid Group (PIMMAG) and with other agencies and authorities enhance spill response effectiveness in Malaysian waters.

The Group employs preventative strategies to manage operational challenges such as power outages or severe weather conditions. It also includes conducting safety equipment tests and ensuring staff readiness and competency. Since 2019, Petron Malaysia's refinery has successfully maintained zero reportable* spills, a testament to its rigorous safety protocols. For a definition of reportable spills, please refer to the note attached to the following table.

In 2023, Petron Malaysia had 5 minor spill/leak incidents of less than one barrel on land and water, four leaks from refinery operations and a spill from refuelling operations at Kuala Lumpur International Airport (KLIA). Despite the small scale of these spills, Petron Malaysia took immediate actions to contain and remediate the affected areas, to protect the environment and ensure operational safety. Minor spills/leaks are defined as spills below 10 barrels on land or below three barrels on water.

During the year, the Group engaged in spill/leak prevention initiatives including tank seal upgrades, installation of vapour monitoring wells and the implementation of an Annual Leak Detection and Repair (LDAR) Programme.

Petron Malaysia aims to further solidify POIMS practices with enhanced training and operational controls, aspiring to maintain our target of zero reportable* spill/leak incidents. Continuous training in chemical handling, deployment of a certified Emergency Response (ER) team and routine equipment maintenance are key components of Petron Malaysia's strategy to uphold equipment integrity. We also carried out an Emergency Response Plan (ERP) PELITA VIII Exercise at PDR in November 2023 to ensure preparedness among our staff to manage emergency¹.

Spills/Leaks Performance in 2023

In the year under review, we had zero significant (reportable) spill/leak incidents across the Group.

	Number of reportable spills	Estimated Spills Volume (Litres)
Spills on land	0	0
Spills on water	0	0
Spills at offsite	0	0

* Significant (Reportable) spills, as defined by Petron Malaysia's Work-Related Incidents and Injury (WII) guidelines - Incident Severity Determination, are spills that exceed 10 barrels (bbls) on land or offsite locations, and those above 3 barrels (bbls) on water. This criterion is uniformly applied across all Petron Malaysia Group operations.

¹Note:

¹ For more info on ERP PELITA VII Exercise at PDR, refer to

WASTE AND CIRCULAR ECONOMY

Efficient waste management plays an essential role in protecting the environment, conserving resources, ensuring public health and fostering sustainable development. At Petron Malaysia, we recognise the importance of effectively managing our waste to reduce and mitigate the environmental impact of our operations, products and services. Improper waste management not only poses legal, reputational and financial risks but can also significantly disrupt our operations.

To minimise waste directed to disposal, we subscribe to the circular economy principle by improving the recovery of hazardous waste, repurposing non-scheduled waste, and adopting sustainable packaging solutions, among others. These approaches not only reduce the volume of waste but also contribute to resource conservation. As such, we diligently monitor and track our waste generation which allows us to continuously improve our waste management strategies.

Additionally, we are committed to the responsible disposal of hazardous waste in compliance with the Environmental Quality Act (EQA) 1974, partnering with Department of Environment (DOE) licensed operators equipped with approved disposal facilities. This comprehensive approach ensures that we not only adhere to regulatory requirements but also contribute positively to environmental stewardship and sustainable development.

WASTE MANAGEMENT

Petron Malaysia strives to ensure that our management and disposal of hazardous waste fully complies with environmental laws and local regulations. Our approach is underpinned by the guidance of the DOE Certified Environmental Professional

in Scheduled Waste Management (CePSWaM), ensuring our hazardous waste handling and storage procedures meet DOE's stringent standards.

Given the absence of authorised on-site disposal facilities, Petron Malaysia channels all hazardous waste to certified off-site disposal facilities. Our strategy for waste reduction revolves around recovery and recycling. This includes the sale of used or empty additive drums and oil sludge to DOE certified recyclers and the disposal of residual sludge and off-spec oil mixtures to DOE authorised hazardous waste management concessionaires. We also employ meticulous processes to reduce waste volume and weight, such as water removal and oil extraction from waste, ensuring the separated water complies with Standard B of the EQA 1974 before discharging into public waterways. The EQA establishes two effluent discharge standards - Standard A applies to discharges upstream of any raw water intake, while Standard B governs discharges downstream of such intakes. The whole disposal process is managed by licenced third-party transporters and disposers approved by the DOE.

Petron Malaysia's initiative extends to the recovery of oil from skim ponds, which is then reprocessed and the recovery of reforming catalysts to extract reusable metals. These processes are designed to align with EQA's Standard B for downstream discharge of raw water intake. Our compliance with hazardous waste regulations is validated through regular audits and inspections, with any identified opportunities for improvement promptly implemented.

Key measures implemented at PDR include our No Oil to Sewer (NOTS) initiative which comprises of daily monitoring to prevent hydrocarbon being drained into sewers, which significantly reduces the volume of hydrocarbon-contaminated waste requiring treatment as scheduled waste. We also continued recycling practices, such as reintegrating sludge back into crude tank where feasible and revisiting tank maintenance and repair schedules to extend the time between outages to at least 20 years, aiming to decrease scheduled waste generation.

In 2023, Petron Malaysia introduced several recycling initiatives to reduce waste sent to landfills. Efforts to reduce our paper consumption led to a 30% reduction in retail service station receipt lengths, with plans for further reduction and optional printing at Point-of-Sales (POS) and Outdoor Payment Terminals (OPT) in 2024.

We also collaborated with KLEAN Malaysia to install a reverse vending machine (RVM) at our pilot site, Petron Lebuh Bandar Utama service station, to promote community recycling of plastic food containers, PET bottles and aluminium cans. This initiative effectively contributes to meeting UN Sustainable Development Goals 11 and 12, while aligning with the Malaysia Plastics Sustainability Roadmap 2021-2030 and marking a step towards a circular economy. We plan to roll out this initiative across our retail service stations network in a phased approach, targeting the installation at five more retail service stations in 2024.



From Bottlecaps to Eco-Friendly Benches

In conjunction with Visit Melaka 2024, Petron Melaka collected 500 kilograms of bottle caps from July to September 2023, which were used to create three eco-friendly benches for the Malacca City Council (MBMB). These benches are to be placed in a garden and playground. While the bench seats are made entirely of bottle caps, iron supports have been used to reinforce the benches' durability. This initiative was praised by the City Mayor, Datuk Shadan Othman who expressed hope that it will inspire other private companies to undertake similar efforts.

WASTE AND CIRCULAR ECONOMY



In our aim to incorporate sustainable practices within our work culture, LPP and our Terminals marked World Environment Day in the month of June with a recycling campaign to raise awareness on the negative impact of plastic pollution. Launched with the theme of “Solutions to Plastic Pollution, #BeatPlasticPollution,” the campaign encouraged our employees to adopt the 4R (Refuse, Replace, Reuse & Recycle) concept.

Moving forward, the Group will focus on reducing total waste, especially hazardous waste generation with special attention to reduce waste sent to disposal by working together with the authorised DOE recyclers to re-purpose or recover as much waste as possible in support of circular economy.

In 2023, a notable achievement from PDR was the recovery of 300 tonnes of bio-sulphur which was converted into sulfuric acid. Usage of bio-sulphur has been diversified since 2022, which we recycled the by-product for fertiliser manufacturing.

Synergising For Sustainability

Petron Malaysia entered into a Memorandum of Understanding (MoU) with Universiti Putra Malaysia (UPM) to enhance collaboration on long-term environmental sustainability efforts, particularly on initiatives related to biodiversity conservation and the principles of a circular economy. Current projects under this collaboration include the Port Dickson Green Lung project for carbon sequestration and transforming waste into reusable products.

The Port Dickson Green Lung initiative is dedicated to conserve 400 acres of land near the Port Dickson Refinery. Equivalent to the size of over 300 football fields, this forest area will enrich the area's biodiversity and serve as a carbon sink by capturing atmospheric carbon and in the process, enhance air quality around Port Dickson, Negeri Sembilan.

In line with circular economy goals, UPM researchers are exploring ways to convert Bio-Sulphur waste from the Port Dickson Refinery into a fertiliser additive and are investigating the reformulation of waste from Lumut Palm Oil Methyl Ester (PME) Plant. These projects are geared towards minimising waste by repurposing them, thereby fostering a circular economy.

This MoU underscores the shared dedication of Petron Malaysia and UPM to promote sustainability. Together, we aim to advance research, education and specifically designed projects in the environmental and green areas.

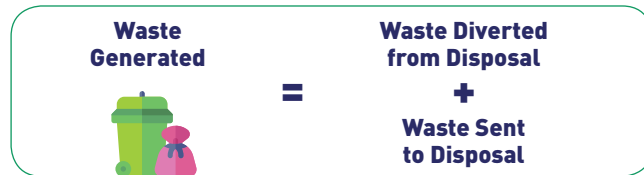
UPM aims to continue being a leading Green Campus in Malaysia, pursuing its environmental sustainability goals in alignment with the Sustainable Development Goals (SDGs). This partnership with Petron Malaysia supports these aims and contributes to create a sustainable campus, resonating with the university's commitment to SDGs 13 (Climate Action), 15 (Life on Land), and 17 (Partnerships for the Goals).



WASTE AND CIRCULAR ECONOMY

WASTE PERFORMANCE

Group Waste Generation (Tonnes)



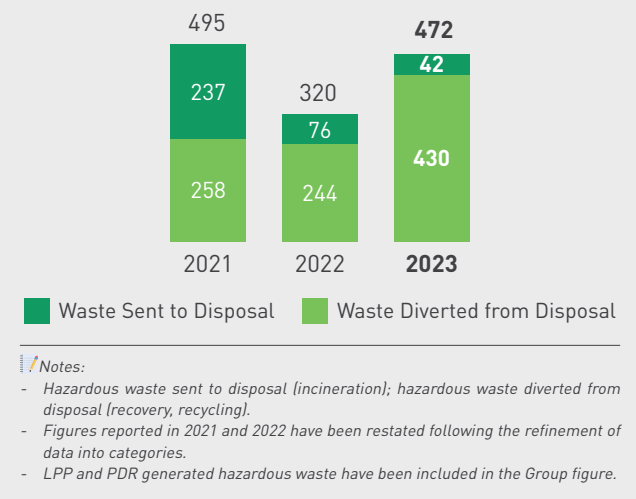
In 2023, we generated lower total waste, a reduction of 84% compared to previous year. However, the Group hazardous waste increased by 48% while the non-hazardous waste decreased significantly by 99.6%.

HAZARDOUS WASTE PERFORMANCE

Our hazardous waste consists predominantly of oily sludge, mixed oil waste, used additive and chemical drums and used oils. These wastes are primarily generated from tank truck loading, tank maintenance and operations of diesel forklifts and generators and are responsibly disposed through authorised DOE-contractors. In 2023, we continued to manage hazardous waste through meticulous handling and disposal of materials.

Hazardous Waste Generated (Tonnes)

Group

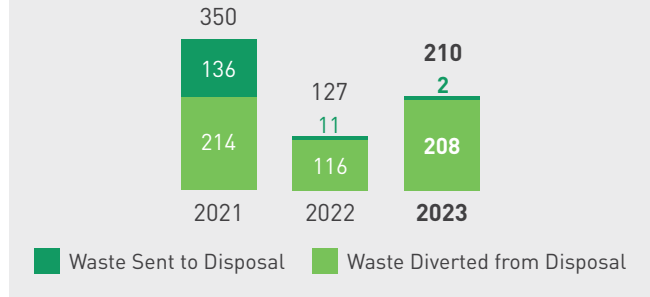


Petron Malaysia's responsible waste management practices resulted in only 9% of the total Group hazardous waste generated in 2023 being sent for disposal. Meanwhile, the bulk or 91% of the waste was recovered and recycled, marking a significant 76% increase from 2022.

In 2023, LPP contributed 44% of total Group hazardous waste and remained as the biggest contributor. The increase by 48% from prior year was primarily due to the full year impact of the 30% plant capacity expansion and planned tank maintenance. LPP experienced an increase in hazardous waste in 2021 due to sludge cleaning at the wastewater treatment plant and various expansion activities. Total hazardous waste dropped in 2022 by more than 64% after we upgraded LPP's wastewater treatment plant. Impressively, 99% of LPP's hazardous waste in 2023 was diverted from disposal and repurposed into carbon ash material for application in the cement industry, emphasising our commitment to recovery efforts.

Hazardous Waste Generated (Tonnes)

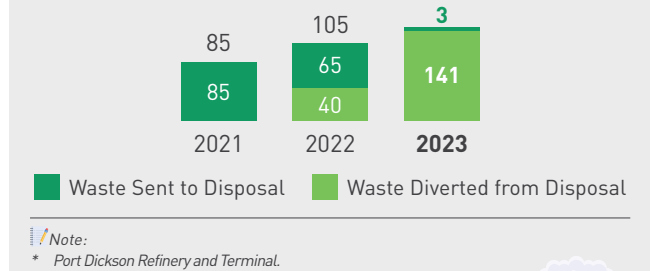
Lumut PME Plant



PDR contributed 31% of total Group hazardous waste, making it the second biggest source of the Company's hazardous waste. In 2023, PDR underwent lagoon desludging activity that resulted to the increase in hazardous waste. Nevertheless, PDR managed to divert away from disposal 98% of hazardous waste through recovery of lagoon sludge into alternative raw material (ARM) to be utilised for co-processing in the cement industry. In addition, PDR recycled used containers before re-selling them.

Hazardous Waste Generated (Tonnes)

PDR*



1 Tonnes = 1,000 x 1 kg of rice



WASTE AND CIRCULAR ECONOMY

At the terminals, the adoption of cutting-edge technology in fuel additives has led to a significant reduction in the generation of hazardous waste from used drums. Furthermore, the conversion of tanks from diesel to gasoline storage will result in a notable decrease in hazardous waste production, particularly in terms of sludge, making it more environmentally friendly.

However, not all hazardous waste is suitable for reuse, recycle or resale. For instance, oily sludge from tank maintenance and repair, as well as contaminated rugs, gloves, hoses, containers and sludge from oil/water separators, pose challenges to our recycling efforts. These wastes contribute to the total waste sent for disposal.

In our ongoing efforts to minimise environmental impacts, we have made significant strides in diverting hazardous waste from disposal by finding alternative and beneficial uses. This initiative extends to recycling containers, further demonstrating our commitment to waste reduction and resource efficiency. Building on these efforts, we have also partnered with UPM to explore additional ways to repurpose waste, thereby promoting a circular economy.

Looking ahead, we have set a target to reduce our hazardous waste disposal intensity by 2% from its 2022 levels by the year 2025. This goal aligns with our broader commitment to environmental stewardship and the efficient management of resources across our operations.



**WE TARGET TO REDUCE
OUR HAZARDOUS WASTE
DISPOSAL INTENSITY BY 2%
FROM ITS 2022 LEVELS BY
2025.**



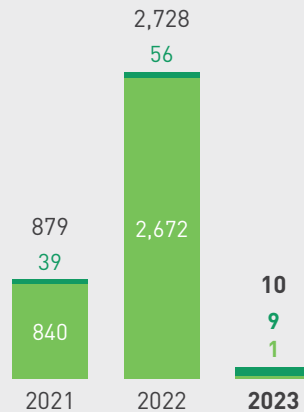
WASTE AND CIRCULAR ECONOMY

NON-HAZARDOUS WASTE PERFORMANCE

Throughout 2023, Petron Malaysia maintained a stringent approach to manage its non-hazardous waste, ensuring proper disposal through contractors in line with local council regulations. The bulk of these waste, encompassing metals, plastics, paper and construction waste, were systematically processed in 2023. Petron Malaysia also enhanced its waste segregation practices, a move that led to observable improvements in waste management across all operational activities, as documented in our annual performance review.

Non-hazardous Waste Generated (Tonnes)

Group



- Waste Diverted from Disposal
- Waste Sent to Disposal

Notes:

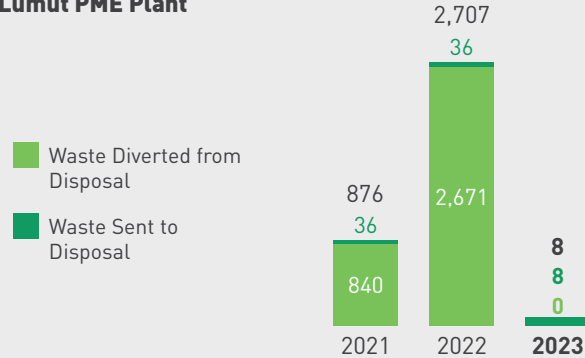
- Non-hazardous waste sent to disposal (landfill); non-hazardous waste diverted from disposal (recycling).
- LPP's generated hazardous waste has been included in the Group figure.

In 2023, the Group achieved a significant milestone in cutting its generation of non-hazardous waste by 99.6% primarily due to less waste generated by the LPP, the largest non-hazardous waste contributor.

LPP accounted for 80% of the total non-hazardous waste produced by the Group in 2023. LPP's non-hazardous waste generation dropped by 99.7% in 2023 following the diligent execution of the 5S (SORT) protocol which was conducted over two years and served to effectively eliminate surplus non-asset items and unnecessary materials from our operations.

Non-hazardous Waste Generated (Tonnes)

Lumut PME Plant



The terminals also recorded a sharp decrease of 95% of non-hazardous waste that was sent to disposal compared to 2022. This was due to increased awareness and improved 3R waste segregation of non-hazardous waste, including kitchen waste, paper and plastic.

E-waste collection at HQ & PD

Moreover, Petron Malaysia's Office Safety, Health & Care Committee (POSHCC) launched an e-waste collection initiative, gathering an unprecedented 828 kilograms of e-waste from the head office and an additional 2,300 kilograms from our Port Dickson Refinery's workshops, marking the Group's most substantial e-waste collection endeavour to date. The e-waste was collected by our employees from various sources including from our own operations.

Head Office

2021 (Jan-Dec 2021) - 31 kg
2022 (Sep-Dec 2022) - 0.05 kg
2023 (Jan-Dec 2023) - 828 kg

TOTAL (2021-2023): 859.05 kg

Port Dickson Refinery

2022 - 1,430 kg
2023 - 2,300 kg

TOTAL (2021-2023): 3,730 kg



WASTE AND CIRCULAR ECONOMY

In Petron, we practice records retention programme where we manage confidential records for a certain duration, after which we decide whether to continue to maintain and store the documents or dispose them. In 2023, we undertook an extensive project to recycle paper waste which had been accumulated since 2019 due to Covid-19 pandemic. All documents were responsibly shredded and handled by a Record Management vendor. The resultant material was then transported to paper mills in Penang and recycled into commercial tissue. Moreover, we are mindful of the kind of papers we use for office printing. We use paper products that comes from Programme for the Endorsement Forest Certification (PEFC). We believe the smallest gesture of choosing the PEFC labelled paper will go a long way to ensure that responsibly managed forests will be around to provide environmental, social and economic benefits for generations to come.



In 2023, we also undertook our inaugural spring-cleaning event on paper waste collection in HQ. The paper waste totalling 843.5 kgs, consists of newspaper, magazines/books, printed paper and shredded paper, were collected by a recycler based in Jalan Gombak for recycling, where the proceeds went to Volunteerism in Action (VIA) programmes. This programme will be carried out twice a year moving forward to ensure the continuity of positive environmental impact over the long term.

WATER MANAGEMENT

Water plays an integral role in our operations, from refining processes to service station activities, and its efficient management is essential for minimising environmental and social impact. Water purchased from local water provider is used mainly for steam generation, hydrostatic testing and maintenance activities. Recognising the potential disruptions to operations and productivity due to water scarcity or mismanagement, Petron Malaysia is proactive in safeguarding water resources to protect natural ecosystems and community health.

Aligned with our commitment to sustainability, our multifaceted approach aims not only to optimise water use but also to significantly reduce consumption and conserve water through innovative practices. Our water management strategy adheres to the stringent standards of the Environmental Quality Act (EQA) 1974 and Environmental Quality (Industrial Effluents) Regulations (IER) 2009. Leveraging on these practices, Petron Malaysia will continue to carefully monitor and manage its water usage, effluent discharge and overall consumption.

Crucial to our approach is the ongoing reuse of water in the refinery cooling tower and the practical use of harvested rainwater for non-potable requirements such as landscaping and cleaning of our facilities which led to the conservation of significant volume of water. Additionally, the recirculation of water condensed from steam back into boilers helped us maximise our water reuse and efficiency.

WATER CONSERVATION

At Petron Malaysia, we employ innovative water conservation practices to assist us in our efforts to reduce raw water consumption and foster sustainable water use across all facets of our business.



In 2023, we continued to enhance our water conservation initiatives. A key achievement was the expansion of our rainwater harvesting capabilities which play a crucial role in our operations. This system allows us to collect rainwater for non-potable applications, such as toilet flushing and gardening, thus, reducing our dependency on municipal water supplies.

One of the highlights of the year was the installation of 16 polytanks at PDR which collectively captured 26,236 litres of rainwater. This marked a remarkable increase in rainwater consumption of over 100% compared to the previous year. At our terminals, we set up 136 new drums to collect rainwater gathering a total of 129,927 litres. This initiative helped us save 2% of our total water use. In addition, we equipped 10 of our new service stations with rooftop rainwater harvesting systems. Their contribution has since proven to be a valuable aspect of our water-saving strategy. Lastly, we installed a

rainwater harvesting system comprising of a 1,000-litre tank at LPP which further expanded our capacity to conserve water.

These steps are part of our commitment to use water wisely and reduce our environmental impact. By collecting and using rainwater wherever possible, we are making our operations more sustainable to conserve this vital resource.

WATER WITHDRAWAL AND CONSUMPTION

In our continuous endeavour to manage our water resources effectively, we implement robust measures to reduce water withdrawal and consumption across our organisation by optimising operational efficiency and leveraging technological advancements.

Our initiatives to reduce water usage yielded positive results as we optimised water requirements in our production processes. We operate in regions not identified as water-stressed as per World Resource Institute's Aqueduct Water Stress Atlas. Our strategy involves sourcing water primarily from municipal supplies for operational needs and supplementing this with harvested rainwater for non-essential purposes, underscoring our dedication to sustainable water management.



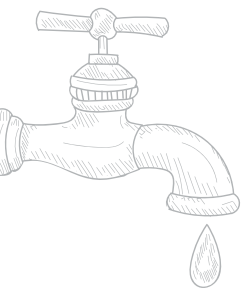
WATER MANAGEMENT

WASTEWATER AND EFFLUENT

Petron Malaysia diligently ensures that our operations' effluent discharge strictly complies with environmental regulations. This includes our adherence to the Environmental Quality Industrial Effluents Regulations (IER) 2009, reinforced by the Group's Sustainability and SSHE policies.

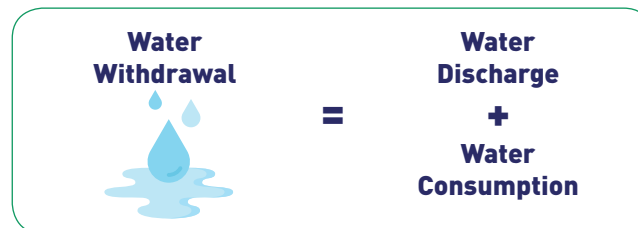
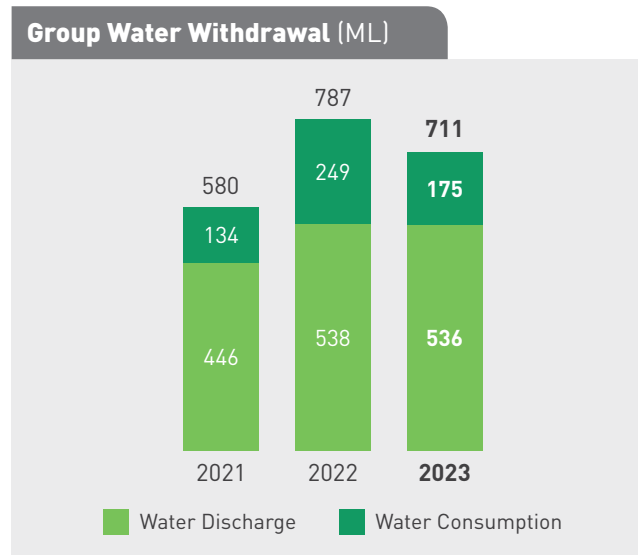
Our robust wastewater management system spans across the refinery, terminals and LPP, focusing on the thorough treatment of wastewater before its release into the environment. This meticulous process is critical in minimising our operations' impact on water bodies, thereby protecting aquatic life and meeting the IER's Standard B requirements. LPP's routine water quality testing was further enhanced in 2022 with the completion of various upgrades to the LPP wastewater treatment plant. This improved our treatment capacity to 0.1 ML of wastewater daily and ensured continued compliance with environmental regulations.

The year 2023 marked a period of adaptation and increased efficiency in our wastewater management efforts. With 30% production capacity upgrade completed at LPP, there was a corresponding rise in effluent volume. However, our pro-active approach to manage this increase ensured that the elevated volume of effluents at LPP was adequately catered on, demonstrating our capability to adapt to operational changes while maintaining our commitment on environmental compliance.



WATER PERFORMANCE

In 2023, the Group's water performance showed an overall improvement with initiatives focused on enhancing water efficiency, reducing consumption and ensuring that we uphold the highest standards of wastewater management. Our efforts led to a commendable reduction in water consumption from municipal sources by 30% in 2023 compared to the previous year, highlighting the effectiveness of our water management initiatives.



Our largest contributor, PDR, accounted for 84% of our total water withdrawal. This represents a 1.5% decline compared to the previous year, despite higher crude run mainly due to fewer hydrostatic testing and maintenance activities, alongside plant shutdowns which led to a decreased demand for water.

Conversely, LPP's contribution to water withdrawal stood at 16%, marking a noticeable decrease of 35% against prior year. This reduction was due to the economic factors not supporting processing of Refined Glycerine and the implementation of more efficient PME washing unit, resulting in its intensity reduced by 43%. The replacement unit of the middle distribution tray in the washing column in June 2023 further enhanced efficiency, which enabled LPP to reduce water consumption by 20%. To support the 30% production capacity increase, we also had to elevate our water discharge levels at LPP to manage the resulting rise in effluent volume. This initiative resulted in lower water consumption rates at the plant.

At the terminals, we recorded 53% decrease in water withdrawal compared in 2022, as the prior year includes request to supply fire water to neighbouring terminals under current Mutual Aid Agreement. The water withdrawal in 2023 was largely attributed from the tank cleaning at Kuantan Terminal. The terminals' water withdrawal is synonymous with water consumption, except during tank maintenance and repair, which requires a large volume of water for tank cleaning and hydrostatic testing. Hydrostatic testing is a type of pressure test that works by completely filling the equipment with water, removing the air contained within the unit and pressurising it for a short duration. This type of test is crucial to detect any leakages that occur at elevated operating pressures.

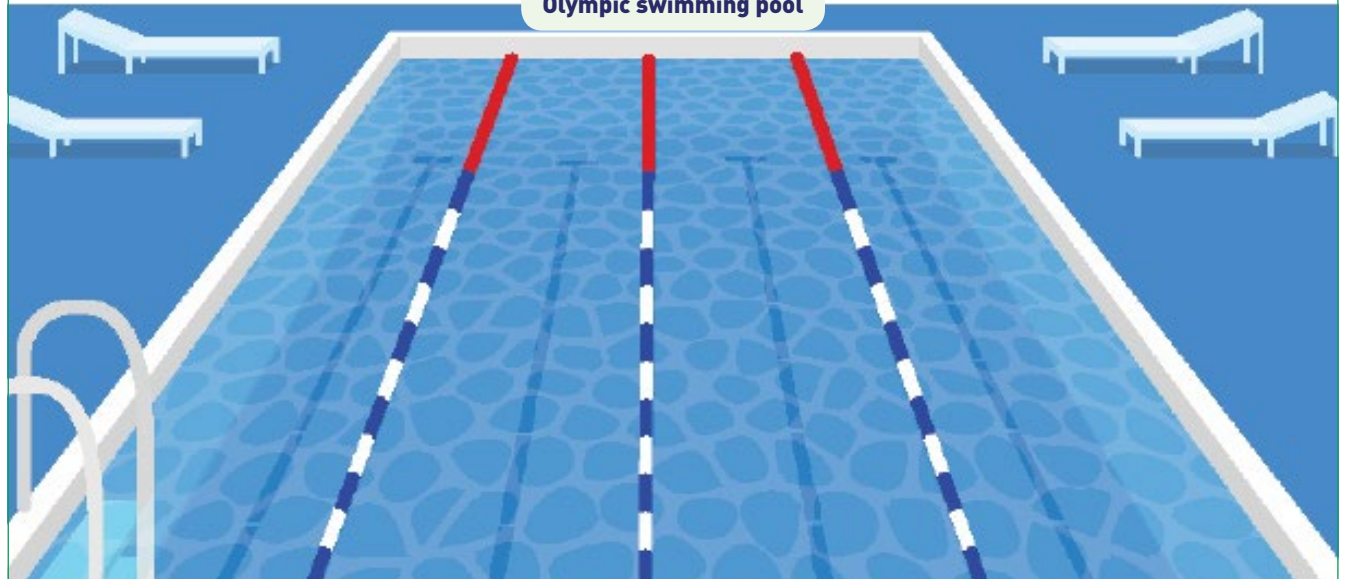
WATER MANAGEMENT

Looking ahead, Petron Malaysia is poised to further enhance its water management practices towards achieving targets to reduce water consumption intensity by 2% by the year 2025 from its 2022 baseline level. The installation of a new centrifuge at LPP in 2024 is also anticipated to reduce water consumption. Additionally, efforts to increase the quantity of condensate water returned to feedwater boilers are underway, aiming to reduce dependency on fresh water. This initiative is particularly relevant as the boilers represent the second largest consumer of water in our operations.

Plans for the replacement of a highly efficient cooling tower, the primary contributor to our overall water consumption, are in place, demonstrating our proactive approach to improve water efficiency. Our vision is to explore systems and technologies that minimise water use, ensuring our operations are at the forefront of sustainability and efficiency.

1 megalitre = 1,000,000 litres

Olympic swimming pool



An Olympic-sized swimming pool
(50 metres long x 25 metres wide x 2 metres deep)
has a volume of **2,500 cubic metres** which is a capacity of **2,500,000 litres** or **2.5 megalitres**

NATURAL RESOURCES

We understand the pivotal role that natural resources play in both our operations and the broader environmental ecosystem. Our commitment to sustainability is rooted in a conscious effort to balance our growth with responsible management of resources we depend on — crude oil, water, land and various other materials. This is crucial not only to our immediate operational needs but also in ensuring long-term sustainability in line with global environmental standards and objectives.

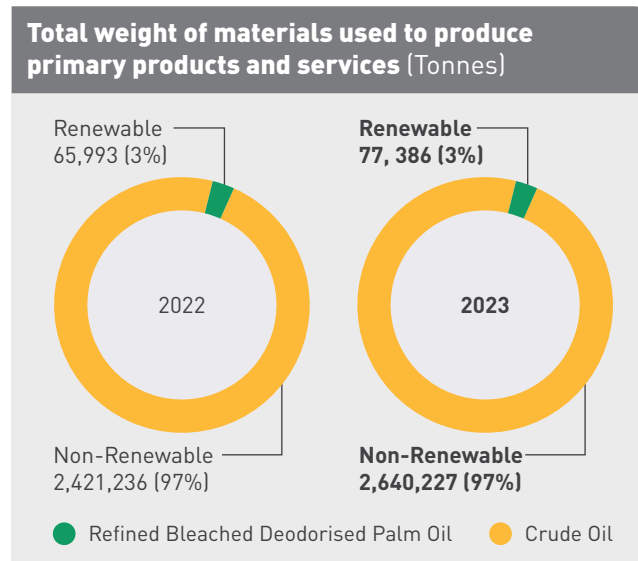
In pursuing this balance, we align our efforts with the United Nations Sustainable Development Goal 12, which advocates for sustainable consumption and production patterns. We recognise that our operations can potentially contribute to the depletion of natural resources. To mitigate this, we are committed to innovate and employ efficient resource management strategies that minimise our environmental impact while supporting our business objectives.

SUSTAINABLE CONSUMPTION

At Petron Malaysia, we are focused on using more renewable materials to support sustainable consumption. This means choosing products and services that have the least environmental impact. This commitment is demonstrated through the operation of our Palm Methyl Ester (PME) facility in Lumut, Perak, which is pivotal in producing renewable PME for blending with Automotive Diesel Oil (ADO) to produce biodiesel. Our LPP facility is certified for Malaysian Sustainable Palm Oil (MSPO) issued by Malaysian Palm Oil Certification Council which attests that the products are made through sustainable methods. This makes it good for the environment, and ensures that all processes are safe and

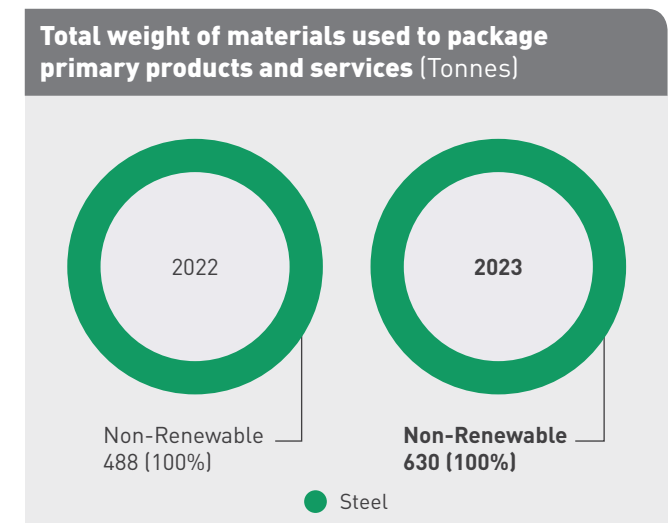
complies with Good Agricultural Practices (GAP). As part of the MSPO Supply Chain Certificate requirement, LPP must monitor and track both certified and non-MSPO certified Refined Bleach Deodorised Palm Oil (RBDPO) based on mass flowmeter, weighbridge and daily record. At present, our operations exclusively employ MSPO certified RBDPO.

Additionally, our approach on packaging has been refined to incorporate sustainability principles. The lubricant product packaging sourced from Petron Corporation now comprises an average of 10% recycled plastic, a percentage we have maintained since 2022. Surplus materials generated during the production process of our packaging are reincorporated into the manufacturing of new lubricant bottles.



Moreover, PDR mainly process domestically sourced Malaysia Crude Oil (MCO) such as Tapis, Kimanis and Kikeh which are low-sulphur crude oil, facilitates the production of higher quality clean petroleum products.

Recognising the collective responsibility in natural resource conservation, Petron Malaysia extends its sustainability practices to engage stakeholders, including suppliers, dealers and customers. One of the examples is the lifespan of our LPG cylinders, which are made from steel. To ensure that the cylinders are fit for use, they must be re-tested or re-qualified 12 years after date of manufacture and every seven (7) years thereafter. The periodic requalification must be performed according to Malaysia Standard (MS) 830 Code of Practice. By undergoing re-qualification, cylinders are thoroughly inspected and tested to address any potential issue and ensure they meet safety standards before the cylinders can be re-used in the market. We also initiated cylinders exchange programme with other oil companies that allows us to re-use our existing LPG cylinders and thus reduce the need for new ones. This initiative has effectively reduced the need for new 50 kg. and 12 kg. cylinders over the past seven years.



Note:
- Figures reported in 2022 have been restated after a thorough review.

BIODIVERSITY

We are committed to preserve biodiversity and natural habitats in areas where we operate. We develop strategies for environmental protection and consistently assess our potential impact on ecological systems through greenhouse gas emissions, deforestation and resource extraction in our supply chain. Our operations are also located away from high biodiversity areas, and we conduct thorough Environmental Impact Assessments (EIA) for new or expanding projects to prevent ecological damage.

We employ rigorous measures at our facilities to ensure our operations do not harm the environment. This includes monitoring water quality and managing waste to meet local regulations, thereby safeguarding surrounding ecosystems. Similarly, our LPP features a water treatment system to prevent pollution of local water bodies. Across all operations, we uphold stringent environmental standards to protect biodiversity. Additionally, we strive to mitigate and minimise indirect negative biodiversity impact.

In 2023, Petron Malaysia continued to actively engage in initiatives aimed at conserving natural habitats and ecosystems. A landmark collaboration with Universiti Putra Malaysia (UPM) to enhance the biodiversity of over 400 acres of low-biodiversity green areas in the vicinity of PDR through a forest enrichment plan has been at the forefront of these efforts.

The completion of the Green Lung Project in 2023 has yielded significant insights into the biodiversity within the refinery's vicinity, including the variety and density of species. The project also provided information on the carbon stock within the area, and its potential for carbon sequestration. The findings of the project, which have been concluded in 2023, are as follows:

THREATENED AND ENDANGERED SPECIES IDENTIFIED ACCORDING TO THE INTERNATIONAL UNION OF CONSERVATION OF NATURE (IUCN) RED LIST BY LEVEL OF EXTINCTION RISK:

CE Critically Endangered **EN** Endangered **VU** Vulnerable **NT** Near Threatened

Flora (53 species identified in total)

Common Name	Scientific Name	IUCN Red List Conservation Status
Mempening	<i>Lithocarpus curtisii</i>	VU
Karas	<i>Aquilaria malaccensis</i>	CE

Fauna (68 species identified in total, including mammals and avian)

Common Name	Scientific Name	IUCN Red List Conservation Status
Southern Pig-tailed Macaque	<i>Macaca nemestrina</i>	VU
Long-tailed Macaque	<i>Macaca fascicularis</i>	EN
Dusky Langur	<i>Trachypithecus obscurus</i>	EN
Rufous-crowned Babbler	<i>Malacopteron magnum</i>	NT
Javan Myna	<i>Acridotheres javanicus</i>	VU
Fluffy-backed Tit-babbler	<i>Macronus ptilosus</i>	NT
Black-throated Babbler	<i>Stachyris nigricollis</i>	NT

Estimated carbon sequestered: 272.64 tCO₂/hectare (34.03 ktCO₂ in total)

BIODIVERSITY

In addition to these efforts, we engage in several CSR projects to directly enhance biodiversity and support the circular economy such as the collaboration with Persatuan Aktivis Sahabat Alam (KUASA) and Majlis Pemandaran Manjung for planting of mangrove trees. This is just for a start as we have put in target to increase the number of trees planted to 2,000 trees by 2025.

Moreover, Petron Malaysia has demonstrated its commitment to expand its environmental efforts through the next phase of the PD Green Lung Project which will focus on forest enrichment, as well as the planting of fruit trees within our refinery premises.

**WE TARGET TO INCREASE THE
NUMBER OF TREES PLANTED TO
2,000 TREES BY 2025.**



“Adopt-A-Plant” For A Better Tomorrow

In conjunction with World Environmental Day, our Retail Sales division launched the ‘Adopt A Plant’ programme across Petron Malaysia service stations. This initiative is aimed to promote environmental and sustainability awareness among employees, business partners and the community by nurturing a sense of responsibility towards nature. This endeavour is also aligned with our guiding philosophy of “Protecting our environment today for a better tomorrow”.

Conducted from 5 June through 30 September 2023, the campaign involved 470 enthusiastic service station dealers who planted and distributed 23,500 plants to their customers as giveaways. The variety of plants cultivated by the dealers included chilli, radish, pak choy, spinach and tomato.

Some dealers even went the extra mile by constructing their own mini versions of greenhouses to ensure the healthy growth of these plants. The feedback from these dealers was overwhelmingly positive, underscoring the significant impact the ‘Adopt A Plant’ program has had on our community, leaving a legacy of environmental stewardship.



SUSTAINABLE SUPPLY CHAIN

Petron Malaysia operates with a complex network of over 900 suppliers and contractors, essential to our daily operation and fuel distribution activities across the nation. These vendors range from those supplying material goods to those offering services. Our supply chain spans from upstream activities involving crude oil suppliers, logistics companies that transport crude oil, to downstream processes where our distribution network collaborates with retail dealers and commercial accounts to ensure the availability of our products and services to end consumers.

The following table provides an overview of both our Upstream and Downstream supply chains. These examples are illustrative and not intended to be comprehensive:

UPSTREAM SUPPLY CHAIN:	DOWNSTREAM SUPPLY CHAIN:
1 Exploration and Production Companies	1 Refineries*
2 Transport and Logistics Companies	2 Petrochemical Companies
3 Original Equipment Manufacturer (OEM)	3 Distributors* and Wholesalers
4 Partners/Authorised Agents	4 Retailers*
	5 Transport and Logistics Companies/Forwarders/Haulers
	6 Contractors
	7 Dealers
	8 Suppliers
	9 Consultants
	10 Trainers
	11 Customers

Understanding the broad environmental and social impacts of our supply chain, from potential pollution to human rights concerns, Petron Malaysia is proactive in embedding environmental and social considerations into our vendor evaluation and selection process. This commitment aligns with the principles outlined in ISO 20400:2017 for Sustainable Procurement.

Our commitment to sustainability is further evidenced by the ISO certifications held by our refinery and terminals. These facilities are certified under ISO 45001:2018 for Occupational Health Safety Management and ISO 14001:2015 for Environmental Management, reflecting our dedication to rigorous environmental and occupational health and safety standards in supplier selection and performance evaluation. Additionally, the adoption of ISO 9001:2015 Quality Management System standards across these operations ensures continuous monitoring and improvement of our suppliers' environmental performance.

Looking to the future, Petron Malaysia aspires to implement sustainable Procurement based on the ISO 20400 Guidance on Sustainable Procurement Standard, marking a significant milestone in our journey towards sustainable supply chain management. We also engage our retail and LPG dealers in environmental risk assessments and training, focusing on areas such as oil spill response and scheduled waste management. Our service station dealers receive comprehensive training and documentation, including procedures for oil interceptor maintenance, underscoring our holistic approach to manage environmental impacts throughout our supply chain.

This strategic approach not only demonstrates our commitment to sustainability but also ensures that our operations and supply chain practices contribute positively to environmental stewardship and social responsibility, laying the foundation for a sustainable future.

Note:
* These roles are carried out by Petron Malaysia.

SUSTAINABLE SUPPLY CHAIN

PROCUREMENT PRACTICES

Petron Malaysia prioritises the integrity of its procurement practices, ensuring that all acquisitions from materials to services are aligned with the Group's rigorous standards. These standards emphasise not only quality and efficiency but also in minimising environmental impact and providing positive societal impact. Our approach to procurement underscores a commitment to ethical practices, underpinned by transparency and fairness, guaranteeing that all vendors irrespective of their size have equitable access to bidding opportunities.

Crucial to our procurement strategy is the promotion of a transparent and competitive environment that fosters an atmosphere where fairness prevails, and all participating vendors are evaluated on a level playing field. This strategy not only enhances the quality and diversity of the goods and services we procure but also strengthens our supply chain resiliency.

As part of our aim to strengthen our relationships with our vendors, we have instituted an efficient payment process system. This system ensures the timely fulfilment of financial obligations for goods and services rendered, fostering trust among our suppliers. Our Procurement and Finance Departments collaborate closely, meticulously tracking payment statuses to avoid any potential delays or discrepancies, thereby ensuring our commitments to vendors are honoured promptly. To achieve these targets, we have established the following order of procurement:

1 Selection



4 Awarding



2 Shortlist



5 Contracting



3 Evaluation



VENDOR ASSESSMENTS AND EVALUATIONS

Petron Malaysia takes significant steps to ensure that our vendors, including haulers, are aligned with our sustainability objectives. Prior to start any work, each vendor is required to undergo a thorough assessment to evaluate their potential environmental and social (OHS) impacts. This rigorous process has been applied to all our vendors over the past four years with the objective of verifying their compliance with relevant standards and regulations, as part of fulfilling the requirements of our ISO based management systems, i.e. ISO14001- Environment, 45001-OHS and 9001-Quality.

Although specific human rights criteria were not previously a focal point of our assessments, plans are underway to incorporate them into our evaluation processes. Furthermore, to strengthen the long-term viability of our supply chain, we also aim to achieve the following objectives by 2025:

Develop and implement a Supplier Code of Conduct alongside Economic, Environmental & Social Questionnaires.

Ensure 100% acknowledgment of the Supplier Code of Conduct by all new vendors.

Assess 100% of new vendors using the Economic, Environmental & Social Questionnaires, ensuring comprehensive compliance and alignment with our standards.

Our sustainability criteria also extend to specific standards relevant to our operations. For instance, LPP adheres to the Malaysian Sustainable Palm Oil (MSPO) standards which requires suppliers of Refined Bleached Deodorised Palm Oil (RBDPO) to meet stringent environmental and social criteria. This adherence not only supports sustainable palm oil production but also Petron Malaysia's sustainability objectives.

In our terminals, the selection and evaluation of suppliers and contractors incorporate safety and health considerations through the Petron Operational Integrity Management System (POIMS). This approach is mirrored in all other business units where contractor selection prioritises safety performance, capability and historical project success.

The Asset Management Group (AMG) who oversees maintaining our retail stations ensures that contractors are adequately trained and equipped to minimise social and environmental impact, with our Safety, Security, Health and Environment (SSHE) advisors conducting thorough internal audit to ensure compliance. These audits play crucial role in evaluating the effectiveness of our practices and in identifying opportunities for improvement.

Communicating and advocating for sustainability practices among our vendors, dealers and business partners is an ongoing effort. To-date, we are developing a Sustainable Supply Chain & Procurement Policy by 2024 to further cement our dedication to transparent and responsible procurement practices. We will remain committed to prevent and mitigate negative environmental and social impact within our supply chain.



FOSTERING SOCIETAL WELL-BEING

At Petron Malaysia, the foundation of our success is built on a dynamic, diverse, and flourishing team. Our commitment to nurture talent involves creating a safe work environment, conducive for career advancement and free from any form of discrimination. Through our Equal Employment Opportunity Policy, we ensure that all employees, regardless of race and gender, have access to upskilling opportunities and can adapt to changing business landscapes. We prioritise the well-being of our employees, offering a suite of benefits designed to support their overall welfare. Our approach to creating a positive working environment includes regularly engaging our employees through various activities and programmes, reinforcing camaraderie and respecting labour rights in partnership with the Staff Union.

Beyond our internal community, we uphold a commitment to safeguard the well-being of the local community. We adhere to all pertinent occupational safety and health legislations, anchored on a comprehensive Safety, Security, Health, and Environment (SSHE) Policy. Additionally, we maintain the confidentiality, privacy and integrity of our customer data in accordance with the Personal Data Protection Act (PDPA) 2010.

2023 Key Highlights:

41% increased training hours for Management Development Training from 2022



Achieved **0** recordable injuries and fatalities



44% women representation on the Board of Directors



31% increase in employees receiving training on health and safety standards



23% employees in Staff Union



AGILE, DIVERSE AND THRIVING WORKFORCE

A workforce that embodies agility, diversity, and vibrancy is fundamental in achieving business success. It empowers organisations to quickly adapt to evolving market dynamics, effectively addresses skill requirements, and navigates the challenges presented by demographic shifts. In today's highly competitive business environment, creating a culture of inclusivity where every employee is valued equally, is pivotal for attracting and retaining talents. We continuously work towards recruitment that allows people with different backgrounds and abilities to gain employment, including those in vulnerable groups to ensure they do not miss out on economic opportunities.



DIVERSE WORKFORCE MANAGEMENT

At Petron Malaysia, we view diversity as a key element of our corporate identity, integral in fostering innovation, enhancing adaptability, and facilitating strategic recruitment. This enriches our decision-making processes, boosts employee engagement, and propels our growth and success within the dynamic realms of the industry.

Our operations embrace a wealth of talent from a different racial and ethnic backgrounds, ensuring the inclusion and promotion of local talents throughout the country. This strategy enables us to offer substantial leadership roles across all levels of the organisation as we welcome individuals from diverse communities, including from underrepresented groups. A testament to this commitment is that 90% of our employees in our East Malaysia operations are locals of Sabah and Sarawak. We also have employees originating from East Malaysia in our HQ and in our Peninsular Malaysia operations.

Petron Malaysia champions a culture of inclusivity and equality, that is free from discrimination as reflected in our Equal Employment Opportunity Policy¹. We have zero-discrimination incidents, a record to be proud of. Our efforts to foster a respectful and unbiased work environment are bolstered by our employee grievance process where any employee-related grievances can be directed to our Legal or and Human Resources (HR) departments.



Petron Malaysia addresses unethical and prejudiced conduct via its Whistleblowing Policy². This provides avenues for internal, third-party contractors and vendors to report suspected violations of the law, or the Company's policies or internal controls, where the whistleblower will be accorded confidentiality with the protection of identity, to the extent reasonably practicable. Petron Malaysia celebrates diversity across its operations, ensuring a safe, welcoming, and progressive workplace for all employees.

Notes:

¹ For more information on the Equal Employment Opportunity Policy, refer to our SBC on our corporate website.

² For more information on the Whistleblowing Policy, refer to our SBC on our corporate website.

AGILE, DIVERSE AND THRIVING WORKFORCE

Empowering Women: Petron's Women in Networking (WIN)

In 2023, Petron Malaysia introduced its Women in Networking (WIN) initiative, to champion women's inclusivity. It began from a lunch chat of about 12 female employees. Overwhelmed by the challenges that many young mothers in the group face in juggling their work and handling a family started, this became as a support group whose initial goal was to empower the group's members and allow them to make intentional choices to balance their lives, all while feeling confident with carrying on with their careers. WIN now also serves as a platform for women to network and to address the distinctive challenges they encounter at the workplace.

At the heart of WIN lies a more important role of advocating for gender equality and amplifying women's voices within Petron, where they constituted only 34% of the total Company's workforce (as of 31 December 2023). Moreover, WIN fosters a sense of belonging and camaraderie particularly among young working mothers as they cope with the demands of career advancement.

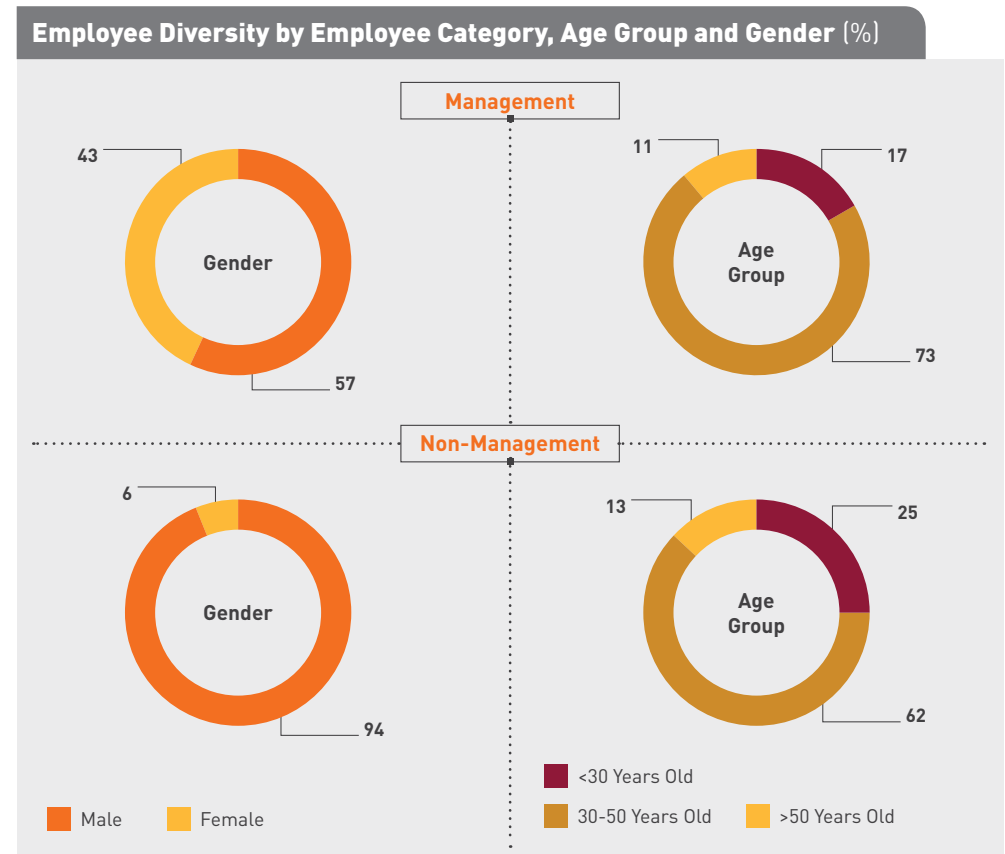
Petron's WIN is still at its infancy stage. Yet it has already gained support from Human Resources department, allowing the group to offer a wealth of resources and organisational backing to further its mission. As WIN continues to evolve, its future plans include expanding its reach through structured programmes focusing on career development, motivational talks, health and childcare support. By prioritising the holistic development of its members, WIN aims to create a more inclusive and supportive workplace culture, paving the way for women to thrive both personally and professionally in the organisation.



DIVERSE WORKFORCE PERFORMANCE

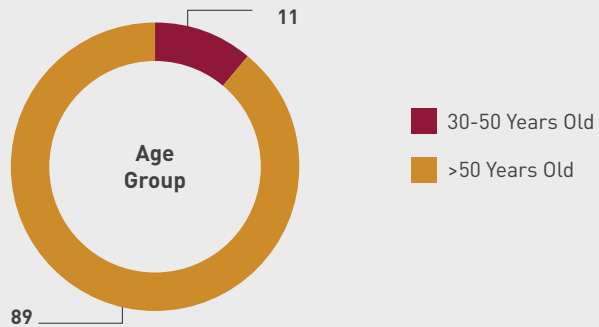
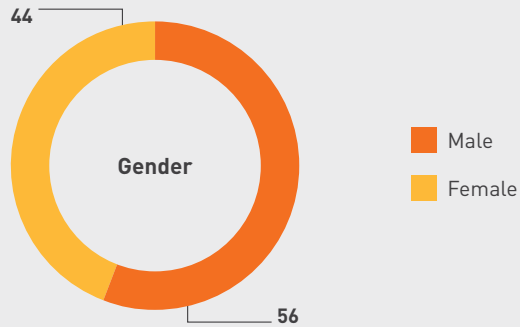
Workforce Diversity

In 2023, we provided employment and career opportunities to 660 employees in both Management (executives) and Non-Management (technicians) roles. Despite the largely technical nature of our operations, we have a higher male-to-female ratio at 66:34 in engineering and technical roles at the refinery, PME plant and fuel distribution terminals, which is consistent with the industry's demographic. We have 24-hours operations and work on shifts including weekends and public holidays, making it less attractive for some women.



AGILE, DIVERSE AND THRIVING WORKFORCE

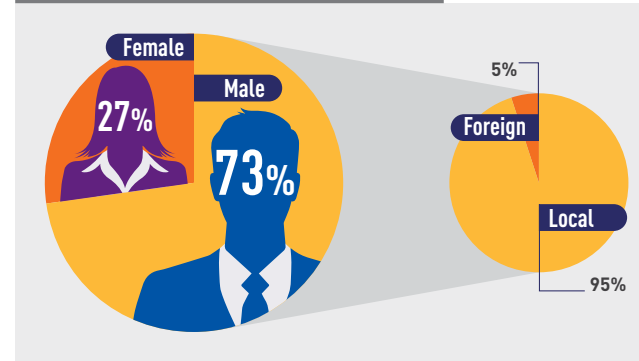
Board of Directors Diversity by Gender and Age Group (%)



WE TARGET TO INCREASE RECRUITMENT FROM MARGINALISED COMMUNITIES IN OUR ORGANISATION FROM 11 IN 2022 TO 20 BY 2025.

Our leadership diversity, where 44% of our Board Members are female. We note with pride that this figure surpasses the prior year's ratio of 33% and consistently exceeds the 30% ratio recommended by the Malaysian Code on Corporate Governance (MCCG) for four consecutive years. The selection of our Board Members is based on meritocracy, assessed on professional experience and academic qualifications and in accordance with the Companies Act 2016, Bursa Malaysia's Main Market Listing Requirements.

Senior Management in 2023 (%)



Approximately 90% of our workforce are under 50 years of age, while some 20% are below the age of 30. We plan to enhance our recruitment from marginalised communities and have set a target to increase their representation in our organisation from 11 in 2022 to 20 by 2025 in our continuous efforts to promote diversity.

These efforts underscore our belief in the importance of building a workforce that reflects the diversity of the communities we serve, reinforcing our dedication in creating a work environment that is welcoming, inclusive and supportive for all.



AGILE, DIVERSE AND THRIVING WORKFORCE

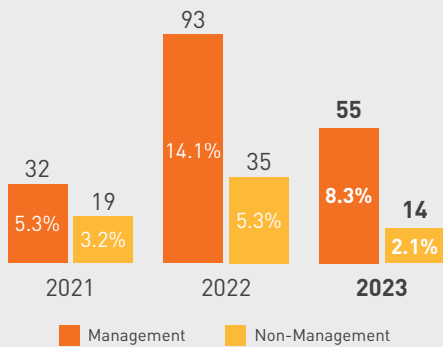
Employment in 2023

During the year, the pace of hiring slowed down compared to the previous year. Nevertheless, we had a significant number of new additions to the workforce from those aged between 30-50 years. On the other hand, this same age group produced the highest turnover rate due to their mobility and job opportunities. In contrast, those above 50 typically remained with the Company until retirement.

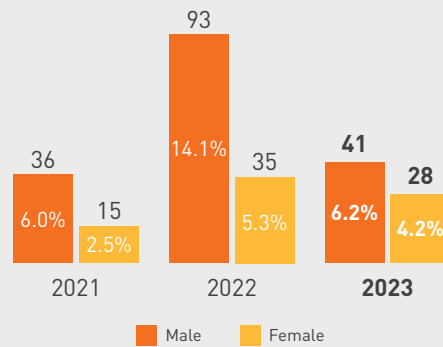
To retain our talent, we cultivate a working culture that equips and supports our employees to progress in their career path. We conduct training programmes, including Management Development Training (MDT), and have employee engagement activities to help develop a workforce that is both well-rounded and community conscious.

Total Number and Rate of New Hires

Employee Category

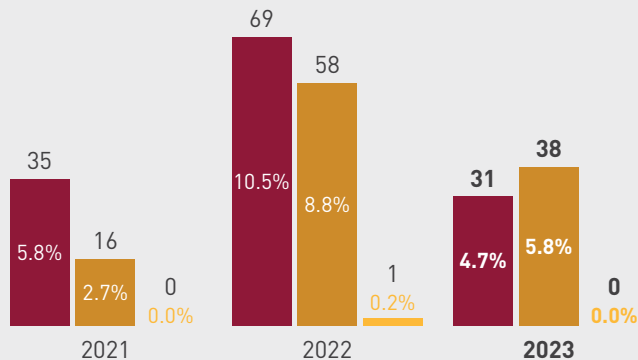


Gender



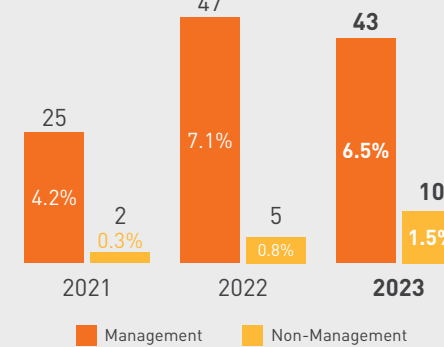
Age Group

- <30 Years Old
- 30-50 Years Old
- >50 Years Old

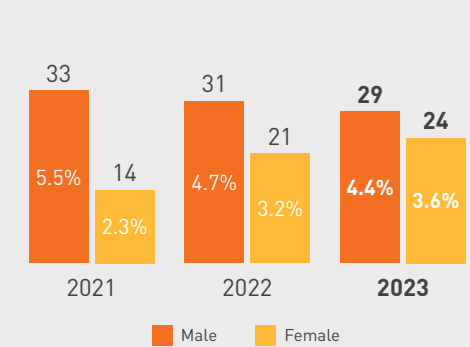


Total Number and Rate of Employee Turnover

Employee Category

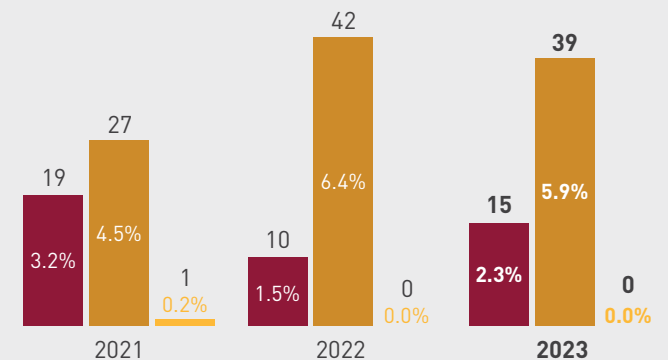


Gender



Age Group

- <30 Years Old
- 30-50 Years Old
- >50 Years Old



AGILE, DIVERSE AND THRIVING WORKFORCE

AGILE WORKFORCE MANAGEMENT

As we transition to a low-carbon economy while navigating the dynamic industry landscape, we need a workforce that is adoptive, resilient, and agile. To this end, we will continue to place a strong focus on empowering our employees and equip them with the latest knowledge and skills as we cultivate a workforce that is capable of managing our daily operations and rising to the challenges of the industry in an efficient, safe, and fair manner.

Training and Education

In 2022, Petron Malaysia embarked on a comprehensive enhancement of its employee training and education initiatives, aimed to align its workforce with the demands of a rapidly evolving industry that is transitioning towards a more sustainable and low-carbon future. In 2023, we continued this initiative by increasing and customising employees trainings which was reduced during the pandemic.

Central to our approach is employees Individual Development Plan (IDP). This sophisticated framework allows the development of personalised learning programme identified in employee performance evaluations which addresses specific skills and competency needs. Regular IDP reviews with employees are conducted to assess the training effectiveness and ensure that each individual's professional development requirements is adequately met. Additionally,

our employee training programmes are continuously refined to meet the needs of the Company and employees, through training evaluation feedback and interviews. The effectiveness of these training programmes is also evaluated by employees' supervisors during performance reviews, skill assessments and post-training evaluations.

For employees hired in recent years, we have broadened our training curriculum to include a comprehensive array of learning opportunities from specialised technical skills advancements to leadership and soft skills training. This holistic approach ensures that employees are well-equipped to meet the evolving demands of their roles and contribute effectively to the organisation's success.



A key component of our enhanced MDT programme covers four modules, namely:



Communication



Individual Effectiveness



Leadership



Corporate Culture & Knowledge



AGILE, DIVERSE AND THRIVING WORKFORCE

These modules are designed to prepare our leaders to effectively manage diverse teams, promote a learning culture, navigate complex negotiations, approach problem-solving strategically and implement projects with agility. In 2023, we introduced the following training programmes:



Leadership:

- Aspiring Individual Contributors



Individual Effectiveness:

- Driving Results with the right EQ
- Building Personal EQ
- Stakeholders Management



Communication:

- Corporate Storytelling

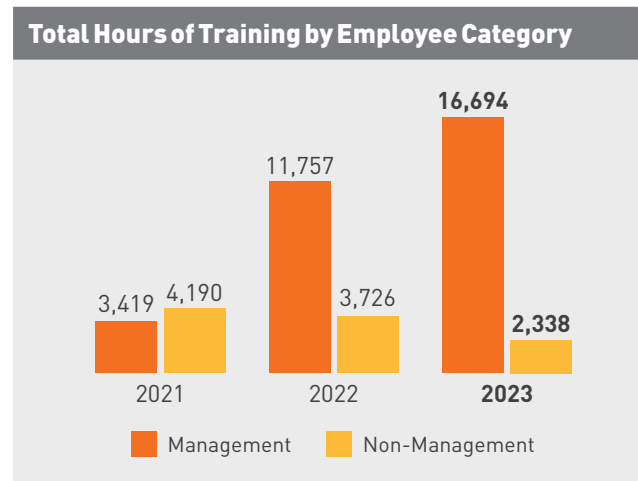
Training programmes are managed by the Human Resources Department and customised to meet the diverse needs of our employees and foster a culture of continuous learning and adaptability. By 2025, we target to achieve average hours of training per employee to at least 32 hours for Management and 15 hours for non-management.

BY 2025, WE TARGET TO ACHIEVE AVERAGE HOURS OF TRAINING PER EMPLOYEE TO AT LEAST 32 HOURS FOR MANAGEMENT AND 15 HOURS FOR NON-MANAGEMENT.

We recognise the importance of sustainability and are committed to build our team's sustainability proficiency. In 2022, our Sustainability Council and Technical Working Group (TWG) received sustainability trainings which have since been expanded to other employees and to include specialised areas and workshops conducted by external subject-matter experts to align with Petron Malaysia's sustainability goals. These include in-depth training on GRI Reporting Standards and other relevant topics. These initiatives are also in line with our target to increase the number of employees that have undergone sustainability-related training to 50% by 2025.

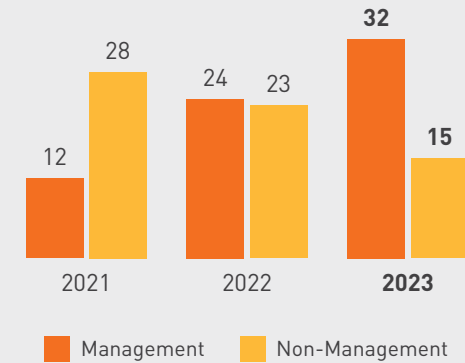
BY 2025, WE TARGET TO INCREASE TO 50% THE NUMBER OF EMPLOYEES THAT HAVE UNDERGONE SUSTAINABILITY-RELATED TRAINING.

Agile Workforce Performance

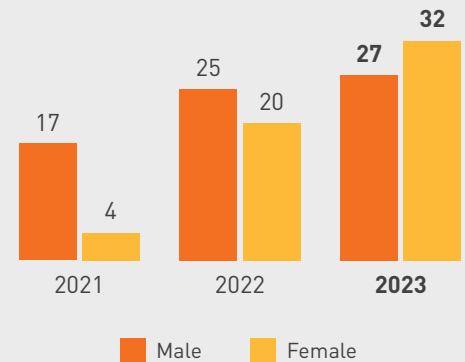


Average Training Hours per Employee

Category



Gender



AGILE, DIVERSE AND THRIVING WORKFORCE

THRIVING WORKFORCE MANAGEMENT

In today's dynamic business landscape where the work requirements are also evolving, ensuring the well-being of our workforce is vital in maintaining productivity. By fostering a workplace that focuses on physical health, mental wellness, a sense of purpose, and a strong sense of camaraderie, we enable our employees to perform at their best, leading to innovation and productivity.

Our efforts to create a supportive and positive workplace include programmes aimed at promoting employee empowerment, enhancing collaboration, and boosting motivation. We recognise the diverse needs of our workforce and ensure fair treatment and equal opportunities for all. Our Standards of Business Conduct (SBC) are accessible on our corporate website.

Employee Benefits

The Company supports employees' welfare by providing comprehensive benefits that exceeds the basic requirements of regulatory compliance and minimum wage.

These benefits are given to all regular employees to meet the needs of our workforce and their Union representatives to ensure our employees feel valued, supported, and equipped to thrive professionally and personally.

Employee Benefits

- | | |
|--|--|
| 1 Petron Medical Plan  | 6 Petrol Rebates  |
| 2 Education Refund Plan  | 7 Home Ownership Assistance Plan  |
| 3 Retirement Benefit  | 8 Survivors' Benefits Plan  |
| 4 Medical Disability Retirement Plan  | 9 Social Club Assistance Plan  |
| 5 Car Allowance  | |



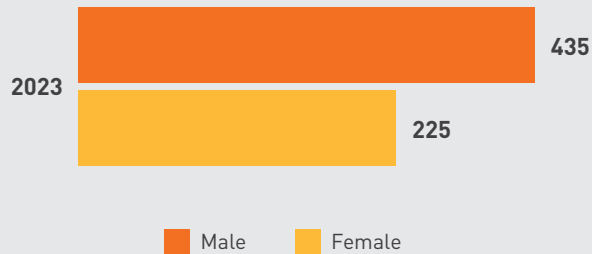
AGILE, DIVERSE AND THRIVING WORKFORCE

Parental Leave

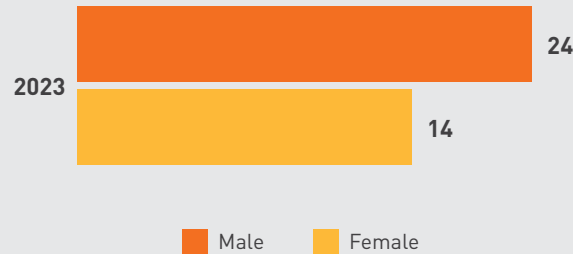
Our employees benefits include a parental leave plan with 90 days of maternity leave and five days of paternity leave, in accordance with the Employment Act 1955. In 2023, we are proud to report that every employee who took parental leave resumed their professional duties following the conclusion of their leave period. Furthermore, 100% of our female employees remained with the Company for at least a year after their maternity leave, illustrating the effectiveness of our support for working parents.

Parental Leave by Gender

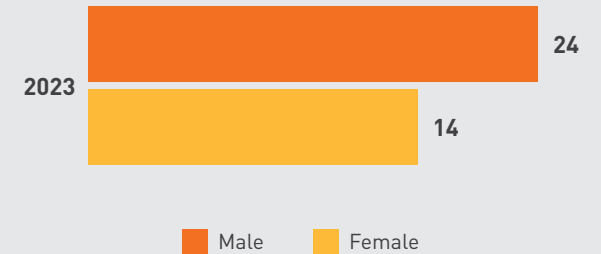
Employees who were Entitled to Parental Leave



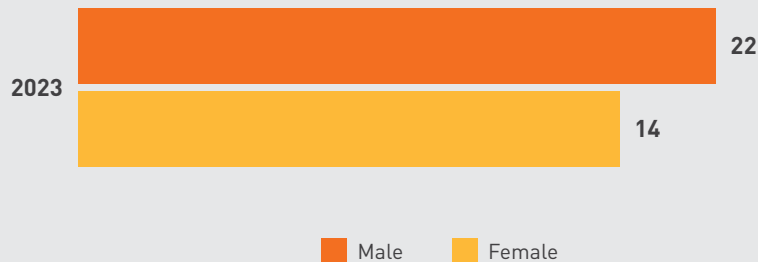
Employees who Took Parental Leave



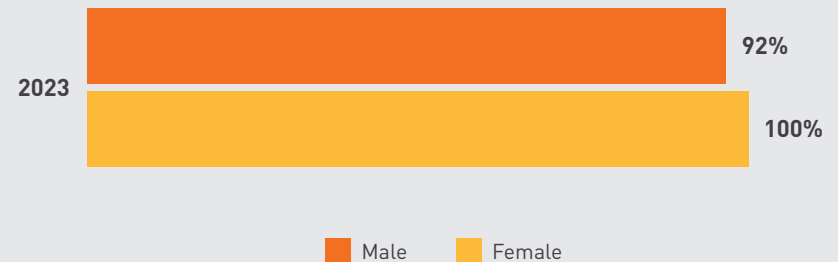
Employees who Returned to Work Post Parental Leave



Employees who Returned to Work Post Parental Leave and Still Employed 12 Months After Their Return to Work



Retention Rate of Employees who Took Parental Leave



AGILE, DIVERSE AND THRIVING WORKFORCE

Employee Well-being Programmes

In addition to our Company benefits, we aim to bolster our employees' well-being through a range of initiatives that aim to elevate job satisfaction, drive productivity, and encourage retention. In 2023, our efforts included activities that foster a culture that values health, safety, and a harmonious work-life balance. Petron Office Safety Health & Care Committee (POSHCC) and the Petron Kuala Lumpur Recreational Club (PKLRC) conduct various cross-departmental activities designed to cover various aspects of health and wellness and promoting a culture of safety and care within the workplace.

Our health-based initiatives included "Green Bag Talks" series organised by POSHCC and aimed to educate employees about healthy eating, heart health, fire safety training, the critical importance of early detection and effective treatment for cancer, and men's health awareness. Our health and wellness programmes include POUND classes which had over 30 employees attended the cardio and strength training sessions, and Flu Vaccination Programme. All employees were encouraged to participate in the annual vaccination drive held at the Head Office (HQ). To encourage employees to contribute to community health causes, we organised a Blood Donation Drive.



To strengthen team spirit and unity, we implemented Departmental Teambuilding Programmes. These included activities designed to reconnect colleagues and to welcome and integrate new employees. "Breakfast with the General Manager" offered a platform for open dialogue between new employees and senior management.

The Petron Kuala Lumpur Recreational Club (PKLRC) added to the camaraderie spirit by organising Football Friendly matches and a Go-Kart Championship event, providing a competitive yet enjoyable activity for our employees.

All these efforts were supported by our ExCITES Programme, which emphasises our core values of Excellence, Customer Focus, Innovation, Teamwork, Ethics, and Safety. This year, we are focusing on further embedding these values into our teambuilding activities and overall corporate culture. Every year, a new desktop wallpaper covering a specific core value is provided to all employees to serve as an active reminder of the organisation's values. In 2025, we aim to increase the number of our employee engagement programmes by 23%.

Labour-Management Relations

Petron Malaysia diligently works to foster a productive work environment through proactive labour-management engagement. Key to this is our practice of providing at least three weeks' notice before implementing any operational changes, aimed at minimising disruptions and keeping employees informed and trained. During this notice period, we engage with our union representatives and other stakeholders as appropriate to incorporate their feedbacks.

On collective agreements, a three-month notice period is allocated to facilitate consultation and negotiation, offering ample time for comprehensive discussions and collaborative review. This is to allow for a thorough exchange of ideas, ensuring contributions from all relevant stakeholders are considered. In adhering to these practices, we aim to uphold transparency and open dialogue as part of our effort to foster a collaborative environment between management and the union.

Freedom of Association and Collective Bargaining

At Petron Malaysia, we support the Freedom of Association and Collective Bargaining rights of our non-management employees. Employees are free to join the Sabah Petroleum Industry Workers Union and the National Union of Petroleum and Chemical Industry Workers to facilitate the negotiation of improved working conditions while ensuring that job performance aligns with the Company's expectations. During the year in review, 23% of our workforce, predominantly technicians and plant operators at the refinery and terminals, were union members.

AGILE, DIVERSE AND THRIVING WORKFORCE

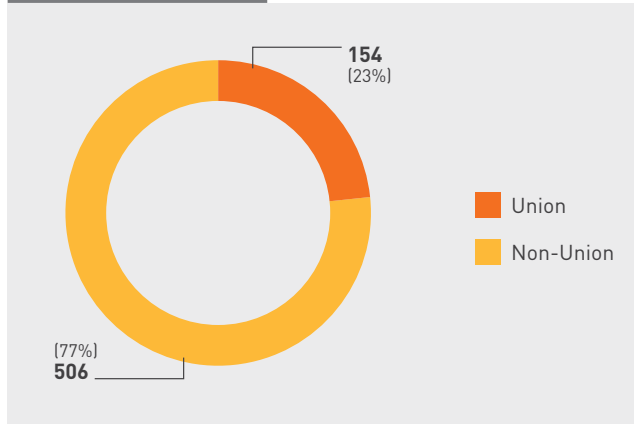
The relationship between the Company and Staff Union is marked by mutual respect. Biennial discussions and negotiations take place regarding the terms of a new Collective Agreement. Regular meetings with the Union are held to address any material concerns.

We are sensitive to the diverse needs of our employees. Employees are encouraged to raise work-related issues to the HR Department directly.

By respecting and upholding the rights to freedom of association and collective bargaining, we enable our employees to have a voice in shaping their workplace and develop a culture of equity and inclusivity. Ensuring the protection of workers' rights and promoting fair labour practices not only benefits our employees but also enhances Petron Malaysia's ability to attract and retain industry-leading talent, thus, reducing turnover rates and boosting productivity. We will continue to assess areas within our operations and supply chain that may potentially pose significant risk to the preservation of workers' rights.



Union Members



AWARDS AND RECOGNITIONS

In 2023, Petron Malaysia was honoured with multiple accolades in recognition of our unwavering commitment to our employees. These acknowledgements include:



Awards and Recognitions



M100 Awards
Best Newcomer

Category

- Best Newcomer



Graduates' Choice Award

- 2024 Graduates' Choice of Employers to Work for (received in 2023)

Category

- Oil & Gas category (4th Place)
- Convenience Store category (8th Place)



Graduan Brand Awards

- Malaysia's TOP-50 Most Preferred Employers 2023

Category

- All industries (38th Place)



SAFETY

Petron Malaysia strongly advocates fostering safety culture in preventing accidents or illnesses and in enhancing productivity. Recognising the inherent high-risk of the oil and gas sector which poses safety challenges for our employees, contractors, and surrounding communities, we prioritise safety as a core value that drives our operations. As a responsible industry player, we acknowledge the critical importance of safety in maintaining operational excellence and community trust. Through implementation of proactive measures and a continuous emphasis on safety practices, we continue to safeguard the well-being of our employees, stakeholders and the communities.

Petron Malaysia aims to excel beyond regulatory compliance by cultivating a safety culture which caters to the well-being of our community, operations, product integrity, and process reliability. We engage in rigorous risk management and provide comprehensive training and awareness to our employees and contractors. We also ensure strict compliance with regulatory standards and best practices, thereby embedding OSH practices into our business operations.

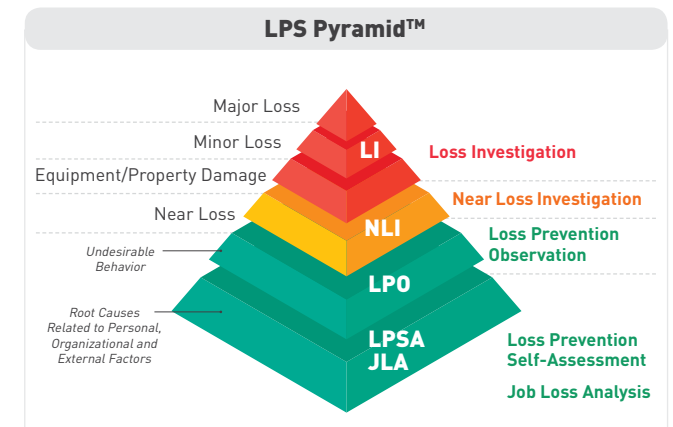
Our SSHE Policy¹ embodies our resolve to safeguard the health and safety of the public, our workforce, contractors, and suppliers and is supported by our Customer Relations Policy² and Quality Policy³ which address essential safety risk identification, management, preventive strategies and control measures.

Strictly conforming with the Occupational Safety & Health Act (OSHA) 1994 (Amendment) Act 2022, we uphold rigorous standards across all operations of the organisation. This is exemplified in our Distribution and Terminal operations. Amid the increase in the number of product deliveries, we continued to sustain a significant milestone of 35.46 million injury free manhours and 26.8 years without any Loss Time Injury (LTI), demonstrating our commitment to operational excellence and a safe working environment. 2023 was a notable year for our flawless compliance record with no violation in product safety, mislabelling or false advertising. SIRIM's surveillance audit of our refinery and terminals affirmed that our Petron Operations Integrity Management System (POIMS) conforms to ISO 45001: 2018. This is further demonstrated by our record of zero significant legal breaches for OSH.



Our commitment to uphold the highest safety, health and product quality standards is manifested in adhering with international best practices. PDR and all our terminals in Peninsular Malaysia are ISO 45001 OHSMS certified. Our target is to continue our flawless operations with Zero work-related fatalities, Zero Lost Time Injury Rate and Zero Process Safety Incident.

Petron Malaysia has incorporated Loss Prevention System (LPS), the most widely used behaviour-based safety process in POIMS and have effectively applied the tools throughout the organisation. The LPS is a systematic process that utilizes behavioural science principles to enhance SSHE performance. The system encourages employees and contractors to practice safe work behaviours and identifies unsafe behavioural practices. It leads to the prevention and mitigation of incidents whose root causes include human behaviours.



OUR TARGET IS TO CONTINUE OUR FLAWLESS OPERATIONS WITH ZERO WORK-RELATED FATALITIES, ZERO LOST TIME INJURY RATE AND ZERO PROCESS SAFETY INCIDENT.

Notes:

- ¹ For more information on the Safety, Security, Health, and Environment (SSHE) Policy refer to our SBC on our corporate website.
- ² For more information on the Customer Relations Policy refer to our SBC on our corporate website.
- ³ For more information on the Quality Policy refer to our SBC on our corporate website.

SAFETY

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT



Key Highlights

Zero
Work-related fatalities



Zero recorded
Lost Time Injuries (LTI)



Our refinery and terminals received recognition for their outstanding OSH performance by the **41st Malaysian Society for Occupational Safety & Health Awards (MSOSH) 2023**



Zero incidents of non-compliance due to product safety, mislabelling or false advertising



SAFETY

OSH GOVERNANCE



The Company's health and safety framework is based on various legal and regulatory guidelines. In observing these perimeters, we encourage a culture of safety where everyone is aware and actively involved in reducing the risks related to safety incidents. To achieve these goals, we are also focused on strengthening our approach to OSH governance. This

involves creating and maintaining clear policies, systems, and practices that ensure effective management of OSH throughout our organization.

This is overseen by the Company's Safety, Security, Health, and Environment (SSHE) Council. Previously known as the Safety, Security, Health, and Environment Leadership Team (SSHELT), the Council provides direction and shares with all departments the best safety practices, new ideas and lessons learned from past incidents. SSHE Council meetings are held twice a year and is continuously supported by SSHE Advisors embedded in each business unit.

The SSHE Council is led by the Refinery Manager, who assumes the position of Chairperson and reports progress on OSH matters to the council's Sponsor, the General Manager of Petron Malaysia. The Chairperson also organizes company-wide safety programmes and allocates resources for advice on important topics such as our safety guidelines and the Petron Operations Integrity Management System (POIMS).

Furthermore, we have established the Petron Office Safety, Health & Care Committee (POSHCC)¹ to reinforce a culture of safety across our operations. The main aim of POSHCC is to improve the safety, health, and welfare of our employees by involving them in safety discussions, such as through our Green Bag talk initiatives. Made up of management and members from each department, POSHCC meets quarterly to review safety initiatives and track the progress of various projects, ensuring we comply with the Occupational Safety & Health Act 1994 - Section 30.

The Main Roles of the SSHE Council

- Ensure practices and initiatives are implemented consistently
- Perform crossfunctional sharing of best practices
- Coordinating inter-departmental SSHE assessment
- Sharing of lessons learned from incidents and significant near misses (including incident cases from industry)

¹ Note:
For more info on POSHCC's initiatives, refer to pages . . .

SAFETY

THE PETRON OPERATIONS INTEGRITY MANAGEMENT SYSTEM (POIMS)

Our organisation subscribes to a rigorous Occupational Health and Safety Management System (OHSMS) that covers every facet of our operations, as well as our employees, workers of our contractors and suppliers. The Petron Operations Integrity Management System (POIMS) provides a detailed framework for operations and protocols for proactive identification and mitigation of risks associated with safety, health, environmental and security. Since its implementation in 2012, POIMS has been instrumental in upholding and advancing the highest standards of occupational safety and health (OSH) in our operations, aligned with our commitment to comply with the OSHA 1994 (Amendment) Act 2022 and the EQA 1972.

This all-encompassing system is practiced in all operational units incorporating 11 essential elements that reflect the leadership, dedication, and accountability of our management towards maintaining operational integrity and fostering continual improvement.

POIMS comprises the following 11 key elements

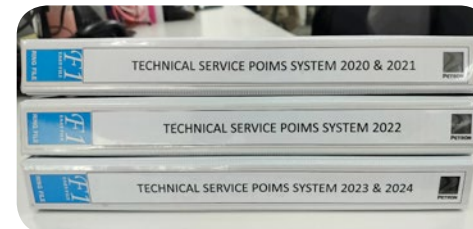


- | | |
|---|---|
| <ul style="list-style-type: none"> 1 Management Leadership, Commitment and Accountability 2 Risk Assessment and Management 3 Facilities Design and Construction 4 Information/Documentation 5 Personnel and Training 6 Operations and Maintenance | <ul style="list-style-type: none"> 7 Management of Change 8 Third Party Services 9 Incident Investigation and Analysis 10 Community Awareness and Emergency Preparedness 11 Operations Safety Assessment and Improvement |
|---|---|

In May 2023, our Distribution and Terminals Operations enhanced the Integrated Management System (IMS), which includes the Occupational Health and Safety Management System (OHSMS) by implementing multisite ISO certification for Petron Malaysia Peninsular Terminal (PPT), which was supported by an internal audit. This audit was carried out by ten (10) certified independent internal auditors to ensure that our operations not only complied with but also exceeded the established safety and health standards. The scope of this audit covered various aspects of our operations to ensure thorough compliance and improvement.

In July 2023, PPT was IMS-certified after auditors from SIRIM QAS International Sdn. Bhd. conducted a Surveillance Audit, on the multisite certification of its QMS, EMS, and OHSMS standards.

In August 2023, PDT underwent internal critical review of the POIMS System Verification and Measurement (V&M) during a DT&O POIMS Stewardship Meeting. This activity provided a thorough assessment of the POIMS framework, focusing on the efficacy of the safety management systems. This was part of a structured bi-annual review process to maintain the system's relevance and efficacy in safety management. By conducting regular assessments, we ensure continuous improvement and alignment of the POIMS framework with current safety standards and practices.



SAFETY

MITIGATION AND MANAGEMENT OF HAZARDS AND RISKS



The Company operates a wide array of facilities across the country, including service stations, making it crucial to implement strong and effective hazard and risk management systems. Managing risk is a key part of ensuring the safety and integrity of our assets including identifying and eliminating potential sources of incidents before any project begins. This involves conducting Job Safety Analysis (JSA), Hazard Identification, Risk Assessment and Risk Control (HIRARC), and Hazard Identification, Risk Assessment and Determining Controls (HIRADC) to properly evaluate and categorize the risk level of each project. In 2023, 69 risk assessments were conducted. In the Refinery, one of the major risks identified was the potential Hydrogen Sulfide (H₂S) exposure when conducting routine inspection work which has since been resolved with the replacement of hatch cover gasket. LPG vapour leak was also identified as another potential major risk. This was addressed by having regular preventive maintenance programme. An Emergency Response Plan (ERP)¹ has been developed for all high-risk facilities and communicated to all employees, contractors and relevant authorities.

We have in place You-See-You Act (UCUX) programme. This is a safety intervention programme where employees and contractors have the right to intervene (stop and report) on any unsafe practices or work conditions. UCUX reports can be re-categorised as Near Loss Incident (NLI) if the severity and consequences are assessed as high. In 2023, a total of 985 UCUX were submitted by employees and contractors with >90% of them already resolved.

Our risk management efforts are bolstered by the POIMS Risk Assessment and Management system, which requires the creation and implementation of a detailed risk management plan by trained professionals. This plan covers hazard identification, assessment, and follow-up actions to prevent and reduce risks to our employees, contractors, operations and equipment. Every aspect of Petron Malaysia's operations – the refinery, supply chain, distribution network, and service stations – undergoes thorough risk assessments. We also conduct Emergency Response Preparedness drills at each operational site.

At the Refinery, a Hazard and Operability Study (HAZOP) is conducted before initiating any project to review plans and operations and address any immediate design or engineering concerns. Four HAZOPs were conducted in 2023.

MANAGEMENT OF CRITICAL INCIDENTS AND HAZARDOUS SITUATIONS

We assess all critical incidents and hazardous situations that pose significant risks to our employees, contractors, vendors and the surrounding communities, as well as potentially impact to the environment. Critical incidents can range from hydrocarbon leak, fire, explosion, oil spill, whereas hazardous situation might involve working with

heavy machinery, structural collapses or fall. Without proper management system, these incidents could result in severe injuries, illnesses, or environmental contamination.

To address these risks, we have established policies and procedures to enable our employees to report critical incidents and hazardous conditions. These include Whistleblowing Policy which allows anyone from within or outside the organisation to report any incident without fear of retaliation.

For reporting hazardous situations, Petron On-line Incident Reporting System (POIRS) is used to report Near Loss and Loss Incidents. Once a report is in the system, it will trigger incident notification, investigation and reporting. POIRS has been aligned to the ISO 27001 Information Security Management System (ISMS) with restricted access provided to SSHE administrators and senior management. Any incident activates the POIMS Incident Investigation and Analysis protocol, which aims to minimise the occurrence and impact of recurring incidents by requiring immediate reporting to supervisors or division managers, who then must notify the department head, especially for high-severity incidents.

Petron Malaysia has defined the severity levels, notification procedures and response timeline in the Work-Related Incidents and Injury Guide, which is available to employees in the Petron My Hub intranet. The relevant business unit is responsible for investigating incident within 21 days including identifying root causes, corrective actions, and preventive measures. The SSHE Council also shares incidents and lessons learnt with council members from all departments, reinforcing our commitment to continuous improvement and safety of workplace and community.

¹Note:

¹ For more information on ERP PELITA VIII Exercise conducted at PDR, refer to

SAFETY

Emergency Preparedness and Response

In 2023, we undertook several emergency response exercises:

In November, Petron carried out the ERP PELITA VIII Exercise at PDR. The primary objectives of this drill were to test to ensure comprehensive knowledge of emergency protocols, roles and responsibilities and to evaluate the efficiency of emergency communications during an emergency.

The scenario enacted during the drill involved an LPG pipe leak near the LPG sphere tanks, which led to gas drifting towards a nearby vehicle, igniting a fire and causing an explosion that resulted in three simulated casualties. This specific scenario was chosen to mirror potential emergencies, testing the readiness of our response teams under stressful and dynamic conditions.

The exercise involved participation of 60 PDR staff, staff representatives from the Corporate Affairs Department (CAD) and Distribution & Supply. Members from the next-door refinery were also present, reflecting our commitment to extend community safety measures beyond our immediate operational environment. To bolster the exercise's authenticity and effectiveness, three key governmental authorities—BOMBA (the Fire and Rescue Department), the Chief Government Security Officer (CGSO), and the Royal Malaysia Police (PDRM) were invited to observe the proceedings.

This drill not only tested our emergency response capabilities but it also fostered stronger ties with local community, and relevant government authorities. By conducting a comprehensive safety exercise, Petron reinforced its

dedication in maintaining the highest standards of safety and emergency preparedness, ensuring the well-being of our staff and the surrounding communities.



We also conducted the following emergency drills at our Terminals:

- In July, our sister company's Sandakan (SDN) terminal participated in Emergency Response Plan (ERP) drill organised by Sabah Port Sandakan (SPSB Sandakan) as part of the Karamunting Emergency Mutual Aid (KEMA) activities. In this exercise, a speed boat crashed into a jetty dolphin, causing an Automated Diesel Oil (ADO) oil spill and fire due to damaged vessel's flexible hose. The

drill started at 9:00 a.m. and concluded at 11:00 a.m., followed by a review session.

- In October, Petron Bagan Luar Terminal (BLT) organised the External Drill 2023 - Ops Blaze Power, focusing on oil spill and fire response, injury management, and security breach scenarios. The drill was a joint effort involving PDRM, BOMBA, PIMMAG and Penang Port Fire & Safety. The drill had the participation of four representatives from LPP Emergency Response Team (ERT) as observers.
- In the same month, Petron conducted two significant full-scale emergency response drills with its haulers. The first, was organised by SCB Premier Logistic Sdn. Bhd. in Kedah, and the second, by Prifaria Sdn. Bhd. in Terengganu. These drills were crucial training for Petron and its haulers to practice and refine emergency response protocols, identifying areas for enhancement to ensure the Emergency Response Teams are well-prepared for actual incidents.



We celebrated World OSH Day on 28 April, with the theme "A Safe and Healthy Working Environment – A Fundamental Right." The day served to remember victims of workplace accidents and diseases and to promote a culture of prevention against occupational accidents and illnesses.

SAFETY

OSH TRAINING

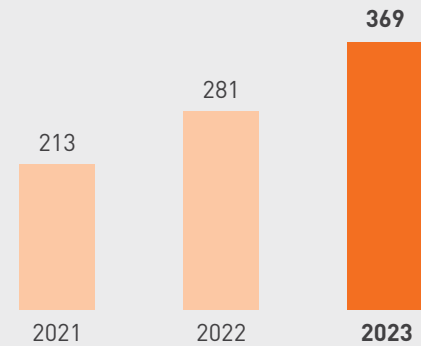
At Petron Malaysia, we are committed to safety, and we provide OSH training to our employees and contractors to ensure safe working environment, enhancing safety awareness and reducing the risks of injuries and illnesses. These efforts did not only minimize potential Lost Time Injuries but also boosted overall productivity.

Our OSH training programme encompasses a broad spectrum of topics through in-person and online sessions. These sessions are provided to all operation employees and contractors covering essential areas such as Safety Induction, Loss Prevention System, basic personal protective equipment (PPE), Work permit training and Safety Awareness E-learning Training (SALT).

To effectively manage and monitor our training efforts, we employ a SSHE training matrix. In 2023, we increased by 31% the number of employees trained in health and safety standards compared to previous year from the new amendment to OSHA regulations, the recruitment of additional employees to support operation, and the renewal license of ‘competent person’ responsible for recognising and solving hazards in the workplace.



Total Number of Employees Trained on Health and Safety Standards




Notes:

- Data for Refinery, Lumut PME Plant and Terminals only.
- Figures reported in 2021 and 2022 have been restated to account for a recalculation.

SAFETY

Other than the mandatory training, business units also implement additional OSH training specific to their operational needs.

Refinery	LPP	Terminals
Mandatory training for all operations employees		
Safety Induction	Loss Prevention System	Basic Personal Protective Equipment (PPE)
Work Permit Training		Safety Awareness E-learning Training (SALT)
<ol style="list-style-type: none"> OSHA Safety and Health Act 1994 (OSHA), Amendment 2022 Automatic Tank Gauging (ATG) Authorized Entrant and Stand-by Persons for Confined Space (AESP) Boiler Incident Investigation HIRARC training Job Safety Analysis Proper Labelling per CLASS Regulations 	<ol style="list-style-type: none"> HIRARC training Incident Review Sharing 	<ol style="list-style-type: none"> OSHA Safety and Health Act 1994 (OSHA), Amendment 2022 CIDB Green Card Safety and Health Officer (SHO) Basic Occupational First Aid (BOFA) - First aider BOMBA ERT Certification Training Authorized Entrant and Stand-by Persons for Confined Space (AESP) Authorized Gas Tester and Entry Supervisor for Confined Space (AGTES) OSH Coordinator Forklift Driver Fundamental of Classification, Labelling and Safety Data Sheet of Hazardous Chemicals (BASIC) (CLASS 1) Ergonomics and Manual Handling in Workplace (EMHW) Back protection (BPM) Safety In the Use Of Chemical (STUC) Working Safely at Height (WAH) Ergonomic Trained Person for Initial Ergonomic Risk Assessment Hygiene Technician 1 (Chemical Monitoring) Integrated Management System (ISO9001, ISO 14001 & ISO 45001) Understanding & Awareness Defensive Driving

SAFETY

OCCUPATIONAL HEALTH SERVICES

We believe that fostering a culture of safety extends beyond the workplace to encompass a broad spectrum of non-occupational medical and healthcare services. We offer our employees counselling services, employee assistance programmes and periodic medical screenings. Our medical benefits over employees and their dependents, ensuring a holistic approach to their well-being.

To keep our workforce informed and engaged, we conduct regular health talks through the Petron Office Safety, Health & Care Committee (POSHCC), covering a wide range of topics below.

- Healthy Eating
- Heart Health
- Fire Safety Talk and Training
- Cancer: Early Detection & Effective Treatment Save Lives
- Men's Health Awareness Month



In 2023, POSHCC successfully trained and certified 18 first-aiders from our office-based employees. Additionally, 51% of our safety wardens received training in Automated External Defibrillation (AED) & Cardiopulmonary Resuscitation (CPR). These initiatives not only surpass the safety standards regulated by Department of Occupational Safety and Health (DOSH) but also significantly enhance our workplace safety.

Our Occupational Health Doctors (OHDs) are registered with DOSH. They provide crucial healthcare services to both employees and contractors, helping us comply with specific health regulations, particularly those related to the exposure to hazardous chemicals as outlined in the Occupational Safety and Health (Use and Standard of Exposure to Chemicals Hazardous to Health) Regulations 2000. Our OHDs also supervise medical surveillance conducted by our Company appointed doctors on employees and contractors exposed to hazardous substances.

Our OHDs conduct health surveillance for employees and contractors working in confined spaces, ensuring compliance with the Industry Code of Practice for Safe Working in a Confined Space 2010. They also provide medical advice, give health talks and conduct mental health evaluations to those requiring seeing mental health specialists. This comprehensive approach highlights our dedication to the health and safety of our personnel, both within and beyond the workplace.

COMMUNITY SAFETY

Petron Malaysia's focus on health and safety of the communities where we operate aims to reduce and manage risks associated from our business operations.

To safeguard these communities, we proactively manage potential safety and health impact stemming from our operations, including activities at our refinery, terminal, plants, transportation processes and service stations. Our dedication to safety is illustrated through the enhancement of asset integrity and critical incident management, trainings, strategic partnerships and awareness programmes.

We also engage in frequent interactions with our neighbouring communities to establish communication channels to share relevant information about of our operations. These channels also serve as a platform for them to raise their concerns.

Communication with the community takes various forms, including meetings with community leaders, written correspondence, and other informal channels like instant messaging. We have a Community Grievance Mechanism for the reporting of safety and environmental concerns. These reports are logged, evaluated, and tracked through our POIMS system, ensuring responsiveness to community feedback, particularly during events organized under the Control of Industrial Major Accident Hazard (CIMAH) and Petroleum Industry of Malaysia Mutual Aid Group (PIMMAG) frameworks. During the year 2023, we received one (1) grievance report which was resolved within two (2) days.

We actively implement community safety initiatives such as our Fire and Road Safety Programme¹ which are designed to increase safety awareness among schoolchildren. Our commitment to safety at our facilities is also demonstrated in our Go-to-Safety-Point programme², encompassing emergency readiness training for our station dealers and staff.

Notes:

¹ For more info on our Road Safety Programme, refer to

² For more info on our Go-To-Safety Point programme, refer to

SAFETY

Petron Malaysia's Tandas Kita Bersih Initiative



We prioritise the health and welfare of our customers and the broader community by providing clean, hygienic, and well-maintained public spaces, thereby reducing the risk of transmissible diseases.

Launched in 2018, our "Tandas Kita Bersih", programme ensures all Petron Malaysia service stations have 'Clean, Dry and Functional' restroom standards. In 2023, our efforts were recognised at regional level when one of our service stations in Malacca received the ASEAN Public Toilet Award. We also won the prestigious Ministry of Housing and Local Development Toilet of the Year Award (Service Station Category) for two of our service stations in Johor.

Awards Won for Tandas Kita Bersih Initiative in 2023

Regional level	ASEAN Public Toilet Award ASEAN Tourism Standard		▶ Petron Lebu Spa
National Level	Toilet of The Year 2023 Award Ministry of Housing and Local Government (KPKT)		▶ Petron Senai Jaya - 1 st ▶ Petron Linkedua SB- 2 nd
Local Council Level	Johor	Iskandar Puteri City Council	▶ Petron Bukit Indah - 1 st ▶ Petron Jalan Skudai - 2 nd
		Pasir Gudang City Council	▶ Petron Masai Kong Kong - 1 st ▶ Petron Tmn Nusa Damai - 2 nd ▶ Peton Bandar Seri Alam - 3 rd
	Sabah	Kota Kinabalu City Council	▶ Petron Ulam North - 1 st ▶ Petron Ulam South- 2 nd ▶ Petron Inanam - 3 rd ▶ Petron Jalan Pantai - 4 th
		Selangor	Shah Alam City Council
		Petaling Jaya City Council	▶ Petron Lebu Bandar Utama - 1 st
		Ampang Jaya Municipal Council	▶ Petron Pandan Indah 2- 1 st ▶ Petron MRR2 Safari - 2 nd
		Klang City Council	▶ Petron Sungai Jati - 1 st ▶ Petron Jalan Kebun- 3 rd

Through these programmes, Petron Malaysia demonstrated its dedication to enhancing safety education and awareness across communities, contributing significantly to the well-being of students, teachers, and vulnerable groups.



SAFETY

HEALTH AND SAFETY PERFORMANCE

Employees

	2021	2022	2023
No. of Hours Worked	897,054.3	897,197.1	878,217.9

	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	0	0	0	0	0	0
Lost Time Injury	1	0.2	0	0	0	0
High Consequence Work-related Injuries	1	0.2	0	0	0	0
Recordable Work-related Injuries	0	0	0	0	0	0
Recordable Work-related Ill Health	0	0	0	0	0	0

Note:

- The 2021 data has been revised to account for High Consequence Work-related Injuries and Recordable Work-related Injuries following a recalculation.

Non-Employees (Contractors)

	2021	2022	2023
No. of Hours Worked	2,580,590.9	2,308,376.1	2,351,379.9

	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	1	0.1	0	0	0	0
Lost Time Injury	1	0.1	0	0	0	0
High Consequence Work-related Injuries	0	0	0	0	0	0
Recordable Work-related Injuries	1	0.1	0	0	0	0
Recordable Work-related Ill Health	0	0	0	0	0	0

Notes:

- Rates were calculated based on 200,000 work hours.
- Data for PDR, Terminals and Lumut PME Plant only.
- Non-employees refer to workers who are not employees but whose work/or workplace is controlled by Petron Malaysia.
- High-consequence work-related injuries are injuries that result in fatality or an injury from which the worker, does not, or is not expected to fully recover from to pre-injury health status within six months.
- Recordable work-related injuries are injuries that result in fatality or days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury diagnosed by a physician or other licenced healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.
- The rates for employees and non-employees have been rounded up to one decimal point.



SAFETY

SAFETY AND ENVIRONMENT AWARDS AND RECOGNITIONS

We are proud that Petron Malaysia has been recognised once again for its outstanding performance on safety, and environment. During the year in review, we had the privilege and honour of receiving the following awards and certifications:

- MSOSH 2023 Awards**

At the 41st Malaysian Society for Occupational Safety & Health Awards (MSOSH), our Refinery and terminals were honoured with three Grand Awards, three Gold Merit Awards, three Gold Class 1 Awards, this marks the first time Petron Malaysia received 3 Grand awards. our Bagan Luar Terminal achieved the highest MSOSH Grand award score.

41st Malaysian Society for Occupational, Safety and Health Awards (MSOSH) 2023

Grand Award Winner

- Bagan Luar Terminal
- Kuantan Terminal*
- Pasir Gudang JV Terminal*

Gold Merit

- Sepangar Bay Terminal
- Sandakan Terminal*
- Tawau Terminal*

Gold Class 1

- Port Dickson Refinery
- Port Dickson Terminal
- KLIA Aviation Depot

- MSOSH OSH Practitioners & Media Award**

The new MSOSH OSH Practitioners & Media Award in 2023 highlighted our leadership in safety and health management, celebrating exceptional leadership and results from the previous year. Eight of our terminals were recognised for their outstanding OSH performance and honoured with one Superior Performance, three Prime Performance and four Ace Performance.

MSOSH OSH Practitioners & Media Award

Superior Performance

- Kuantan Terminal*

Prime Performance

- Bagan Luar Terminal
- Pasir Gudang JV Terminal*
- Sepangar Bay Terminal

Ace Performance

- Port Dickson Terminal
- KLIA Aviation Depot
- Sandakan Terminal*
- Tawau Terminal*

- RoSPA Silver Award**

Our first international safety award for our sister company's Kuantan Terminal with Silver Award from the Royal Society for the Prevention of Accidents (RoSPA) in the United Kingdom, for health and safety excellence.

- SIRIM IMS & QMS Surveillance Audit/Recertification**

Our PPT IMS/QMS Multisite certification after a successful surveillance audit by SIRIM, covering QMS, EMS, and OHSMS.

- DOSH Workplace Assessment**

The Department of Occupational Safety and Health (DOSH) awarded our terminals an "A" rating in 2023, validating our efforts to create a safe and healthy workplace environment.

DOSH Workplace Assessment

Rated "A"

- Port Dickson Terminal
- Bagan Luar Terminal
- Kuantan Terminal*
- Pasir Gudang JV Terminal*
- Sepangar Bay Terminal

These recognitions reflect our excellence in OSH and our proactive approach to environmental stewardship and quality management, reinforcing our commitment to the well-being of our employees, contractors and to the environment.



Note:
* PMRMB's sister companies' facilities.

CUSTOMER DATA PROTECTION

In today's digital era, the protection of our customers' personal data stands as a cornerstone of our commitment to integrity and trust. We recognise the importance of protecting sensitive information against unauthorised access, usage or disclosure, and adherence to the highest standards and implementation of best practices on safeguarding customers data and ensuring the privacy rights of our customers are always respected and protected. The data we collect are from customer inquiries, feedback and responses obtained through our Petron Care, PMiles, social media platforms, end users, commercial customers and service station dealers.

DATA PROTECTION MANAGEMENT

Petron Malaysia's approach to Data Protection Management is anchored in a robust framework designed to secure our customers' personal data with utmost diligence. Our governance is steered by the Information Technology Policy, which aligns with the standards set in Petron Malaysia's SBC. We have aligned our operations with the ISO 27001 Information Security Management System (ISMS) and adopted the ISMS policy guidelines of our ultimate parent company San Miguel Corporation, which have been customised for our Malaysian operations, laws and guidelines.

In addition to meeting regulatory compliance, we continued to enhance our cybersecurity awareness and cybersecurity infrastructure. We are aware that any compromise to customer privacy or data integrity could subject Petron Malaysia to legal, reputational, and financial repercussions and our commitment to data protection is integral to our operational integrity aimed at mitigating risks and upholding reputation of reliability and trustworthiness.



Throughout the year, we took significant steps to strengthen our cybersecurity. A Cyber Security Assessment was carried out successfully by an appointed auditor through the Internal Audit department, in addition to periodic Vulnerability and Penetration Testing done internally. This enabled Petron Malaysia to identify, safeguard, and resolve any potential information security risk. To increase employee awareness on cybersecurity, the Company regularly issues reminders, security bulletins and guides on ways to prevent data breaches, recognising phishing attempts, importance of using malware/antivirus software tool and strong passwords.

Additionally, we continually update our IT infrastructure to enhance the Company's security measures. This includes upgrading firewalls with latest security features, implementation of data encryption tool and mobile device security measures, to enhance corporate data integrity and security.



Note:

¹ For more information on the Information Technology Policy, refer to our SBC on our corporate website.

CUSTOMER DATA PROTECTION

Prioritising The Protection of Customer Data

In 2023, Petron Malaysia maintained its strong commitment to protect customers data and complying to the Personal Data Protection Act (PDPA).

We enhanced our cybersecurity by implementing encryption and restricted access to key data files. We continued to take measures in ensuring the security of payment gateways at our service stations. Our retail stations' payment devices that receive customers' data are all in compliance with the Payment Card Industry Data Security Standard (PCI DSS). Cardholder information is stored securely within our cloud database in compliance with PCI DSS. PCI compliance is assessed annually.

Our customer engagement platforms, including Petron Care, Petron PMiles hotlines and various social media channels, are key touchpoints for gathering customer feedback, inquiries and responses. Information gathered is recorded and analysed to enhance our understanding of customer needs and to drive continuous improvement in our product offerings and services.

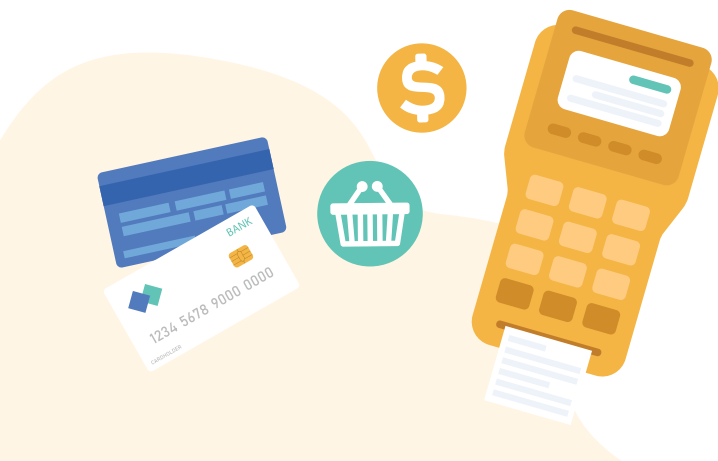
Data gathered from these channels are protected under the PDPA 2010, and in compliance with our PMiles Terms and Conditions. Data obtained from our call centres are limited to authorised personnel only and access logs are regularly reviewed to ensure the highest levels of data integrity and confidentiality.

These measures reinforce our commitment to ensure a robust cyber risk management and data protection security.

DATA PROTECTION PERFORMANCE

There were zero substantiated complaints received on breaches of customer privacy, losses of customer data and non-compliance to standards and regulations in 2023. As we progress in our journey towards sustainable value creation, we will continue to enhance our cybersecurity measures to safeguard the privacy of our stakeholders.

	Unit	2021	2022	2023
Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Number	0	0	0
Total Number of Identified Leaks, Thefts or Losses of Customer Data		0	0	0



MEMBERSHIP OF ASSOCIATIONS












Company	Organisation/Association	Petron Malaysia's Participation
PMRMB/PFISB/POMSB	<ul style="list-style-type: none"> Malaysian Society for Occupational Safety and Health (MSOSH) 	<p>Refinery – Port Dickson Terminals – Port Dickson, Bagan Luar, KLIA Aviation Depot, Kuantan*, Pasir Gudang*, Sepangar Bay*, Sandakan* and Tawau* Lumut PME Plant</p>
PMRMB/PFISB/POMSB	<ul style="list-style-type: none"> PIMMAG – Petroleum Industry of Malaysia Mutual Aid Group <p>PIMMAG is established to enhance the protection of the environment through the provision of pooled resources to respond to oil spill contingencies arising in Malaysia and Malaysian waters, including the Exclusive Economic Zone. Its major shareholders are the oil companies operating in Malaysia. However, any company with oil related activities is also eligible to join as a member.</p>	<p>Members of PIMMAG Advisory Committee (PAC):</p> <ul style="list-style-type: none"> Supply and Distribution SSHE & Training Advisor PDR Emergency Response Coordinator <p>Refinery – Port Dickson Terminals – Port Dickson, Bagan Luar, KLIA Aviation Depot, Kuantan*, Pasir Gudang*, Sepangar Bay*, Sandakan* and Tawau* Lumut PME Plant Also covers inland Offshore Self Regulation - Retail Service Stations, Commercial and Fleet.</p>
PMRMB	<ul style="list-style-type: none"> Malaysian Biodiesel Association (MBA) 	Lumut PME Plant Operations Manager



Note:
* PMRMB's sister companies' facilities.

PERFORMANCE DATA TABLE

Petron Malaysia Refining & Marketing Bhd as a Listed Issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Bursa Malaysia Sustainability Reporting Guide, 3rd Edition. The following performance data table, downloaded from the ESG Reporting Platform summarises indicators and the Company's targets that are pertinent against the 11 Bursa Common Sustainability Matters:

	Community/Society
	Anti-corruption
	Energy management
	Emissions management
	Waste management
	Water
	Supply chain management
	Labour practices and standards
	Diversity
	Health and safety
	Data privacy and security

To ensure the accuracy and transparency of our disclosures, key Environmental data indicated in the table below have been internally reviewed by Petron Corporation's Internal Audit.

We shall continue to further enhance our data accuracy and quality to strengthen our disclosures moving forward. In addition, we plan to expand the scope of the review.

Indicator	Measurement Unit	2021	2022	2023	Target
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	155,966.77	608,315.59	1,153,726.60	Increase amount invested in the community by 5%
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	28,189	5,245	7,763	Increase number of beneficiaries by 5%
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	100.00	56.00	47.00	Increase number of employees trained on Standards of Business Conduct to 100%
Non-Management	Percentage	100.00	22.00	64.00	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	0.00	100% of operations assessed for corruption-related risks
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	809,223.00	984,406.00	980,803.00	
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	151,265.00	181,916.00	190,607.00	Reduce GHG emissions intensity by 4% (Scope 1 & 2)
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	57,628.00	74,370.00	70,971.00	

Notes:

- All targets are against our base year 2022.
- Our current targets set are short-term to be achieved by 2025.

Internal assurance	External assurance	No assurance	(*) Restated
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PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023	Target
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	1,374.00	3,048.00	482.00	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1,098.00	2,916.00	431.00	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	276.00	132.00	51.00	Reduce intensity of hazardous waste sent to disposal by 2%
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	134.00	249.00	175.00	Reduce water consumption intensity by 2%
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	50.00	46.00	46.00	
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	3,419	11,757	16,694	Increase average training hours by employee category 32 hours (Management) 15 hours (Non-Management)
Non-Management	Hours	4,190	3,726	2,338	

Indicator	Measurement Unit	2021	2022	2023	Target
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	19.00	4.00	
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	45	47	43	
Non-Management	Number	2	5	10	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	-	0	
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Management Under 30	Percentage	17.00	18.00	17.00	
Management Between 30-50	Percentage	70.00	70.00	73.00	
Management Above 50	Percentage	13.00	12.00	11.00	
Non-Management Under 30	Percentage	20.00	24.00	25.00	
Non-Management Between 30-50	Percentage	60.00	61.00	62.00	
Non-Management Above 50	Percentage	20.00	15.00	13.00	

Notes:

- All targets are against our base year 2022.
- Our current targets set are short-term to be achieved by 2025.

Internal assurance

External assurance

No assurance

(*) Restated

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023	Target
Gender Group by Employee Category					
Management Male	Percentage	55.00	57.00	57.00	
Management Female	Percentage	45.00	43.00	43.00	
Non-Management Male	Percentage	95.00	96.00	94.00	
Non-Management Female	Percentage	5.00	4.00	6.00	
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	67.00	67.00	56.00	
Female	Percentage	33.00	33.00	44.00	
Under 30	Percentage	0.00	0.00	0.00	
Between 30-50	Percentage	0.00	0.00	11.00	
Above 50	Percentage	100.00	100.00	89.00	
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	1	0	0	Zero work-related fatalities
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.1	0	0	Zero Lost Time Injury Rate
Bursa C5(c) Number of employees trained on health and safety standards	Number	213	281	369	100% of employees (in Operations) attend mandatory training on health & safety

Indicator	Measurement Unit	2021	2022	2023	Target
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	

Notes:

- All targets are against our base year 2022.
- Our current targets set are short-term to be achieved by 2025.

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY PERFORMANCE DATA

Economic				
Material Matters Indicators	Unit	2021	2022	2023
Economic Value Generated				
Revenue	RM billion	9.2	18.4	17.2
Other Income	RM million	61	98	164
Economic Value Distributed				
• Payment to Suppliers/Business Partners/Contractors	RM billion	8.7	17.9	16.8
• Salaries and Benefits for Employees	RM million	69	48	53
• Dividend Paid to Investors	RM million	14	54	67.5
• Tax Paid to Government	RM million	6	26	36
Economic Value Retained for Reinvestment	RM million	424	388	434
Financial Assistance Received from Government (Tax Relief & Tax Credits)	RM million	82	324	11.7
Supporting Local Suppliers and Uplifting Local Leadership				
Percentage of Local Suppliers/ Business Partners	%	93	94	93
Percentage of Procurement Budget Used on Local Suppliers	%	50	46	69
Proportion of Senior Management Hired from the Local Community	%	94	95	95
Total Amount Invested in Local Community	RM million	0.1	0.6	1.2
Beneficiaries of the Investment in Communities	Number	28,189	5,245	7,763

Economic				
Material Matters Indicators	Unit	2021	2022	2023
Ethical Business Performance				
Employees who have Received Training on Anti-Corruption by Employee Category	%	100	48	100
• Management	% (Number)	N/A	56 (281)	47 (239)
• Non-Management	% (Number)	N/A	22 (36)	64 (99)
Operations Assessed for Risks Related to Corruption	%	0	100	N/A
Confirmed Incidents of Corruption and Actions Taken	Number	0	0	0
Legal Actions for Anti-Competitive Behaviour, Anti-Trust and Monopoly Practices	Number	0	0	0
Employees that have Completed Annual Declaration	%	100	100	100
Number of Substantiated Complaints Concerning Human Rights Violations	Number	N/A	N/A	0
New Suppliers that were Screened Using Social Criteria	%	76	100	100

SUSTAINABILITY PERFORMANCE DATA

Environmental				
Material Matters Indicators	Unit	2021	2022	2023
Group Energy Consumption	Megawatt (MWh)	809,223	984,406	980,376
	Gigajoules (GJ)	2,913,202	3,543,860	3,530,891
Group Energy Consumption by Sources				
Fuel Gas	GJ	2,548,939	3,096,756	3,114,345
Gasoline		9	0	3
Diesel		2,541	2,103	9,247
Natural Gas		96,921	101,519	73,158
LFO		1,250	3,171	9,258
Electricity		263,542	340,311	324,698
Energy Consumption				
PD Refinery and Terminal	GJ	2,795,683	3,417,011	3,426,283
Lumut PME Plant		112,258	120,707	98,007
Terminals (BLT, KTN, SBT, SDK, TWU)		3,894	4,454	4,823
HQ & PRTC		1,366	1,688	1,596
Energy Intensity				
PD Refinery and Terminal	MJ/BBL	155.6	141.5	135.8
Lumut PME Plant		248.9	233.9	165.0
Terminals (BLT, KTN, SBT, SDK, TWU)		0.3	0.3	0.3
Group Greenhouse Gas (GHG) Emissions				
Scope 1	KilotonnesCO ₂ e (ktCO ₂ e)	151	182	191
Scope 2		58	74	71

Environmental					
Material Matters Indicators	Unit	2021	2022	2023	
GHG Emissions					
PD Refinery and Terminal - Scope 1	ktCO ₂ e	146.3	176.6	186.3	
PD Refinery and Terminal - Scope 2		53.5	69.6	66.2	
Lumut PME Plant - Scope 1		4.95	5.59	4.30	
Lumut PME Plant - Scope 2		3.03	3.46	3.37	
Terminals (BLT, KTN, SBT, SDK, TWU) - Scope 1		0.011	0.006	0.005	
Terminals (BLT, KTN, SBT, SDK, TWU) - Scope 2		0.81	0.95	1.03	
HQ & PRTC - Scope 2		0.30	0.37	0.35	
GHG Emissions Intensity					
PD Refinery and Terminal - Scope 1		kgCO ₂ e/BBL	8.1	7.3	7.4
PD Refinery and Terminal - Scope 2			3.0	2.9	2.6
Lumut PME Plant - Scope 1	11.0		10.3	7.2	
Lumut PME Plant - Scope 2	6.7		6.7	5.7	
Terminals (BLT, KTN, SBT, SDK, TWU) - Scope 1	0.001		0.0004	0.0003	
Terminals (BLT, KTN, SBT, SDK, TWU) - Scope 2	0.07		0.06	0.07	
Emissions of Sulphur Oxides (SOx) & Nitrogen Oxides (NOx)					
SOx	Tonnes	52	55	79	
NOx		259	315	350	
Emissions of SOx & NOx Intensity					
SOx	G/BBL	2.9	2.3	3.1	
NOx		14.4	13.0	13.9	

SUSTAINABILITY PERFORMANCE DATA

Environmental				
Material Matters Indicators	Unit	2021	2022	2023
Group Significant (Reportable) Spills				
Spills on land	Number	0	0	0
Spills on water		0	0	0
Spills at offsite		0	0	0
Group Significant (Reportable) Spills				
Spills on Land	Litres	0	0	0
Spills on Water		0	0	0
Spills at Offsite		0	0	0
Group Waste Performance (Hazardous)				
Waste Generated	Tonnes	495	320	472
Waste Diverted from Disposal		258	244	410
Waste Sent to Disposal		237	76	62
Group Waste Performance (Non-Hazardous)				
Waste Generated	Tonnes	879	2,728	10
Waste Diverted from Disposal		840	2,672	1
Waste Sent to Disposal		39	56	9
Group Water Performance				
Water Consumption	Megalitres (ML)	134	249	175
Water Discharge		446	538	536
Water Withdrawal		580	787	711
Total Weight of Materials Used to Produce Primary Products and Services				
Renewable Materials	Tonnes	-	65,993	77,386
Non-Renewable Materials		-	2,421,236	2,640,227
Total Weight of Materials Used to Package Primary Products and Services				
Non-Renewable Materials	Tonnes	-	488	630

Social				
Material Matters Indicators	Unit	2021	2022	2023
Agile, Diverse & Thriving Workforce Performance				
Total Number of Employees	Number	600	658	660
• Male	Number	400	391	436
• Female		213	209	222
Percentage of Board Members by:				
Gender				
• Male	%	67	67	56
• Female		33	33	44
Age Group				
• >50	%	100	100	89
• 30-50		0	0	11
• <30		0	0	0
Employee Diversity (by Employee Category, Gender, Age Group and Employment Contract)				
• Management				
- Male	%	55	57	57
- Female		45	43	43
- <30		17	18	17
- 30-50		70	70	73
- >50		13	12	11
• Non-Management				
- Male	%	95	96	94
- Female		5	4	6
- <30		20	24	25
- 30-50		60	61	62
- >50		20	15	13

SUSTAINABILITY PERFORMANCE DATA

Social				
Material Matters Indicators	Unit	2021	2022	2023
Percentage of Employees that are Contractors or Temporary Staff				
Permanent	%	-	81	96
Contract		-	19	4
Total Training Hours by Employee Category				
Management	Hours	3,419	11,589	16,694
Non-Management		4,190	3,726	2,338
Average Training Hours Per Employee (by Gender)				
Male	Hours	17	25	27
Female		4	20	32
Average Training Hours Per Employee (by Employee Category)				
Management	Hours	12	23	32
Non-Management		28	23	15
New Hires (by Employee Category)				
Management	Number	32	93	55
Non-Management		19	35	14
New Hires (by Gender)				
Male	Number	36	93	41
Female		15	35	28
New Hires (by Age Group)				
<30	Number	35	69	31
30-50		16	58	38
>50		0	1	0
Turnover (by Employee Category)				
Management	Number	25	47	43
Non-Management		2	5	10

Social				
Material Matters Indicators	Unit	2021	2022	2023
Turnover (by Gender)				
Male	Number	33	31	29
Female		14	21	24
Turnover (by Age Group)				
<30	Number	19	10	15
30-50		27	42	39
>50		1	0	0
Employees who were Entitled to Parental Leave				
Male	Number	391	436	435
Female		209	222	225
Employees who Took Parental Leave				
Male	Number	19	24	24
Female		11	11	14
Employees who Returned to Work Post Parental Leave				
Male	Number	19	24	24
Female		11	11	14
Employees who Returned to Work Post Parental Leave and Still Employed 12 Months After Their Return to Work				
Male	Number	19	24	22
Female		10	9	14
Retention Rate of Employees who Took Parental Leave				
Male	%	100	100	92
Female		91	82	100

SUSTAINABILITY PERFORMANCE DATA

Social				
Material Matters Indicators	Unit	2021	2022	2023
Workforce Breakdown by Union/Non-Union				
Union	Number	149	163	154
Non-Union		451	495	506
Workforce Breakdown by Union/Non-Union				
Union against Total Employees	%	25	25	23
Safety Performance				
Number of Work-Related Fatalities				
• Employees	Number	0	0	0
• Contractor		1	0	0
Loss Time Injury (LTI)	Number	2	0	0
Loss Time Injury Rate (LTIR)	Rate	0.2	0	0
Employees Trained on Health and Safety Standards	Number	213	281	369
Number of Hours Worked				
Employees	Hours	897,054.3	897,197.1	878,217.9
Contractor		2,580,590.9	2,308,376.1	2,351,379.9
Number and Rate of High-Consequence Work-Related Injuries				
Employees	Number	1	0	0
	Rate	0.2	0	0
Contractor	Number	0	0	0
	Rate	0.1	0	0
Number and Rate of Recordable Work-Related Injuries				
Employees	Number	0	0	0
	Rate	0	0	0
Contractor	Number	1	0	0
	Rate	0.1	0	0

Social				
Material Matters Indicators	Unit	2021	2022	2023
Data Protection Performance				
Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Number	0	0	0
Total Number of Identified Leaks, Thefts or Losses of Customer Data	Number	0	0	0

GRI

CONTENT INDEX

Statement of use	Petron Malaysia Refining & Marketing Bhd has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 11: Oil and Gas Sector 2021

GRI STANDARD	DISCLOSURE	LOCATION (Remarks/Pg. No.)
GRI 2: General Disclosures 2021	2-1 Organisational details	. Refer also to PMRMB's Annual report 2023 page 8-9.
	2-2 Entities included in the organisation's sustainability reporting	.
	2-3 Reporting period, frequency and contact point	.
	2-4 Restatements of information	.
	2-5 External assurance	. Refer to PMRMB's Annual report 2023 page 155.
	2-6 Activities, value chain and other business relationships	.
	2-7 Employees	.
	2-8 Workers who are not employees	-
	2-9 Governance structure and composition	Refer to PMRMB's Annual report 2023 page 42.
	2-10 Nomination and selection of the highest governance body	Refer to PMRMB's Annual report 2023 page 86-89.
	2-11 Chair of the highest governance body	Refer to PMRMB's Annual report 2023 page 42.
	2-12 Role of the highest governance body in overseeing the management of impacts	. Refer also to PMRMB's Annual report 2023 page 90.
	2-13 Delegation of responsibility for managing impacts	. Refer also to PMRMB's Annual report 2023 page 90.
	2-14 Role of the highest governance body in sustainability reporting	. Refer also to PMRMB's Annual report 2023 page 90.
	2-15 Conflicts of interest	Refer to PMRMB's Annual report 2023 page 54, 62, 75, 168.
	2-16 Communication of critical concerns	-
	2-17 Collective knowledge of the highest governance body	Refer to PMRMB's Annual report 2023 page 72-74.
	2-18 Evaluation of the performance of the highest governance body	. Refer to PMRMB's Annual report 2023 page 88.
	2-19 Remuneration policies	Refer to PMRMB's Annual report 2023 page 60, 71.
	2-20 Process to determine remuneration	Refer to PMRMB's Annual report 2023 page 60.
	2-21 Annual total compensation ratio	Refer to PMRMB's Annual report 2023 page 60, 71.
	2-22 Statement on sustainable development strategy	.
	2-23 Policy commitments	Refer to PMRMB's Annual report 2023 page 76-77.
	2-24 Embedding policy commitments	Refer to PMRMB's Annual report 2023 page 76-77.
	2-25 Processes to remediate negative impacts	.
	2-26 Mechanisms for seeking advice and raising concerns	.
	2-27 Compliance with laws and regulations	.
	2-28 Membership associations	.
	2-29 Approach to stakeholder engagement	.
	2-30 Collective bargaining agreements	.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	.
	3-2 List of material topics	.

GRI

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GRI STANDARD	DISCLOSURE	LOCATION (Remarks/Pg. No.)	GRI SECTOR STANDARD REF. NO.
ADVANCING ETHICAL BUSINESS GROWTH			
Generating Economic Benefits			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.14.1, 11.15.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community		11.14.3, 11.11.2
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts		11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		11.14.6
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities		11.15.3
Ethical Business Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.19.1;11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		11.20.2
	205-2 Communication and training about anti-corruption policies and procedures		11.20.3
	205-3 Confirmed incidents of corruption and actions taken		11.20.4
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		11.10.8
	414-2 Negative social impacts in the supply chain and actions taken		11.10.9
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		11.19.2
PROTECTING THE ENVIRONMENT AND NATURE			
Climate Change and GHGs			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization		11.1.2
	302-3 Energy intensity		11.1.4
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions		11.1.6
	305-4 GHG emissions intensity		11.1.8
Air Emissions and Pollution Management			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.3.1; 11.8.1

GRI

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GRI STANDARD	DISCLOSURE	LOCATION (Remarks/Pg. No.)	GRI SECTOR STANDARD REF. NO.
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		11.3.2
GRI 306: Effluents and Waste 2016	306-3 Significant spills		11.8.2
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations		-
Waste and Circular Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		11.5.2
	306-2 Management of significant waste-related impacts		11.5.3
	306-3 Waste generated	,	11.5.4
	306-4 Waste diverted from disposal	,	11.5.5
	306-5 Waste directed to disposal	,	11.5.6
Water and its Management			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		11.6.2
	303-2 Management of water discharge-related impacts		11.6.3
	303-3 Water withdrawal		11.6.4
	303-4 Water discharge		11.6.5
	303-5 Water consumption		11.6.6
Natural Resources			
GRI 3: Material Topics 2021	3-3 Management of material topics		-
GRI 301: Materials 2016	301-1 Materials used by weight or volume		-
	301-2 Recycled input materials used		-
	301-3 Reclaimed products and their packaging materials		-
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity		11.4.3
	304-3 Habitats protected or restored		11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		11.4.5
Sustainable Supply Chain			
GRI 3: Material Topics 2021	3-3 Management of material topics	,	11.10.1; 11.12.1

GRI

CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION (Remarks/Pg. No.)	GRI SECTOR STANDARD REF. NO.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		-
	308-2 Negative environmental impacts in the supply chain and actions taken		-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		11.10.8; 11.12.3
	414-2 Negative social impacts in the supply chain and actions taken		11.10.9
FOSTERING SOCIETAL WELL-BEING			
Agile, Diverse and Thriving Workforce			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.10.1; 11.11.1; 11.13.1; 11.18.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		11.10.3
	401-3 Parental leave		11.10.4; 11.11.3
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		11.10.6; 11.11.4
	404-2 Programs for upgrading employee skills and transition assistance programs		11.10.7
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		11.11.5
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		11.11.7
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		11.13.2
Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics		11.9.1; 11.15.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation		11.9.3
	403-3 Occupational health services		11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety		11.9.5
	403-5 Worker training on occupational health and safety		11.9.6
	403-6 Promotion of worker health	,	11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	,	11.9.8
	403-8 Workers covered by an occupational health and safety management system		11.9.9
	403-9 Work-related injuries		11.9.10
	403-10 Work-related ill health		11.9.11

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION (Remarks/Pg. No.)	GRI SECTOR STANDARD REF. NO.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities		11.15.3
	Additional disclosure: Report the number and type of grievances from local communities identified, including: - percentage of the grievances that were addressed and resolved; - percentage of the grievances that were resolved through remediation.		11.15.4
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		-
	417-2 Incidents of non-compliance concerning product and service information and labeling		-
	417-3 Incidents of non-compliance concerning marketing communications		-
Customer Data Protection			
GRI 3: Material Topics 2021	3-3 Management of material topics		-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		-

GLOSSARY

Facilities

BLT	- Bagan Luar Terminal	PGT	- Pasir Gudang Terminal (JV/Chevron)
KLIA	- KLIA Aviation Depot (JV-Petronas/Shell)	SBT	- Sepang Bay Terminal
KTN	- Kuantan Terminal	SDK	- Sandakan Terminal
KVDT	- Klang Valley Distribution Terminal (JV-Petronas/Shell)	TWU	- Tawau Terminal
LPP	- Lumut PME Plant	WPT	- Westport Terminal (JV-BHP)
PDR	- Port Dickson Refinery and Terminal	HQ	- Head Office
PDT	- Port Dickson Terminal	PRTC	- Petron Retail Training Centre

ADO	- Automotive Diesel Oil	CAAP	- Clean Air Action Plan's
AED	- Automated External Defibrillator	CAD	- Corporate Affairs Department
AESP	- Authorized Entrant and Standby Persons for Confined Space	CEP	- Community Engagement Programmes
AGTES	- Authorized Gas Tester and Entry Supervisor for Confined Space	CEPSWAM	- Certified Scheduled Waste Competent Personnel
AMG	- Asset Management Group	CG	- Crude Glycerin
AMLA	- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act	CGSO	- Chief Government Security Officer
API	- American Petroleum Institute	CH ₄	- Methane
ARM	- Alternative Raw Material	CIMAH	- Control of Industrial Major Accident Hazard
ATG	- Automatic Tank Gauging	CO	- Carbon Monoxide
BAC	- Board Audit and Risk Management Committee	CO ₂	- Carbon Dioxide
BBL	- Barrel	CO _{2e}	- Carbon Dioxide equivalent
BCP	- Business Continuity Plan	CODO	- Company Owned Dealer Operated
BOD	- Board of Directors	CPR	- Cardiopulmonary Resuscitation
BOFA	- Basic Occupational First Aid	CSD	- Critical Safety Devices
BPM	- Back protection	CSR	- Corporate Social Responsibility
BSC	- Board Sustainability Committee	D&TO	- Distribution and Terminal Operations
BSR	- Bio-Sulphur Recovery	DEI	- Diversity, Equity and Inclusion
		DHT	- Diesel Hydrotreater
		DOA	- Department of Agriculture
		DODO	- Dealer Owned, Dealer Operated

DOE	- Department of Environment	IDP	- Individual Development Plan
DOSH	- Department of Occupational Safety and Health	IER	- Industrial Effluents Regulations
DPM	- Digital Power Meters	IETS	- Industrial Effluent Treatment System
EBP	- Environmental Business Plan	IMS	- Integrated Management System
EES	- Economic, Environmental and Social	IPSOS	- Institut Public de Sondage d'Opinion Secteur
EIA	- Environmental Impact Assessments	iREMOTE	- Integrated Remote Monitoring Enforcement
EMHW	- Ergonomics and Manual Handling in Workplace	ISMS	- Information Security Management System
EMP	- Environmental Monitoring Programme	IUCN	- International Union for Conservation of Nature
EMS	- Environmental Management System	JPJ	- Road Transport Department
EPA	- United States Environmental Protection Agency	JPJKK	- Crime Prevention and Community Safety Department
EQA	- Environmental Quality Act	JSA	- Job Safety Analysis
ER	- Emergency Response	JSJ	- Criminal Investigation Department
ERP	- Emergency Response Plan	JV	- Joint Venture
ERT	- Emergency Response Team	KEMA	- Karamunting Emergency Mutual Aid
EV	- Electric Vehicle	KPDN	- Ministry of Domestic Trade and Cost of Living
ExCITES	- Excellence, Customer Focus, Innovation, Technology, Teamwork, Ethics, and Safety	KPKT	- Ministry of Housing and Local Government
GHGs	- Greenhouse Gases	KUASA	- Persatuan Aktivis Sahabat Alam
GJ	- Gigajoules	LDAR	- Leak Detection and Repair
GRI	- Global Reporting Initiative	LFO	- Light Fuel Oil
GTSP	- Go-To-Safety-Point	LPG	- Liquefied Petroleum Gas
H ₂ S	- Hydrogen Sulfide	LPS	- Loss Prevention System
HAZOP	- Hazard and Operability Study	LPS	- Loss Prevention System
HIRADC	- Hazard Identification, Risk Assessment and Determining Controls	LSWR	- Low Sulphur Waxy Residue
HIRARC	- Hazard Identification, Risk Assessment and Risk Control	LTI	- Loss Time Injury
HR	- Human Resources	LTIR	- Loss Time Injury Rate

GLOSSARY

M&R	- Maintenance and Repair	PCI	- Payment Card Industry	SALT	- Safety Awareness E-learning Training
MBA	- Malaysian Biodiesel Association	PCS	- Portable Container System	SBC	- Standards of Business Conduct
MBMB	- Malacca City Council	PD	- Port Dickson	SC	- Sustainability Council
MCCG	- Malaysian Code on Corporate Governance	PDPA	- Personal Data and Protection Act	SDASA	- Sekolah Menengah Dato' Abdul Samad
MCO	- Malaysia Crude Oil	PDRM	- Royal Malaysia Police	SHEE	- Safety, Security, Health and Environment
MDT	- Management Development Training	PEMS	- Predictive Emission Monitor System	SHO	- Safety and Health Officer
MIF2	- Marine Import Facility 2	PFISB	- Petron Fuel International Sdn. Bhd.	SKPD	- Sekolah Kebangsaan Port Dickson
ML	- Megalitres	PIMMAG	- Petroleum Industry of Malaysia Mutual Aid Group	SKU	- Stock Keeping Unit
MoU	- Memorandum of Understanding	PKLRC	- Petron Kuala Lumpur Recreational Club	SMEs	- Small and Medium sized Enterprise
MPC	- Malaysia Production Corporation	PME	- Palm Oil Methyl Ester	SOx	- Sulphur Oxides
MPM	- Manjung Municipal Council	PMRMB	- Petron Malaysia Refining & Marketing Bhd.	SPSB	- Sabah Port Sandakan
MSOSH	- Malaysian Society for Occupational Safety and Health	POIMS	- Petron Operations Integrity Management System	SSHFLT	- Safety, Security, Health and Environment Leadership Team
MSPO	- Malaysian Sustainable Palm Oil	POIRS	- Petron Online Incident Reporting System	STPD	- Sekolah Tinggi Port Dickson
MT	- Million Tonnes	POMSB	- Petron Oil Malaysia Sdn. Bhd.	STUC	- Safety In the Use Of Chemical
N ₂ O	- Nitrous Oxide	POSHCC	- Petron Office Safety Security Health & Care Committee	TCFD	- Task Force on Climate-Related Financial Disclosures
NCR	- Non-Conformance Reports	PPE	- Personal Protective Equipment	TS25	- School Transformation 2025 Programme
NG	- Natural Gas	PPT	- Petron Malaysia Peninsular Terminal	TWG	- Technical Working Group
NLI	- Near Loss Incident	PTPTN	- National Higher Education Fund Corporation	UCUX	- You-See-You Act
NOTS	- No Oil to Sewer	QMS	- Quality Management System	UFO	- Unannounced Field Observation
NOx	- Nitrogen Oxide	RBDDPO	- Refined Bleached Deodorised Palm Oil	UN SDGs	- United Nations Sustainable Development Goals
O ₂	- Oxygen	RG	- Refined Glycerine	UPM	- Universiti Putra Malaysia
OEM	- Original Equipment Manufacturer	RoSPA	- Royal Society for the Prevention of Accidents	V&M	- Verification and Measurement
OHD	- Occupational Health Doctors	RSP	- Road Safety Programme	VFD	- Variable Frequency Drives
OHSMS	- Occupational Health and Safety Management System	RVM	- Reverse Vending Machine	VIA	- Volunteerism in Action
OSH	- Occupational Safety and Health			VOC	- Volatile Organic Compounds
OSHA	- Occupational Safety & Health Act			VSP	- Volunteer Smartphone Patrol
OSR	- Oil Spill Response			WAH	- Working Safety At Height
OWR	- Oil Waste Separator			WIN	- Women in Networking



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