

## SUSTAINABILITY POLICY

### 1. Introduction

This policy is intended for Hibiscus Petroleum Berhad (“**Hibiscus**” or “**the Company**”) and all subsidiary companies within the Hibiscus Group, hereinafter referred to as the Group.

Sustainability encompasses all aspects of business practices, addressing relevant material Environment, Social, Economic and Governance issues responsibly and profitably (where applicable).

The Group recognises the importance of sustainability and its increasing impact to the business. The Group is committed to understanding and implementing sustainable practices to achieve the right balance between the objectives of our shareholders, attaining economic success, fulfilling our ethical obligations to other stakeholders and the wider community in which the Group has a presence.

Our Sustainability Policy has been aligned with the United Nations’ Sustainable Development Goals (“**UN SDG**”) and their call to a Decade of Action

### 2. Objectives

This policy aims to:

- Integrate the relevant principles of the UN SDG into the Group’s plans and initiatives to ensure cohesiveness with business strategies, policies and procedures;
- Comply with and exceed, where practicable, all applicable legislation, regulations and codes of practice, as well as align existing policies to support the sustainability objectives of the Group;
- Ensure that the Board is involved in the review of the Group’s sustainability performance following implementation of the policy by the appointed Business Sustainability Management Committee which is headed by the Managing Director;
- Establish/adopt relevant Environmental, Social and Governance (“**ESG**”) indicators to measure the Group’s sustainability progress/ performance; and
- Promote a culture of sustainability within the Group, with an emphasis on integrating environmental, social, economic and governance considerations into decision making to influence the delivery of outcomes to ultimately enhance long-term shareholder value.

### 3. Environmental Sustainability

The Group's vision is to be a respected, valuable and responsible energy company. We are cognizant of the global urgency to address climate change and the goal set in the Paris Agreement 2015 of limiting average temperature increase to well below 2 degrees Celsius above pre-industrial levels. The Group is committed to identify, manage and minimise the environmental impact of our business operations to the community, as further detailed in our Environment Policy. In this regard, our environment sustainability construct addresses:

- *Limiting Emission Intensity:* This effort will be primarily focussed on limiting the Group's aggregate Scope 1 and Scope 2<sup>1</sup> emission intensity by deploying our energy transition strategy in a phased and disciplined approach as we continuously develop our internal capability to meet this aspirational aim;
- *Promote Energy Transition:* Mitigating carbon emissions is key in reducing the cause of climate change and this is operationalized by energy transition. The energy transition strategy for the Group shall include the key pillars of decarbonization of our operations and investment in green opportunities. The Group will support R&D in decarbonizing technologies as we believe the pathway to net zero will require innovations beyond existing solutions;
- *Climate Change Adaptation:* The impact of climate change is inevitable as the global average temperature continues its upward trend. Against this backdrop, we will assess our climate-related risks and seek to apply suitable adaptive measures to ensure minimal disruption to our daily operations; and
- *Responsible Consumption & Production:* The Group is steadfast in being a responsible steward in managing our operations as we understand the significance and importance of conserving natural capital including biodiversity and their role in providing a functioning ecosystem. We are therefore conscious of the need for sustainable management and the efficient use of such resources, and remain compliant with applicable regulations in the jurisdictions where we operate.

The above is aligned with UN SDG 7 : Affordable and Clean Energy, UN SDG 9 : Industry, Innovation and Infrastructure, UN SDG 12 : Responsible Consumption and Production, UN SDG 13 : Climate Action, UN SDG 14 : Life Below Water and UN SDG 15 : Life on Land.



<sup>1</sup> Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the Group.



#### 4. Social Sustainability

Social sustainability is focused on the development of programmes and processes which promote social interaction and cultural enrichment. It emphasises respecting social diversity and inclusiveness and ensuring that the Group places significant importance on valuing social capital, with focus also given to protecting vulnerable members of society. In this regard, our social sustainability construct addresses :

- *Safeguarding Wellbeing*: The Group will continue to provide a healthy, safe and secure work environment for our people;
- *Diversity & Inclusiveness*: The Group recognizes the significance of embracing workforce diversity and inclusiveness in our business strategy. This is reflected in our *Diversity Policy* which is explicitly grounded on equal opportunities and merit-based rewards regardless of age, gender, ethnicity, disability, cultural background or other factors;
- *Socially Just Transition*: We believe in and are committed to foster a just transition as we grow our business. We ensure this by continually investing in our people to ensure that we retain high potential and high performing talent. Such training and development are coupled with employee engagement initiatives to shape the Group's culture and enhance operational efficiencies;
- *Community Engagements*: The Group places importance on Corporate Social Responsibility ("CSR") Programmes and actively encourages our employees to participate in CSR activities/programmes in our areas of operations. Such engagements with local communities and other stakeholders play an important part in our maintaining a social licence to operate; and
- *Upholding Just and Humane Values* : We remain steadfast in respecting internationally recognised human rights and labour standards, as elaborated in our *Anti-Modern Slavery Policy*. We do not employ forced, bonded or underage labour and take all reasonable steps to ensure that there is no form of slavery in our business and supply chain.

These principles are aligned with UN SDG 3 : Good Health and Well-Being, UN SDG 5 : Gender Equality, UN SDG 8 : Decent Work and Economic Growth and UN SDG 10 : Reduced Inequalities.

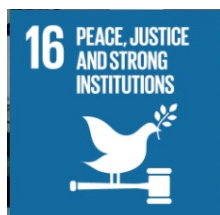


## 5. Governance Sustainability

Governance sustainability is essential in gaining and returning the confidence of regulators, investors, other stakeholders and the general public. The Group recognises the importance of governance sustainability and incorporating it into all functions and processes which include strategic planning, accountability, sustainable planning and development.

- *Sustainability-Centric Planning and Responsible Disclosure* : We ensure sustainability forms an integral part of strategic planning by allocating long-term resources (including human and financial capital) and assessing the impact and outcomes of sustainability efforts implemented; and
- *Strong and Just Structures* : We have policies to set and communicate our standard expectations for the conduct of our people who are advised and continuously reminded of the Group's zero-tolerance policy against all forms of bribery and corruption as contained in our *Code of Conduct and Ethics* and the *Anti-Corruption and Anti-Bribery Policy*. We continually review and improve appropriate governance structures and processes, where applicable, while enhancing sustainability awareness and practices through regular review of strategies, policies, procedures and the provision of relevant training.

Such efforts are aligned with UN SDG 16 : Peace, Justice and Strong Institutions.



## 6. Disclosures

The Group will report on its sustainability efforts in the Group's Corporate Governance Statement and Sustainability Report contained in its yearly Annual Report, and in the accompanying Corporate Governance Report, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance (as applicable).