

# SUSTAINABILITY REPORT



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## 1. INTRODUCTION – SUSTAINABILITY AT HIBISCUS PETROLEUM BERHAD

Our vision is to be a Respected, Valuable and Responsible Energy Company. In the pursuit of our Vision, we remain committed to conduct our business efficiently, responsibly and ethically.

Hibiscus Petroleum Berhad Group (Group) recognises the importance of sustainability-related matters, both in terms of how they impact our ability to create business value and how our operations may impact the economy, climate, environment and people. We are committed to addressing these effects and understanding evolving stakeholders' expectations, to achieve the right balance between delivering value to our shareholders, attaining economic success, protecting the environment and fulfilling our ethical obligations towards the communities where the Group is present.

After the latest assessment conducted in June 2023, Hibiscus Petroleum Berhad (Company) continues to maintain its constituency on the FTSE4Good Bursa Malaysia (F4GBM) Index. Since its inclusion in December 2020, the Group has demonstrated its good Environmental, Social and Governance (ESG) practices. In fact, the Company has attained improved scores, particularly for the Environmental pillar.

Hibiscus Petroleum has also retained the highest rating of 4 stars from FTSE Russell, thereby keeping the Company placed in the top 25% by ESG ratings amongst public listed companies in the FBM EMAS Index, in addition to preserving our position in the FTSE4Good Bursa Malaysia Shariah Index.

### About this Report

This Sustainability Report (Report) provides an overview of the Group's sustainability approach for the 12-month period from 1 July 2022 to 30 June 2023 (FY2023), unless stated otherwise. Through this Report, we aim to provide insights on how we manage economic, environmental and social matters which are material to us and our stakeholders from a business sustainability perspective. Where possible, we strive to provide both quantitative as well as qualitative data to support our responses on sustainability matters.

This Report should be read together with the other reports included in this Annual Report 2022/2023 which cover aspects of sustainability, namely our Management Discussion and Analysis, our Corporate Governance (CG) Overview Statement, CG Report and the Statement on Risk Management and Internal Control (SORMIC).

### Scope and Basis of Scope

The Group is committed to being transparent about its reporting boundaries which focus on areas where we have 'operational control' and active operations, as listed below:

- The 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract (PSC), located in Malaysia (North Sabah PSC), which includes our Labuan Crude Oil Terminal (LCOT);
- PM3 Commercial Arrangement Area (CAA) PSC in Malaysia;
- Block 46 Cai Nuoc PSC (Block 46 PSC) located in Vietnamese waters;
- Kinabalu Oil (Kinabalu PSC) in Malaysia;
- The Anasuria Cluster in the North Sea, the United Kingdom (UK) (Anasuria Cluster), which includes the operation of Anasuria Floating Production Storage and Offloading (FPSO); and
- Corporate Headquarters in Kuala Lumpur, Malaysia.

For clarity, Block 46 PSC is accounted for under the PM3 CAA PSC as the Block 46 production wells are tied-back to PM3 CAA's facilities. For PM3 CAA PSC, Block 46 PSC and Kinabalu Oil PSC, the performance data available only commences from 25 January 2022 upon the PSCs coming under the Group's operatorship.

In addition, there is minimal reportable data for PM314 and PM305 PSCs as PM314 is no longer operating and is undergoing the final stages of decommissioning, while there is negligible production from PM305.

The Group also has operations in the United Kingdom Continental Shelf (UKCS) vide Anasuria Operating Company Limited (AOCL). As an operator in one of the most technically demanding operating environments in the world, AOCL is supported by Petrofac Facilities Management Limited (Petrofac) as the Integrated Service Provider (ISP). Petrofac was previously the Duty Holder of the offshore facility from 2016, prior to AOCL's successful transition to the role on 10 June 2022.

AOCL is equally owned by the Anasuria concessionaires i.e. Anasuria Hibiscus UK Limited (Anasuria Hibiscus) and Ping Petroleum UK PLC (PPUK).

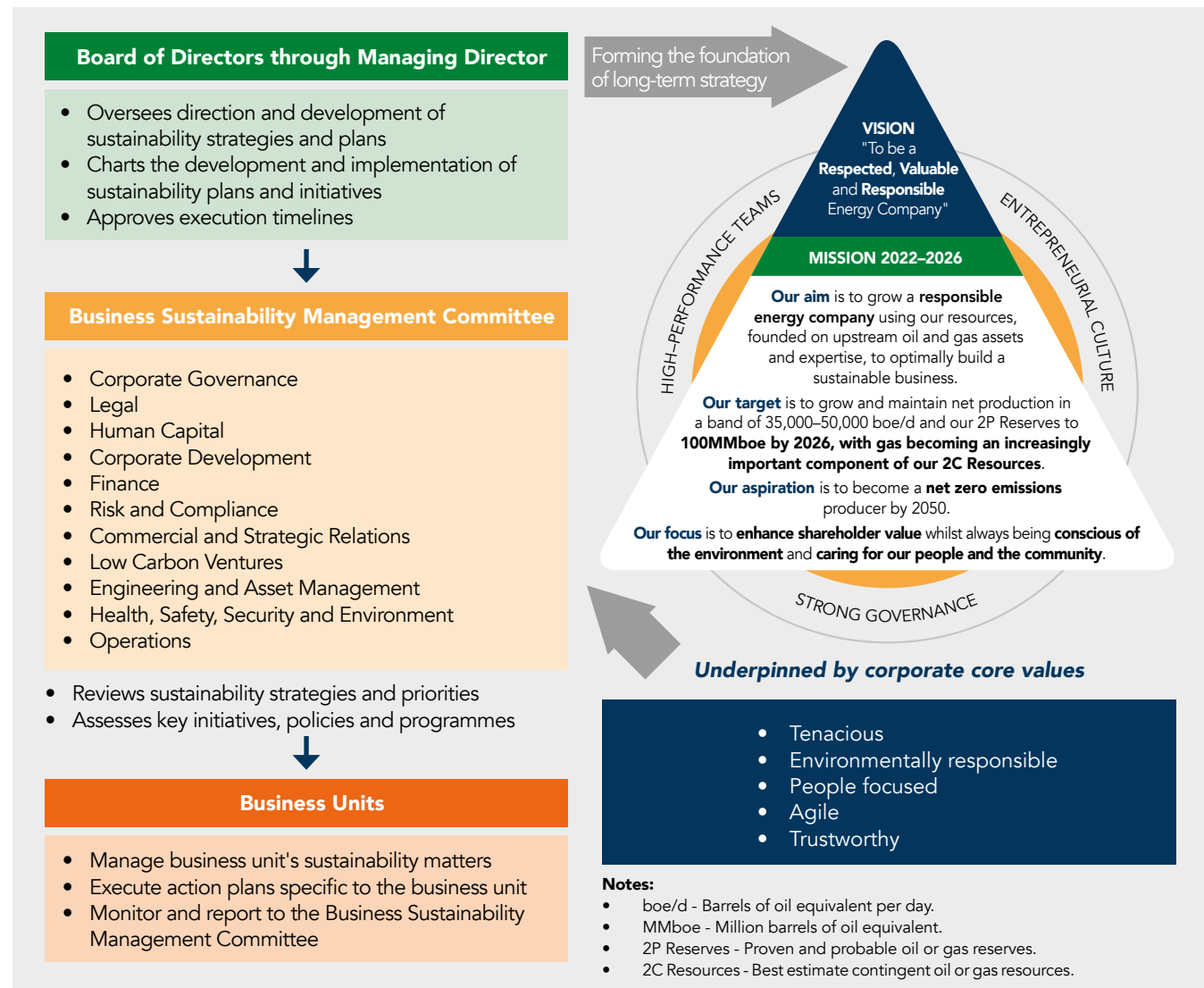
### Reporting Frameworks and Standards

This Report has been prepared in accordance with Bursa Malaysia Securities Berhad (Bursa Securities)' Main Market Listing Requirements with reference to its Sustainability Reporting Guide (3<sup>rd</sup> Edition). In addition, the Report adopted applicable guidance provided by relevant performance indicators from pertinent global ESG benchmarks and frameworks such as the FTSE4Good ESG Index and the United Nations' Sustainable Development Goals (UN SDGs).

# Sustainability Report

## 2. OUR APPROACH TO SUSTAINABILITY

### Sustainability Governance



Hibiscus Petroleum's Sustainability Governance Structure.

We operate within an established framework of oversight and reporting, underpinned by our core values. The tone of driving and managing sustainability throughout the organisation is set from the top through our Board of Directors (Board) and Managing Director (MD). Our Business Sustainability Management Committee (BSMC), which meets monthly, comprises senior representatives from all key business units and departments. This inclusive and robust structure ensures that there is regular guidance on the direction, management and reporting of important business sustainability matters.

Our actions are guided by the Group's Vision and Mission, as well as our *Sustainability Policy*<sup>1</sup>. The *Sustainability Policy*, together with our *Environment Policy*<sup>2</sup>, affirm our commitment to the integration of environmental, social and governance (including tax governance) considerations into our business processes and outlines our position pertaining to sustainability matters.

Our *Sustainability Policy* is aligned with UN SDGs and their call to a Decade of Action.

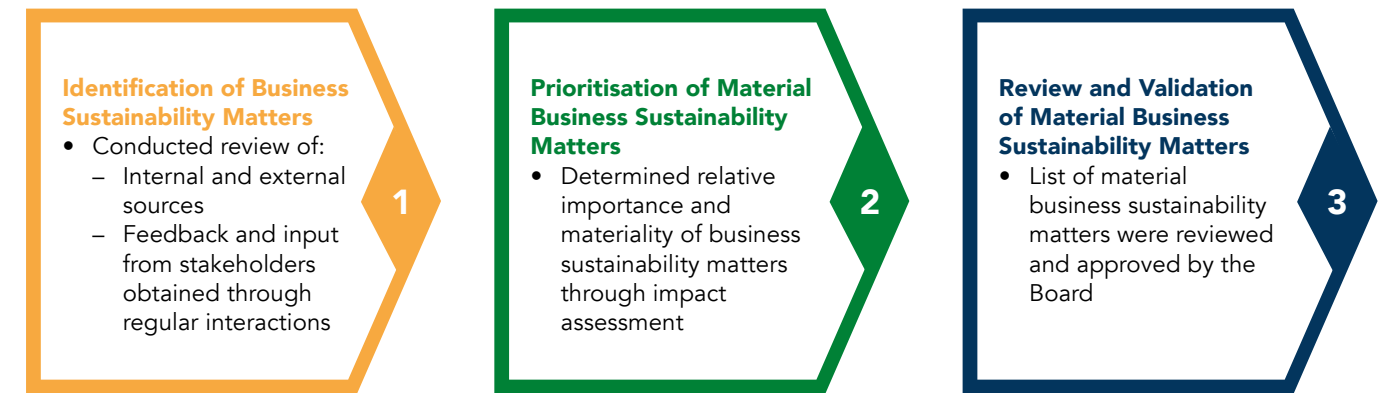
**Notes:**

<sup>1</sup> Our *Sustainability Policy* can be accessed at <https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/Sustainability-Policy.pdf>.

<sup>2</sup> Our *Environment Policy* can be accessed at <https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/Environment-Policy.pdf>.

### Materiality Review

We conducted a materiality review exercise in FY2023 to determine our most significant business sustainability matters, which further influence and shape our strategy, targets and reporting. Our material business sustainability matters are specifically those areas over which we have a degree of influence, are important to our stakeholders and can significantly affect our Group's risk profile, potential liabilities, maintenance of our licences to operate, reputation and access to capital.



Materiality Review Process.

### Identification of Business Sustainability Matters

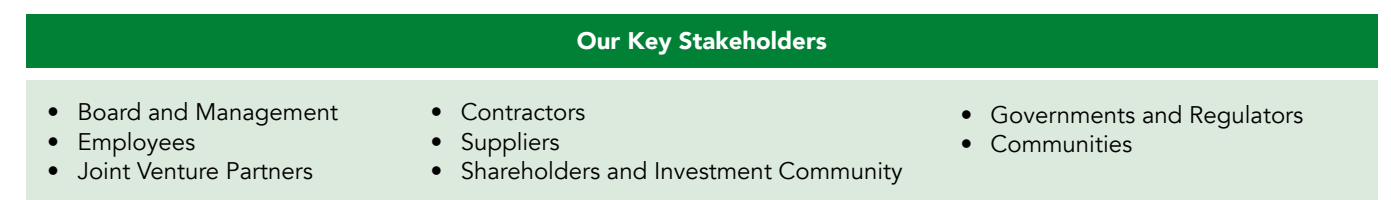
In order to better understand issues in the area of business sustainability considered relevant to our stakeholders and our Group, we conducted a review of the following during the past financial year:

- Our current business strategy;
- Risk registers from our existing risk assessment and management processes;
- Relevant requirements, guidelines and policies, including those issued by Bursa Securities;
- Bursa Securities' Sustainability Reporting Guide and Toolkit, including the Common Sustainability Matters and Indicators prescribed;
- Sustainability topics as reported by five selected peers within the oil and gas exploration and production industry;
- ESG themes and indicators utilised by the FTSE4Good Index; and
- UN SDGs.

### Stakeholder Engagement

Stakeholder inclusiveness is a core element of our sustainability model. To this end, we took into account the input received through our regular interactions with our key stakeholders in our materiality review process.

We engage closely and frequently with our stakeholders to understand their expectations, interests and information needs, including those pertaining to sustainability.



We conduct active stakeholder engagements prior to investment in new opportunities. Interaction continued through all aspects of execution; from business development, exploration and development planning phases through to field operations, as well as corporate areas. This allows for the insights received from our stakeholders to be incorporated into our business strategies and plans to create lasting value.

# Sustainability Report

## 3. PRIORITISATION AND VALIDATION OF MATERIAL BUSINESS SUSTAINABILITY MATTERS

After the initial identification of material sustainability issues, we performed internal reviews with Senior Management and the Board to shortlist and finalise key material themes, initiatives currently being performed (and those planned for action), as well as related qualitative and quantitative indicators to measure our performance.

Criteria used for our impact assessment included how issues could affect our stakeholders and our Group's business, e.g. through the lenses of legislation, reputational damage, employee turnover, licence to operate, stakeholder relationships, and how these could affect our business strategy, financial or operational performance. Whilst all the above considerations are critical to the conduct of a sustainable business, we have particularly worked to uphold our safety policy and business ethics principles.

Our material business sustainability matters of high importance were subsequently approved by the Board.

## 4. OUR MATERIAL SUSTAINABILITY MATTERS

The list of material business sustainability matters, together with our progress in addressing the risks and opportunities related to each of these matters and their links to UN SDGs are summarised below:



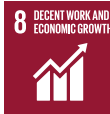
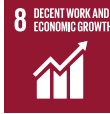



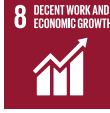

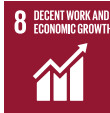
Material Matters	Highlights for FY2023	Related UN SDGs	Detailed Discussion Location
Business Ethics	<ul style="list-style-type: none"> <li>Established <i>Anti-Corruption and Anti-Bribery (ACAB) Policy, Code of Conduct and Ethics, Whistle Blower Policy and Anti-Modern Slavery Policy</i>;</li> <li>All employees have undergone <i>ACAB Policy</i> related training as at 31 July 2023; and</li> <li>There were no incidents of bribery nor corruption in FY2023.</li> </ul>		CG Overview Statement (pages 98–113), CG Report on our corporate website and SORMIC sections (pages 221–227).
Occupational Health and Safety	<ul style="list-style-type: none"> <li>Continued strict enforcement of our <i>Health, Security, Safety and Environment (HSSE) Policy</i><sup>3</sup> as well as the <i>Drug and Alcohol Policy</i> introduced in January 2020; and</li> <li>Maintained zero work-related fatality record and zero Lost Time Injury in FY2023.</li> </ul>	 	Occupational Health and Safety section (pages 125–136).
Process Safety and Asset Integrity	<ul style="list-style-type: none"> <li>Adopted Process Safety Framework in managing asset integrity across value chain and continued the effort to improve our process safety culture; and</li> <li>Conducted Safety Integrated Level (SIL) Assessment Workshop for Kinabalu asset and Safety Case Workshop in FY2023, as part of efforts to continuously improve our process safety and asset integrity performance.</li> </ul>		Process Safety and Asset Integrity section (pages 136–142).
Safety Assessment and Emergency Preparedness	<ul style="list-style-type: none"> <li>Continued implementation of robust emergency preparedness and response systems across the Group;</li> <li>Maintained action plans capable of responding to any arising emergency, as contained in the Group's Crisis Management Plan;</li> </ul>		Crisis and Emergency Preparedness section (pages 143–153).
Major Incident Response	<ul style="list-style-type: none"> <li>Performed annual emergency response and preparedness exercises, including training and drills to ensure readiness and skillfulness of employees involved; and</li> <li>Recorded zero incident of major oil spills in FY2023.</li> </ul>		













**Note:**

<sup>3</sup> Our *HSSE Policy* can be found at <https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/HSSE-Policy.pdf>.

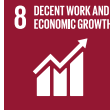



Material Matters	Highlights for FY2023	Related UN SDGs	Detailed Discussion Location
Climate Change and Greenhouse Gas (GHG) Emissions	<ul style="list-style-type: none"> <li>Remain committed to our aspirational target of becoming a Net Zero Producer by 2050 as outlined in the Group's <i>Climate Change Framework</i>, with an interim target for reducing 50% of our Scopes 1 and 2 emissions by 2030, against FY2020 baseline;</li> <li>Achieved GHG reduction of around 80,000 tonnes CO<sub>2</sub>e per annum through Advance Membrane Phase 1 trial conducted at PM3 CAA PSC, through recovery of hydrocarbon from the Acid Gas Removal Unit (AGRU) vent thereby reducing venting of methane;</li> <li>Initiated Phase 1 of a Carbon Capture and Storage (CCS) study to assess the potential of injecting CO<sub>2</sub> rich gas into depleted gas reservoirs for geological storage in PM3 CAA;</li> <li>Commenced the initiative to upgrade low-pressure and high-pressure compressors in Kinabalu Complex which will allow more production gas to be sent to the Semarang platform and reduce flaring; and</li> <li>Recorded a total net absolute GHG emissions of 7,249,428 tonnes CO<sub>2</sub>e in FY2023, a 15% reduction against FY2020 baseline.</li> </ul>	 	Climate Change and GHG Emissions section (pages 157–165).
Energy Use	<ul style="list-style-type: none"> <li>Implemented fuel switching initiative from diesel gensets to a hybrid of solar photovoltaic (PV) panels and/or small wind turbines in unmanned platforms at North Sabah, PM3 CAA and Kinabalu PSCs; and</li> <li>Switched to energy efficient light emitting diode (LED) lights in AOCL.</li> </ul>	  	Energy Management section (page 166).
Effluents and Waste	<ul style="list-style-type: none"> <li>Handling of hazardous waste as per the Environmental Quality (Scheduled Wastes) Regulations, 2005 and the Group's Waste Management Procedure;</li> <li>Conducted initiatives to promote circularity including a Reuse and Recycling Campaign and establishing a Recycle &amp; Recovery Temporary Storage Area in LCOT, as well as formalising a contract for recovery of scheduled waste by Peninsula Hibiscus Sdn Bhd (Peninsula Hibiscus); and</li> <li>Conducted annual monitoring of seawater and groundwater quality at our facilities for reporting to the Department of Environment (DOE) of Malaysia.</li> </ul>	 	Waste Management (pages 167–170) and Water Management sections (pages 170–173).
Water Security	<ul style="list-style-type: none"> <li>Reduced reliance on freshwater supply from shore by recycling water through a condensation process from air-conditioning units at Kinabalu PSC;</li> <li>Implemented rainwater harvesting initiative at North Sabah PSC to reduce water consumption; and</li> <li>Recorded total water used of 41,761 m<sup>3</sup>, of which 95% was sourced from seawater.</li> </ul>		Water Management section (pages 170–173).

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Material Matters	Highlights for FY2023	Related UN SDGs	Detailed Discussion Location
Biodiversity	<ul style="list-style-type: none"> <li>Ongoing macrobenthos study carried out in LCOT to assess the biotic integrity of marine ecosystems in the area;</li> <li>Performed marine environment monitoring on a yearly and five-yearly basis and conducted Marine Risk Assessment (MRA);</li> <li>Obtained formal approval for an initiative with Malaysia Petroleum Management (MPM) on rig-to-reef (R2R) abandonment philosophies to promote biodiversity with the Department of Fisheries; and</li> <li>Reuse and repurpose a decommissioned topside platform for one of our projects at South Furious, Sabah.</li> </ul>	 	Biodiversity section (pages 173–175).
Supply Chain Management	<ul style="list-style-type: none"> <li>Awarded contracts to indigenous contractors within the state where viable, generating job opportunities within local communities in Sabah and Terengganu; and</li> <li>Compensated local service providers and suppliers in our host countries a total of RM928.7 million in FY2023, making up 80.27% of our procurement spending.</li> </ul>		Economic Value Generation and Distribution section (page 194).
Value Generation and Distribution	<ul style="list-style-type: none"> <li>Distributed value in the form of:               <ul style="list-style-type: none"> <li>payment of taxes and royalties totaling approximately RM232.5 million in FY2023 to host governments;</li> <li>compensation to local service providers and suppliers for their expertise and resources amounting to approximately RM928.7 million; and</li> <li>remuneration to our employees, totaling approximately RM139.4 million.</li> </ul> </li> </ul>		
Workforce Diversity and Inclusivity	<ul style="list-style-type: none"> <li>Established our <i>Diversity Policy</i> to ensure inclusiveness and the <i>Group Recruitment Policy</i> to promote merit-based recruitment;</li> <li>Achieved 43% of women representation on the Board, surpassing the 30% target set; and</li> <li>38% female representation in the Senior Leadership Team.</li> </ul>	 	Workforce Diversity and Inclusivity section (pages 180–181).
Equal Pay for Equal Work	<ul style="list-style-type: none"> <li>Applied merit-based performance appraisal and incentives framework;</li> <li>Committed towards exceeding regulatory minimum wage requirements; and</li> </ul>		Performance and Rewards section (page 182).
Performance and Reward	<ul style="list-style-type: none"> <li>Extended a cost-of-living allowance to all employees to ensure their financial sustainability.</li> </ul>	 	
Employee Management and Engagement	<ul style="list-style-type: none"> <li>Adhered to our <i>Diversity Policy</i>, Employee Handbook and our <i>Code of Conduct and Ethics</i> in the management of employees; and</li> <li>Continued regular employee engagement initiatives through townhall sessions, weekly and monthly meetings, management visits and festive celebrations.</li> </ul>		Employee Management and Engagement section (page 183).

Material Matters	Highlights for FY2023	Related UN SDGs	Detailed Discussion Location
Talent Development	<ul style="list-style-type: none"> <li>Continued our talent development programmes in FY2023 which comprise amongst others on-the-job training, mentoring and participation in relevant workshops, conferences and seminars; and</li> <li>Spent a total of 40,348 hours for training as a Group.</li> </ul>		Talent Development section (page 182).
Employment and Training Initiatives	<ul style="list-style-type: none"> <li>Provided on-the-job guidance and exposure to a total of 16 interns from local and foreign universities; and</li> <li>For our North Sabah operations, 46% of our employees comprise local Sabahans which far exceeds the minimum threshold set by the state government of 30%, whilst 99% of our employees are Malaysians.</li> </ul>		Employment and Training Initiatives section (pages 184–185).
Engagement and Impact Management	<ul style="list-style-type: none"> <li>Adhered to our Corporate Social Responsibility (CSR) selection criteria in evaluating and approving all CSR initiatives;</li> <li>Spent a total of RM1,071,869 in FY2023 for CSR initiatives reaching 96,561 beneficiaries; and</li> <li>Sponsored CSR initiatives in the areas of education, health, safety, cultural heritage preservation, capacity-building for local communities as well as other forms of community services; for example:               <ul style="list-style-type: none"> <li>Partnered with five local universities for Hibiscus Scholarship Programme, sponsoring a total of 47 scholars in FY2023;</li> <li>Provided internship opportunities to graduating scholars;</li> <li>Organised free Human Papillomavirus (HPV) screening in Sabah, for 3,135 women, in efforts to assist early detection of cervical cancer;</li> <li>Conducted “Let’s Be Safe” Safety Campaign, involving more than 3,800 schoolchildren across Malaysia; and</li> <li>Supported ‘Kercut’ Revival Craft project in Kuala Terengganu and Oyster Farming Project in Sabah, aimed at improving the socio-economic standing of the beneficiaries.</li> </ul> </li> </ul>	   	Community Investment and Engagement section (pages 185–193).
Community Investment		     	

# Sustainability Report

Material Matters	Highlights for FY2023	Related UN SDGs	Detailed Discussion Location
Human Rights	<ul style="list-style-type: none"> <li>Adhered to our <i>Anti-Modern Slavery Policy</i>, whilst supporting freedom of association and collective bargaining; and</li> <li>Achieved full compliance with labour regulations of countries we are in. No labour standard or human rights violations recorded during FY2023.</li> </ul>	 	Our Society – Human Rights section (pages 193–194).
Public Policy and Government Relations	<ul style="list-style-type: none"> <li>Continued active participation in committees and workshops organised by government agencies and regulatory bodies aimed at advancing safety, securities and environmental matters; and</li> <li>Continued fostering of relationship with Malaysian tax authorities to ensure due compliance with applicable tax laws and reduce occurrences of disputes without compromising the Group's interests.</li> </ul>		Security (pages 153–154), Environmental Management (pages 154–179) and Tax Corporate Governance sections (pages 196–197).
Cybersecurity	<ul style="list-style-type: none"> <li>Implemented continuous enhancements of cybersecurity systems, guided by our <i>Infotech Security Policy</i>.</li> </ul>		Information Technology and Cybersecurity section (pages 194–195).

## 5. HEALTH, SAFETY AND SECURITY (HSS)

Safety is of primary concern; therefore, HSS considerations are embedded into every task that we undertake and each business decision that we make. In addition, our governance structure provides our Board and Management oversight of our core risk management processes and our corresponding mitigation plans.

### Our HSSE Sustainability Framework

Our integrated management system approach to identifying and managing key sustainability matters are guided within an established framework of robust governance and reporting, reinforced by our core values whilst working towards a clearly articulated vision and mission. Our commitment towards driving and managing sustainability throughout the organisation is set from the top through our Board and MD.

Our ability to create sustained value in the short, medium and long terms will be largely dependent on sustainability related matters. Sustainability matters and risks are identified and assessed in terms of their reputational, financial, operational, environmental, strategic and social settings against our Risk Assessment Matrix (RAM) by subject matter experts. The RAM evaluates an identified risk's likelihood and consequence to our pre-set risk tolerance levels, thus forming an integral part of the risk management decision-making process.



Group Asset Decarbonisation discussion on 23 March 2023.

Our commitment to achieve zero harm to people by upholding the highest standards of HSS as embodied within the Group's key business drivers, remains at the core of our operations. We strive, without exception, to ensure that our most valuable asset – our people and the contractors who support us at our various locations, are not placed in an environment that is inherently hazardous.

We relentlessly pursue a continuous improvement approach in our HSS performance in line with our 'I Care for Your Safety' mantra. During periods of higher activity levels across all our work locations in FY2024, we have been guided in our efforts by our *HSSE Policy*<sup>4</sup>, through which we also seek to reinforce the role of leadership and

personal accountability at all levels to sustain a culture of zero harm, at all times. Accordingly, the emphasis on HSS is driven from the top where our Board has oversight over HSS matters and evaluates HSS performance regularly.



First Cut Steel Ceremony at a contractor yard on 16 May 2023.

In supporting this objective, the Group oversees the governance of HSS through a HSS Management System (HSSMS) which encompasses both corporate-level policies as well as specific subsidiary-level policies specific to the jurisdiction of the entity's operations. These policies are then embedded into a HSS framework which forms the central hub of control, by identifying business areas where heightened levels of risk are present and as such, require increased level of oversight. Our robust governance

structure provides our Board and Management effective control of our core risk management processes and our corresponding mitigation plans.

The HSSMS details objectives and determines minimum practices, outlines processes and procedures, assigns main ownership and execution responsibilities and sets effective performance indicators used to measure HSS compliance and effectiveness levels. The importance of HSS considerations is further reiterated through embedment of these considerations into every task and business decision. The Group's scorecard which determines annual remuneration also includes HSS targets. However, it should be noted that whilst the scorecard includes such safety targets, our compensation system is not premised on excellent safety performance. Instead, excellent safety performance is viewed as an essential requirement to maintain our licence to operate.

### Risk Assessment and Management

We strive to maintain a comprehensive and systematic approach to risk management whilst combining this activity with a pragmatic approach to business needs, operational excellence, on delivery of business objectives as well as in meeting stakeholder expectations.

A high emphasis is placed on effective risk management within our business and operational risk exposure areas, and the subsequent management of these identified risk(s) to 'As Low As Reasonably Practicable' (ALARP) for both routine as well as new activities and/or projects via a risk-based prioritisation approach. This in turn allows us to operate effectively whilst protecting our people, the environment and communities in the vicinity of our operational facilities through a well-defined system of corporate governance.

Comprehensive risk assessments are carried out on health and safety aspects prior to the commencement of new and ongoing operations and/or projects. Specialised techniques such as Hazard Identification (HAZID), Process Hazard Analysis (PHA) and Hazard and Operability analysis (HAZOP) are utilised by multi-disciplined teams to study and identify possible sources of hazards during a project lifecycle and to analyse proposed changes to existing operations. This allows for a systematic assessment of the potential safety and health hazards, the possible consequences, and the presence of unmitigated risks throughout the lifecycle of new and ongoing operations and/or projects.

<sup>4</sup> Our HSSE Policy can be accessed at <https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/HSSE-Policy.pdf>.

# Sustainability Report

## Engaging with Our Stakeholders

Stakeholder engagement is an important part of our HSSE initiatives. We work in close partnership with the regulators, government agencies, industry associations as well as our contractors amongst others, to drive further improvements in the area of HSS, both in our own operations and the industry in general.

We value the input of our stakeholders. We start engaging with them before we invest in new opportunities and maintain a continuous dialogue throughout the execution of our projects. We learn from their insights and use them to improve our strategies and plans to create long-term value.

We are committed towards enhancing our relationship with our stakeholders and shall continue to engage closely and collaborate with our partners to understand their views and changing expectations. Engagement and collaborative efforts with stakeholders by specific PSCs pertaining to HSSE matters are discussed in detail throughout this section.



SEA Hibiscus participated in the MPM-led Pulau Mantanani Community Engagement programme on the dangers of encroachment and fish bombing on 23 August 2022.



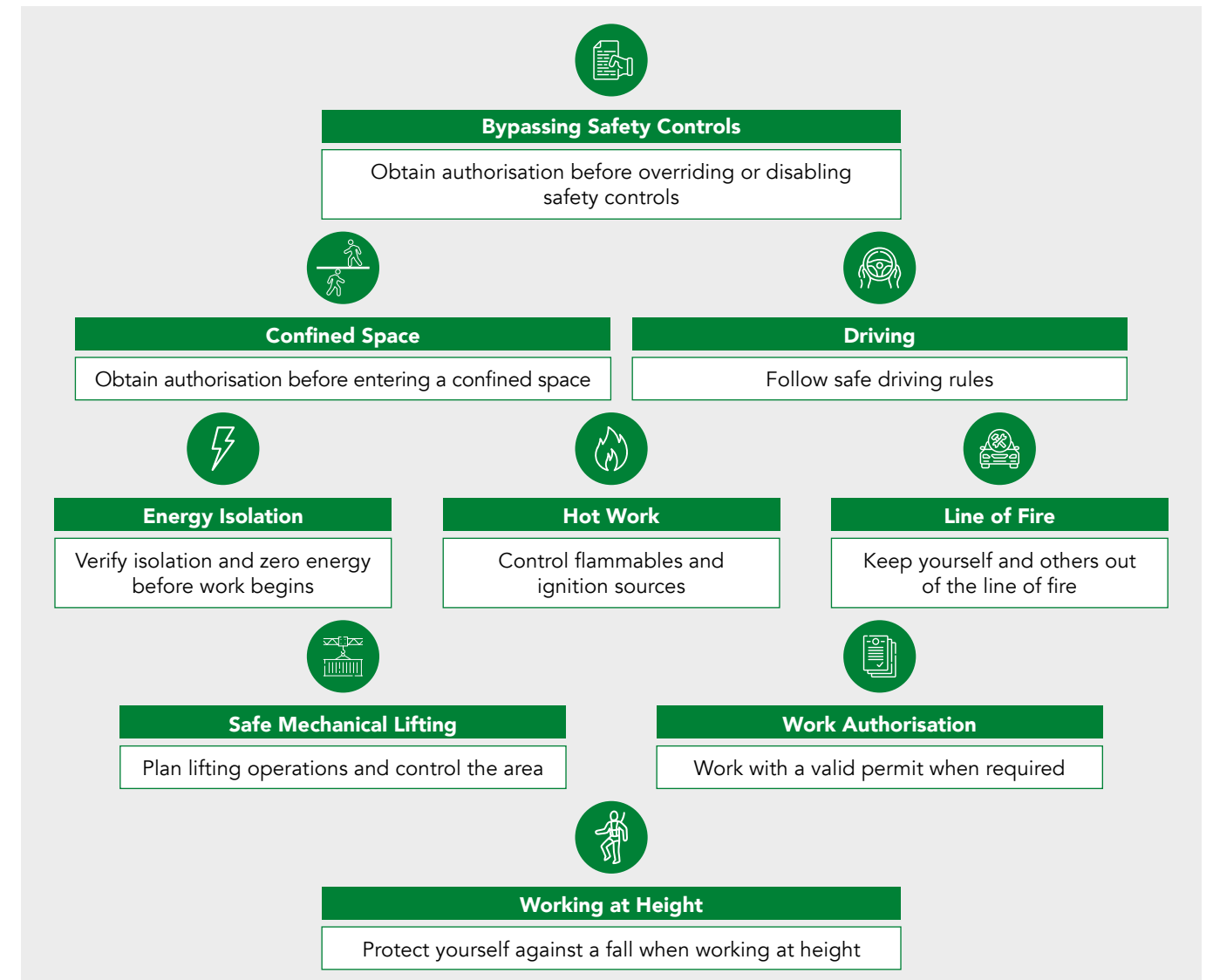
SEA Hibiscus Sdn Bhd (SEA Hibiscus)' HSSE Contractor's Engagement Forum for H1 2023 on 22 and 23 February 2023.

## 5.1 Occupational Health and Safety (OH&S)

The safety, health and well-being of our people and contractors are of paramount importance. The resolute focus to collectively uphold safety, regardless of any externalities sets the tone of the safety mindset driven by our Leadership Team.

Various controls that govern the overarching safety culture and practices of the Group, which includes our work systems and processes, have been introduced and implemented across the Group. Central amongst these are the core policies that cover the HSS aspects of our business. Every person working in or for our organisation is empowered and authorised to immediately **STOP WORK** if any uncertainty exists that a particular activity or situation may be unsafe and could potentially harm the well-being of any person or result in damage to the environment or asset.

Our HSS practices aim to maintain a culture in which employees and contractors keep each other safe on the job. Specifically for our Group, any action or inaction that surmounts to a violation of the International Association of Oil & Gas Producers' (IOGP) Life Saving Rules are thoroughly investigated with consequence management initiated, where appropriate. This has resulted in an inherently safe work environment that fortifies HSS compliance (as far as practicable), prevents non-compliances as well as promotes a proactive reporting and intervention culture.



IOGP Life Saving Rules.

## Sustainability Report

At all levels across our Group, processes to encourage transparent discussions and group collaborations on the work being performed are encouraged and practised to increase our ability to safely manage work and critical activities, to be aware of risks, and to be committed to predicting errors.

Safety alerts and learnings from past events (in particular, near miss events) occurring within our industry and externally (where relevant) are cascaded to our people and contractors to allow for enhanced appreciation of safety prerequisites and to avoid any recurrence. Our ability to understand how people work enhances our ability to identify potential risks and introduce the necessary mitigative measures to manage these risks to ALARP levels.



A Safety Stand Down at LCOT in FY2023.

### North Sabah PSC

Our holistic approach to addressing safety encompasses and is reinforced by the introduction and implementation of various HSS activities and campaigns which focus on the verification of personal safety safeguards in the performance of our daily activities as well as leadership engagements at the frontline. Examples of key HSS activities and campaigns conducted in FY2023 to strengthen communication on health and safety include the following:

- All new staff (includes contractors) received a HSSE briefing as part of the induction process prior to commencement of work at the work location.



HSSE Campaign Briefing in FY2023.

Further, staff travelling to offshore facilities are required to have undergone the Basic Offshore Safety Induction and Emergency Training (BOSIET) certification which includes:

- o Helicopter survival with Compressed Air-Emergency Breathing System (CA-EBS);
- o Emergency first aid;
- o Firefighting; and
- o Sea survival, and lifeboat training.

A refresher programme also known as the Further Offshore Emergency Training (FOET) certification must be attended every 4 years to ensure sustained competency levels.

- Quarterly leadership site visits to all our primary locations were successively organised for Senior Management throughout FY2023, to engage our frontliners on safety performance, improve existing health and safety programmes as well as to discuss and evaluate health and safety challenges, if any. These leadership visits also served as a platform to reinforce Management's commitment towards the safety, health and well-being of the workforce through transparent and open conversations, in line with Company HSSE Policy and practices.



First Cut Steel Ceremony at a contractor yard on 16 May 2023.

- Throughout FY2023, our HSSE performance was reviewed on a weekly, monthly, and quarterly basis by Senior Management. These reviews serve to ensure that the annual Key Performance Indicators (KPIs) and targets, set at the beginning of the year, are pursued and remain active business targets all through the year. The HSSE performance record is also shared with all staff during the quarterly townhall sessions across all locations.



Q1 2023 LCOT HSSE Committee Meeting and Inspection on 16 February 2023.

- Monthly HSSE Management meetings involving the Management Team, HSSE function and staff representatives from various levels of the organisation are conducted prior to the release of the HSSE KPIs monthly reporting to the regulator i.e. before the 10<sup>th</sup> of every month.

Throughout FY2023 we have also continued to engage our staff with the following activities, which demonstrate our focus and resolve towards safety, and highlighted the importance of proactive intervention efforts by our employees and contractors:

- The continuation of the SEA Hibiscus 'Hearts & Minds' (H&M) behavioural safety programme which was launched in September 2021 as part of a 3-year initiative to optimise the "culture of care" and inherent safety mindfulness to achieve a generative HSS culture through:
  - o A series of workshop sessions to cascade the selected Energy Institute (EI) Modular series;
  - o Facilitated Coaching post the cascading session(s) via meetings and engagements; and
  - o Monitoring & Reporting sessions: Leading indicators to measure performance and verify that the H&M objectives are achieved.

- Continuous observation and analysis of trends in relation to proactive intervention practices such as the completion and follow-up of Accident Control Technique (ACT) findings at the business unit level. This has enabled the HSSE function to identify potential areas for improvement, monitor and gauge overall focus areas that require close monitoring and to eliminate unsafe acts and conditions and at-risk behaviours.

- Regular toolbox meetings are performed to enable our staff and contractors to identify specific health and safety issues associated with a particular task or at the worksite, with the intention of proposing relevant and adequate mitigation measures accordingly. Toolbox meetings focus on embedding ownership for safe work with our frontliners, thus also serving as a platform to cover safety checks and to confirm that the proper and adequate safety measures have been put in place prior to the start of a job. This in turn empowers staff and contractors to make the right decision i.e. to call for a **STOP WORK** if necessary and where required.



LCOT Pre-Entry (Confined Space) Safety Check.

- Commencing January 2023, a series of enhanced HSSE Site Supervision programmes, as below, have also been actively pursued:
  - o Face-to-face engagement with Contractors' Management; and
  - o Quarterly Site Inspection Visits (SIV) led by activities owners and accompanied by the site HSSE personnel.



HSSE Site Supervision Activities at LCOT.

## Sustainability Report

- Our annual Safety Day event – Safety Day 2022 with the theme “Driving for Excellence in the New Norm” was successfully carried out on 15 September 2022 across our Kuala Lumpur (KL) and Kota Kinabalu (KK) offices, offshore platforms, LCOT, Asian Supply Base (ASB) as well as onboard a contractor accommodation work boat and a contractor barge. A series of prior programmes were conducted as part of the main event, most notable amongst these being the Biggest Loser Challenge which was carried out over a period of 6 months, and webinars covering subjects such as the “Management of Protected Areas and Protected Places Act” by a representative from the Chief Government Security Office (CGSO) of WP Labuan and the “Cyber Security Challenges in the Oil and Gas Industry” by a representative from the National Cyber Security Agency (NACSA).



SEA Hibiscus staff and contractors onboard a contractor accommodation work boat, at St Joseph Living Quarters (SJLQ), our Kuala Lumpur (KL) office and LCOT during Safety Day 2022.

- The IOGP Life Saving Rules were adopted and rolled out across all business locations in 2019. Continuous focus on creating awareness of the IOGP Life Saving Rules in the execution of familiar or routine tasks have led to a series of successful quarterly HSSE campaigns which have been carried out at the frontline from January 2020 and into FY2023. These campaigns included a ‘Line of Fire’ campaign in Q3 2022 and Q2 2023, a ‘Dropped Object’ campaign in Q4 2022 and a ‘Working at Height’ campaign in Q1 2023 respectively. These campaigns were conducted to reinforce the importance of proactive HSSE culture.



Q2 2023 Line of Fire campaign at a contractor yard.

Our key HSS performance indicators are set out below:

### HSS Performance - North Sabah PSC

Indicators <sup>1</sup>	FY2019	FY2020	FY2021	FY2022	FY2023
Number of staff trained on health and safety basic standards	309	211	222	225	<b>248</b>
Lost Time Injury Frequency (LTIF) <sup>2</sup>	0.69	0.30	0.00	0.00	<b>0.00</b>
Total Recordable Case Frequency (TRCF) <sup>3</sup>	0.69	0.59	1.46	0.00	<b>0.37</b>
Incident free days (including lost time injuries (LTI), major spills, medical treatment case (MTC), major loss of process containment) <sup>4</sup>	298	278	273	638	<b>87</b>
Number of work-related fatalities	0	0	0	0	<b>0</b>

#### Notes:

- FY2019, FY2020, FY2021, FY2022 and FY2023 data shown in the table above are as of 30 June 2019, 30 June 2020, 30 June 2021, 30 June 2022 and 30 June 2023 respectively.
- LTIF represents the frequency of LTI which includes fatalities, permanent disabilities or work hours lost due to workplace incidents per 1 million hours worked by both employees and contractors.
- TRCF is the frequency fatalities, lost time injuries, substitute work and other injuries requiring treatment by a medical professional per 1 million hours worked by both employees and contractors.
- Incident free days for FY2023 is from the last MTC on 6 April 2023. The incident occurred during maintenance work onboard a contractor barge which resulted in the injured person requiring medical treatment. An investigation was carried out and lessons learnt were communicated to reduce the probability of any future recurrences.

As of FY2023, we achieved a major safety milestone of 10,000,000 man-hours LTI free as of 28 May 2023 in our operations of the North Sabah PSC. We operate in an environment where constant vigilance and attention towards HSSE considerations are a necessity. Hence, this achievement is a testament to the collective effort, commitment, and dedication of our people and the contractors who support us at our various locations in maintaining a safe working environment.

We continuously aim to improve our safety performance by emphasising learnings from past incidents to further strengthen our HSS resilience and manage HSS risks. In line with these initiatives and as a means of preventing future incidents, near miss and High Potential (HiPo) incidents that have a high probability of resulting in severe consequences, are reported and tracked internally, with the root cause investigated thoroughly in accordance with our internal Incident Notification, Investigation and Reporting Procedure. Lessons learnt are shared and corrective action(s) implemented across our operations accordingly.



Working At Height (WAH) awareness briefing conducted on 26 May 2023 at a contractor yard.



SEA Hibiscus' HSSE was nominated to host the first PETRONAS MPM Joint HSE Committee Meeting (JHSEC) for year 2023 on 15 and 16 March 2023. The JHSEC is led by MPM HSSE and serves as a platform to discuss HSSE performance benchmarking with all Petroleum Arrangement Contractors (PACs).







# Sustainability Report



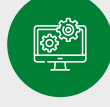

## PM3 CAA and Kinabalu PSCs, and other PSCs under the Peninsula Hibiscus Group

Hibiscus Oil & Gas Malaysia Limited (HML) continued implementing initiatives under its Back-to-Basics 6.0 programme to further embed an appropriate HSSE culture in an effort to reduce employee injuries. These initiatives were part of a fit-for-purpose HSSE Management System (HSSEMS) involving the sharing of HSSE data and information and risk management processes, ensuring verification and validation of procedures through HSSE assurance practices, and maintaining a risk-based approach to contractor management and environmental concerns.

### 2023 HML HSSE Objectives and Action Plan

	Objective or Strategy	2023 Action Plan
 <b>HSSEMS Interface and Integration</b>	To ensure HSSE management systems are in place, rebranded, standardised and fit for purpose to support ongoing safe operations.	<b>1. Phase I</b> <ol style="list-style-type: none"> <li>Complete Phase I HSSEMS document, procedures and practices rebranding.</li> <li>To review and update plan and procedures including tactical response plan.</li> </ol> <b>2. Phase II</b> <ol style="list-style-type: none"> <li>Identification of systemic processes and complete gap assessment between HML, SEA Hibiscus and MPM requirement.</li> <li>Integration of systemic and critical processes.</li> </ol>
 <b>Knowledge Management</b>	To ensure HSSEMS expectations, requirements, information, knowledge and processes are disseminated and socialised effectively to support ongoing safe operations through communication plans, trainings and engagements.	<ol style="list-style-type: none"> <li>Socialisation of HSSE interface and integration outcomes.</li> <li>Communication plan via #HSSE Insight, supported by evaluation of understanding.</li> <li>Issuance of communication pack.</li> <li>Field information dissemination and feedback session including risk-hazard management, best practices and potential improvement opportunities.</li> <li>HSE training and competency management as per matrix.</li> </ol>
 <b>Risk Management</b>	To increase awareness of risk management process and develop competency accordance to roles, responsibility and accountability in managing risk associated with operation and activity being undertaken including ALARP demonstration.	<ol style="list-style-type: none"> <li>Establish methodology to identify critical task and processes.</li> <li>Identify safety critical position and critical process.</li> <li>Review availability, functionality of safety critical position and technical authority.</li> <li>Review implementation of hazard management process.</li> <li>Review implementation of loss of primary containment (LOPC) Management Programme.</li> </ol>
 <b>HSSE Assurance</b>	To ensure a robust and appropriate assurance plan is in place for ongoing verification of management system implementation.	<ol style="list-style-type: none"> <li>Implement Tier 1 HSE assurance programme focusing on 21 risk areas.</li> <li>Integrated Operational Asset Integrity Assurance (IOAIA) audit and HSSEMS audit action management verification.</li> <li>Establishment of HSE compliance matrix by asset or operational functions.</li> </ol>

### 2023 HML HSSE Objectives and Action Plan

	Objective or Strategy	2023 Action Plan
 <b>Contractor Management</b>	To maintain zero Red-Banded contractors and increase Green-Banded contractor rate to support further reduction of contractor incident rate and ongoing safe operations.	<ol style="list-style-type: none"> <li>Identification of potential Yellow Banded Contractors and critical contractors need improvement.</li> <li>Deploy contractors coaching plan.</li> <li>Focused contractor HSSE engagement (high and selected medium risk contractors including Senior Management engagement).</li> </ol>
 <b>Environment</b>	To achieve 50% of scheduled waste recovery for SW311 & SW409.  To assess the viability of CCS viability in PM3.	<b>Scheduled waste recovery</b> <ol style="list-style-type: none"> <li>Identify potential scheduled waste for recovery. (Completed)</li> <li>Establish scheduled waste recovery contract. (Completed)</li> <li>Segregate potential SW311 and SW409 for collection by licenced scheduled waste recovery service provider. (Ongoing)</li> </ol> <b>CCS</b> <ol style="list-style-type: none"> <li>Conduct conceptual studies for CCS in 2023. (Ongoing)</li> </ol>
 <b>System or Application</b>	Application System or Tool: <ol style="list-style-type: none"> <li>Electronic Permit to Work (ePTW)</li> <li>MyOSH</li> </ol>	<b>ePTW</b> <ol style="list-style-type: none"> <li>Reviewed Petroliaam Nasional Berhad (PETRONAS) ePTW system.</li> <li>Good alignment with HML with no major changes.</li> <li>Operations and Information Technology (IT) discussed with vendor PETRONAS ICT.</li> <li>Quotation received and submitting for budget.</li> </ol> <b>MyOSH</b> <ol style="list-style-type: none"> <li>SEA Hibiscus provide feedback on the relevant improvement.</li> <li>Discussion with the vendor.</li> <li>Received quotation and proceed for procurement process.</li> <li>Target to be available in early September 2023.</li> </ol>
 <b>Offshore Safety Passport</b>	To have a digital tool to track and record prerequisite requirements in terms of certification and documentation including Fitness to Work (FTW), BOSIET and Permit to Work as well as other related trainings of personnel prior to mobilisation to work in HML offshore facilities.	<b>Offshore Safety Passport</b> <ol style="list-style-type: none"> <li>Shared with SEA Hibiscus on HML KABAL (Well-IT), an application to track Personnel on Board (POB) and cargo movement.</li> </ol>

HML's unwavering dedication to the Back-to-Basics programme, successful implementation of the Hibiscus Observation Card (HiOC) system, active engagement with high-risk contractors, and prioritisation of a safe working environment particularly during the monsoon season clearly demonstrate HML's commitment to cultivating a robust HSSE culture towards excellent HSSE performance. As a recognition of these endeavours, in June 2023, HML was accorded the prestigious HSSE Excellence Silver Award by PETRONAS during the Malaysia Upstream Awards presentation ceremony, highlighting our exceptional HSE performance in the country.



HSSE Excellence Silver Award Ceremony and Trophy (June 2023).

## Sustainability Report

From July 2022 to June 2023, HML achieved a total of 5,247,211 man-hours of work without any Lost Time Injury, major fire or major oil spill. However, there was one Restricted Work Case (RWC) injury and one major gas release or loss of primary containment (LOPC) Tier 1 event recorded during this period.

The RWC occurred on 12 September 2022 at the Bunga Raya C (BRC) platform when a person suffered a finger injury while attempting to remove a stud bolt on a valve. Subsequently, a major gas release was recorded on 1 February 2023 at Bunga Raya E (BRE) platform where a gas leak was observed at BRE bridle bottom flange (instrument drain line) due to parted bolts. There was no significant impact observed on the environment due to the immediate shutdown process that was initiated.

HSSE Alerts were issued to share the immediate recommended action steps to prevent potential similar occurrences.

HML has maintained a strong safety record with no work-related employee nor contractor fatalities, continuing its positive performance since becoming part of the Group. In the event of accidents or incidents resulting in injuries, HML conducts investigations and shares its findings, along with the actions taken, following its internal Incident Notification, Investigation, and Reporting Procedure.

### HSS Performance - PSCs under Peninsula Hibiscus Group

Indicators	FY2022 <sup>1</sup>	FY2023 <sup>2</sup>
No. of man-hours	2,130,784	<b>5,247,211</b>
No. of work-related fatalities	0	<b>0</b>
No. of LTI	0	<b>0</b>
LTIF <sup>3</sup>	0	<b>0</b>
No. of recordable case <sup>4</sup>	1	<b>1</b>
TRCF <sup>5</sup>	0.47	<b>0.19</b>
Major Oil Spills (more than or equal to 5 barrels)	0	<b>0</b>
Major Gas Releases	0	<b>1</b>
Major LOPC (≥Tier 1) <sup>6</sup>	0	<b>1</b>
Fire incident	0	<b>0</b>

#### Notes:

<sup>1</sup> From 25 January 2022 until 30 June 2022.

<sup>2</sup> From 1 July 2022 until 30 June 2023.

<sup>3</sup> Calculated based on frequency of LTI (injuries/illness) (Fatality + Permanent Partial Disability (PPD) + Permanent Total Disability (PTD) + Lost Workdays Case (LWC)) per million hours worked by both employees and contractors.

<sup>4</sup> Recordable case is the sum of Fatality, PPD, PTD, LWC, RWC and MTC.

<sup>5</sup> Calculated based on total recordable case per million hours worked by both employees and contractors.

<sup>6</sup> Major LOPC is an unplanned or uncontrolled release of any material from primary containment, including non-toxic and non-flammable materials (e.g. steam, hot water, nitrogen, compressed CO<sub>2</sub>, or compressed air), that resulted in one or more of the consequences listed below:

- An employee, contractor or subcontractor "days away from work" injury and/or fatality.
- A hospital admission and/or fatality of a third-party.
- An officially declared community evacuation or community shelter-in-place including precautionary community evacuation or community shelter-in-place.
- An engineered pressure relief discharge, of a quantity greater than or equal to the Tier 1 threshold quantities in Table 1 of API 754 2<sup>nd</sup> Edition (see Appendix ii) in any one-hour period, to atmosphere whether directly or via a downstream destructive device that results in one or more of the following four consequences:
  - rainout;
  - discharge to a potentially unsafe location;
  - an on-site shelter-in-place or on-site evacuation, excluding precautionary on-site shelter-in-place or on-site evacuation; and
  - public protective measures (e.g. road closure) including precautionary public protective measures.
- An upset emission from a permitted or regulated source, of a quantity greater than or equal to the Tier 1 threshold quantities in Table 1 of API 754 2<sup>nd</sup> Edition (see Appendix ii) in any one-hour period, that results in one or more of the following four consequences:
  - rainout;
  - discharge to a potentially unsafe location;
  - an on-site shelter-in-place or on-site evacuation, excluding precautionary on-site shelter-in-place or on-site evacuation; and
  - public protective measures (e.g. road closure) including precautionary public protective measures.
- A release of material greater than or equal to the Tier 1 threshold quantities described in in Table 1 of API 754 2<sup>nd</sup> Edition (see Appendix ii) in any one-hour period.

To support the mental health of workers in the post-coronavirus disease 2019 (COVID-19) period, HML launched a Mental Health Awareness Campaign.

The following programmes were conducted:

- A Mental Health Talk (Series 1) entitled "Identifying of Common Psychological Problems at the Workplace and its associated factors" was held on 26 July 2022. The talk was attended by 50 personnel.
- A Mental Health Talk (Series 2) on "Tips for Healthy Minds at Work" was organised on 18 August 2022. 38 personnel participated in the talk.
- A "Mental Health Awareness – Lessons Learned" session was conducted on 29 November 2022.
- A Mental Health Talk onboard PVD III drilling rig was arranged on 17 and 18 December 2022 which involved 94 crew members. HML received positive responses from participants with no significant anxiety or depression detected.

Concurrently, HML also organised a Wellness Health Promotion Programme between September and November 2022 in which medical screenings to detect non-communicable disease (NCD) for the employees were provided. NCDs (and their complications) pose a real and significant threat as it is a factor which may result in economic loss because of reduced labour productivity and rising healthcare costs to treat such patients. The main objectives of this programme were to:

- Identify workers who may have NCDs;
- Promote awareness of healthy lifestyle practices among working individuals;
- Increase the level of fitness;
- Reduce the stress prevalence; and
- Reduce the prevalence of lifestyle-related disorders.

A total of 62 personnel from HML were tested on 26 September 2022. Amongst the medical screenings conducted were blood tests, urine tests and a fitness test.



Wellness Health Promotion Programme.

HML also organised other health and safety standard training with the primary purpose of increasing the knowledge and awareness of our staff to be more attuned to health and safety related matters. Some of the programmes held were as follows:

- A Mercury Awareness training conducted on 1 April 2023 at Kemaman Supply Base (KSB) which was attended by 25 staff.
- A Heat Stress Awareness conducted on 23 May 2023 which had 243 staff participating.
- A Noise and Hearing Conservation Awareness training was conducted in June 2023 for the Bunga Raya platform crew, with the attendance of 70 onboard crew members recorded.
- An Initial Ergonomic Risk Assessment training was held on 21 and 22 June 2023 which was attended by 23 personnel.

In order to minimise incidents through behavioural changes, HML initiated a HSSE Culture programme by conducting a series of safety talks, as follows:

- Safety Talk #1 was conducted on 21 September 2022 on "Basic Rules Towards Lasting HSSE Culture". The session emphasised the importance of house safety rules of an organisation and the need for such rules to be written in direct and concise language to facilitate understanding and compliance. The talk was attended by 16 personnel.
- Safety Talk #2 was held on 14 October 2022 covering the presentation topic of "Moving Up the Safety Cultural Ladder". In this session, the topic discussed how an organisation could achieve the next level of safety compliance from its current level, via self-awareness of the present status and each staff taking accountability and exerting personal influence to enhance safety levels via their individual roles and responsibilities. This talk was attended by 24 personnel.
- Safety Talk #3 was held on 9 November 2022 on "OSHA 2022 and Impact to us" which was attended by 33 personnel. The talk deliberated on key areas of the upcoming Malaysia Occupational Safety & Health Act (new amendment) and the steps HML had to pursue to ensure full compliance.

## Sustainability Report

Given that a significant portion of HML's workforce consists of contractors, the relevant management processes were implemented. HML also engaged with Mode 2 high-risk contractors to ensure safe operations. Senior leaders from contractor companies were further invited to share best practices and discuss potential HSSE threats.

Recognising the importance of contractors and service providers in ensuring the conduct of safe operations, HML continues to prioritise the establishment and forging of strong relationships with these parties and consistently conducts engagements to ensure alignment of performance objectives, and process/procedures and expectations. Frequent engagements have been held with Mode 1 and Mode 2 contractors to instill the HML TEPAT<sup>5</sup> culture.

### Notes:

#### Mode 1

- The contractor provides people, processes and tools for the execution of the contract under the supervision, instructions and HSSEMS of HML.
- The contractor has a management system to provide assurance that the personnel for whom it is responsible are qualified and fit for the work and that the processes, tools, materials and equipment they provide are properly maintained and suitable for the contract.

#### Mode 2

- The contractor executes all aspects of the contract under its own HSSEMS, providing the necessary instructions and supervision and verifying the proper functioning of its HSSEMS.
- HML has the right to verify the overall effectiveness of the HSSEMS controls in place, including interface with subcontractors, and assuring that both HML and contractor HSSEMS are compatible.

#### Mode 3

- The contractor operates within its own HSSEMS that has no interface with the client's HSSEMS.
- The Contractor is not required to report HSSE performance data to the client.

Prior to a planned shutdown, HML organised 14 Offshore Safety Induction (OSI) sessions which comprised seven HSSE modules to educate contractors on HML's HSSE expectations, management system, key processes and emergency response requirements. These OSI sessions were attended by 724 individuals. The seven modules in the OSI session comprised:

- General Safety Rules (House Rules)
  - These requirements ensure that those going to HML offshore locations (from embarkation point to disembarkation point) fully comply to Life Saving Rules, Hibiscus Petroleum's policies, use of correct personal protective equipment (PPE) and not carry prohibited items were reinforced during the sessions.

- People Onboard Management
  - This module focused on the roles and responsibilities of personnel during emergency response situations while working onboard HML offshore locations. This includes credible scenarios occurring during emergency response situations and the types of offshore platform alarm sounds.
- Emergency Preparedness and Response
  - Attendees were informed of the locations of primary and secondary mustering point (area where head counting of individuals would be conducted to ensure everyone was accounted for during emergency situations) at HML offshore locations.
- Permit to Work systems, Task Risk Assessment and Toolbox talk
  - This module briefed participants on the type of permits required for different types of work. The module also detailed the roles and responsibilities of each personnel working in various dedicated teams.
- Hazards at Workplace (during Shutdown)
  - This module introduced the attendees to the main hazards present at HML locations ranging from confined space entrance, use of chemicals, ergonomics, heavy lifting, welding etc.
- Waste Management
  - This session informed on the best practices when segregating and splitting scheduled waste and non-scheduled waste, as well as emphasising the need for labeling the waste generated prior to sending it onshore for disposal.
- Intervention (**STOP WORK**) and Incident Reporting
  - This module stressed on the roles and responsibilities of everyone working at the HML work locations to report incidents and near-miss occurrences. The module also reinforced the need to utilise intervention or **STOP WORK** instruction if any unsafe action(s) or conditions were observed while working at the HML worksite in an effort to reduce the potential or possibility of incidents or near-misses occurrences.

HSSE supervision coverage at worksites was also increased to monitor and support the significant work activities carried out. Both the Kinabalu and PM3 CAA Planned Shutdown were successfully completed without any recordable injuries between 29 July to 9 August 2022 and 20 August to 4 September 2022 respectively.

The Senior Management Team's involvement in health and safety improvements was demonstrated through the quarterly HSSE Steering Committee meetings. This participative initiative is a platform for management engagement on health and safety with employee representations from all levels of the organisation.

The HSSE Steering Committee of HML is supported by the following HSSE Sub-committees as below:

- Asset Committee which focuses on any issue or support required by the operations teams.
- Technical Services Committee which attends to any issue or support related to technical matters.
- Logistics Committee which focuses on any issue or support required by the marine and aviation teams.
- Human Capital Safety Committee which attends to company-wide HSSE-related matters such as capability and competency assessments, and professional development.
- Office Safety Committee (OSC) which focuses on KL office matters such as hazard hunts, emergency drills and HSSE promotional programmes in the office.

These Sub-committees conduct monthly meetings to discuss HSSE related matters subject to their scope and highlight any significant issues to the HSSE Steering Committee's attention.

### Anasuria Cluster

Under the UK regulations (Statutory Instrument No. 971), safety representatives are elected to represent the different worker groups offshore. On the Anasuria FPSO, regular meetings were held, chaired by the Offshore Installation Manager, with the minutes of such meetings posted on the notice board of the FPSO. In addition, safety meetings were also held regularly to discuss general safety issues. Furthermore, industry alerts were regularly discussed to benefit from lessons learnt from other locations.

During FY2023, there were campaigns to inculcate safety awareness within the workforce. Several campaigns were rolled out offshore including a full update to the asset induction process. The following awareness campaigns were carried out onboard during asset safety meetings within the period:

- Cancer Awareness
- Stress Awareness
- Mental Health
- Hidden Disabilities
- Sun Health
- Body Image
- Neurodiversity
- Skin Health
- Lung Health
- Dental Care
- Heart Health
- Physical Activity

In addition, for the Anasuria FPSO, annual Health, Safety, Environment and Quality (HSEQ) targets were set annually, using upper quartile industry performance as a benchmark. Actual performance was monitored and discussed at monthly review meetings.

Our key HSS performance indicators for the past 5 financial years are set out below:

### HSS Performance - Anasuria Cluster

Indicators	FY2019	FY2020	FY2021	FY2022	FY2023
Number of staff trained on health and safety standards <sup>1</sup>	10/13 (77%)	9/12 (75%)	9/9 (100%)	12/12 (100%)	<b>18/18 (100%)</b>
LTIF – employees and contractors <sup>2</sup>	0	0	0	0	<b>0</b>
Total Recordable Injury Rates (TRIR) – employees and contractors <sup>2</sup>	0.89	0.52	0.00	1.7	<b>1.7</b>
Incident free days (including LTI, major spills, medical treatment case, major loss process containment)	359	366	363	362	<b>363</b>
Number of work-related fatalities of employees and contractors	0	0	0	0	<b>0</b>

### Notes:

<sup>1</sup> Includes only AOCL workforce.

<sup>2</sup> LTIF represents the frequency of lost time injuries (LTI) which include fatalities, permanent disabilities or workhours lost due to workplace incidents per 200,000 hours worked by both employees and contractors.

<sup>3</sup> TRIR is the number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per 200,000 hours worked by both employees and contractors.

### Note:

<sup>5</sup> TEPAT denotes Hibiscus Petroleum's core values of Tenaciousness, Environmentally Responsible, People Focused, Agile and Trustworthiness.

## Sustainability Report

The HSS performance for FY2023 has been generally positive, with zero LTIs recorded during this period.

At many of our operating sites, we work alongside third-party contractors who deliver proprietary products and specialist technical skills and services. Where third-party contractors work alongside our employees, we attempt to ensure that these members of the supply chain also subscribe to our systems and processes to assure a safe working environment for all. Thus, our selection of business partners and suppliers requires an assessment of their organisational safety performance. We are only interested in working with those who are non-compromising in their attitude towards safety performance.

In Anasuria, two recordable cases were reported during the period resulting in a TRIR of 1.7 (based on 200,000 worked hours). Details on the two reportable cases are as follows:

- On 31 July 2022, a contractor suffered a minor strain to his back while loosening bolts during a maintenance operation. He was then found unfit to do the full range of his duties resulting in him being confined to doing restricted work, as defined by Occupational Safety and Health Administration (OSHA).
- On 5 October 2022, whilst ascending the turret stairs, a person fell forward onto the grating at the top and suffered a laceration to his finger due to impact from falling on the floor grating. The injuries he sustained resulted in him undertaking restricted work (as defined by OSHA).

In the case of all incidents reported on the asset, full investigations were conducted, root causes identified and actions are tracked to closure in the AOCL Action Tracking Management System (ATMS).

### 5.2 Process Safety and Asset Integrity

#### North Sabah PSC

Process safety management remains central in our approach to safety. We acknowledge that strong leadership and operational discipline are essential attributes that contribute towards mitigating risks and sustaining a healthy process safety culture through all phases of our operations which are dynamic in nature. Our Process Safety Framework is a tool for managing asset integrity across the value chain, through the disciplined application of systems and processes to prevent a major unplanned and uncontrolled process safety incident that has the potential to result in serious impact to our people, the environment, our assets and production. We focus on utilising effective precautions or safety barriers across our operations to keep our facilities safe, eliminating potential impact to our people, the environment, our facilities and our reputation.

Process safety hazards are managed through prevention and response barriers. These effective precautions can be broadly categorised into active controls and passive safety barriers which often involve equipment, procedural documentation and/or people to prevent incidents. As per the normal practice in operating facilities, multiple barriers are utilised throughout our operations as process safeguards based on the severity of a potential hazard.

A rigorous maintenance schedule with specific requirements and criteria for inspections is maintained to ensure barriers are effective. This protects the integrity of our wells, structures, piping and equipment and minimises the risk of an unplanned loss of containment or an unplanned release of hydrocarbons. Both are considered process safety related events.

We also adopt a detailed approach to prevent the occurrence of major accidents whilst undertaking all projects, as a means to continually improve our process safety culture. We ensure that employees with the appropriate level of competency undertake, oversee and review project planning activities. This ensures the understanding of major hazards and associated scenarios, and the implementation and/or maintenance of critical system safeguards, as appropriate. Appropriate materials, tools, up-to-date installation methods and drilling fluids are utilised in conducting drilling-related activities, whilst meeting all relevant safety standards. Our well design, planning and inspection procedures conform to both international level practices as well as existing legislation. Finally, we rely on the effective application of design criteria and safety barriers which are built into our programmes and verified through internal and external review processes, including independent inspections of proposed well designs.

#### Contractor HSSE Management

Contractors are an integral partner to our operations, comprising around 73% of our total workforce hours in FY2023. Compliance to the North Sabah safety requirements is mandatory for all staff and contractors working on our operations. To comply with this requirement, from the onset and prior to award of a contract, potential contractors' HSSE management systems, capabilities and HSSE competencies are assessed and rated against our HSSE requirements during the bidding process. Additional focus has also been placed on the pre-award process by the introduction of the risk ranking and contract mode categorisation initiatives to identify potential risks and hazards as early as possible. The intent here is for actions to mitigate and manage the identified potential risks and hazards of a particular activity to be identified from the onset and frequently monitored thereafter by the contract owners during the post-award phase.

As part of efforts to ensure that potential risks and hazards are identified and the relevant mitigation actions are taken as early as possible to address the same, safety related activities such as the below were carried out throughout FY2023 in the presence of, and with participation of, contractor personnel:

- Quarterly Vessel Fast Crew Boat, Standby Boat and Boat Inspection Programmes.
- HSSE and Welfare Quarterly Management Engagements at the frontlines.
- Workplace Inspection Programmes at all locations.



Pre-mobilisation Safety Briefing at a contractor yard on 13 May 2023.



High-risk HSSE contractor audit programmes held in Q4 2022.

Another key initiative to strengthen the ongoing collaboration with our key contractors supporting the operations of the North Sabah PSC included the successful launching of the SEA Hibiscus HSSE Contractor's Engagement Forum on 6 and 7 September 2022. As a result of the positive response from this maiden launch, the H1 2023 SEA Hibiscus HSSE Contractor's Engagement Forum was organised on 22 and 23 February 2023 to provide another platform for the SEA Hibiscus and our contractors to discuss and reflect on the key HSSE Key Performance Indicators (KPIs) that are required to be met for calendar year 2023.

This forum served as a platform for the SEA Hibiscus and contractor's management to collectively reflect on the North Sabah HSSE Performance thus far and to discuss further improvements together, as partners, to maintain a safe work environment in the dynamic working conditions of our operations. Leaders from contractor companies were invited to share their knowledge and experience in this regard as we continue to pursue HSSE excellence.

A high-risk HSSE contractor audit programme was also carried out in Q4 2022. This initiative was introduced in FY2021 as a platform for company and contractor representatives to monitor HSSE compliance and raise concerns on the same. In this programme, the selected high-risk contractors were audited through a series of HSSE document review, desktop reviews and/or field verification against the SEA Hibiscus' requirements, industry standards and best practices. This ensures that the controls established through the HSSEMS are implemented, maintained and effective in safeguarding our people, the environment, our assets and our reputation. It also enables us to verify that the requirements of the system are translated into tasks and targets as appropriate.

# Sustainability Report



H1 2023 SEA Hibiscus HSSE Contractor's Engagement Forum on 22 and 23 February 2023.

### External Assurance Audits

During FY2023, several external assurance programmes were carried out on the North Sabah PSC, namely the LCOT Department of Occupational Safety and Health (DOSH) audit on 13 October 2022 and the HSE Functional Assurance – Operations Safety audit from 31 October to 14 November 2022.

The LCOT DOSH audit was conducted to ensure compliance to the Occupational Safety and Health Act (OSHA) 1994 and Factories and Machineries Act (FMA) 1967, as well as to assess the overall effectiveness of the company's compliance practices and protocols to other regulations that are benchmarked and practised across the industry.

The HSE Functional Assurance – Operations Safety audit from 31 October to 14 November 2022 was conducted by MPM via a document review, physical site verification at our offshore platforms, LCOT and ASB work locations as well as via interviews with office and site personnel, including third-party contractors (where applicable). This assurance exercise was conducted in order to provide assurance to the regulator that the management control framework in place complies with the relevant Malaysian Acts and related regulations and guidelines, PETRONAS' Procedures and Guidelines for Upstream Activities (PPGUA 4.1) as well as to specific requirements or aspects referenced within the organisation such as the Group's HSSE Policy, HSSE requirements and procedures and incident management arrangements. The focus in this area is on proactive governance of operational safety practices, which in turn ensures a safe and dependable operations management throughout the lifespan of the asset.



HSE Functional Assurance – Operations Safety audit by MPM from 31 October to 14 November 2022.



HSE Functional Assurance – Operations Safety audit by MPM from 31 October to 14 November 2022.

The North Sabah PSC is continuing its efforts to pursue the ISO 45001 Occupational Health & Safety Management (OH&S) Systems certification. ISO 45001 is an international standard that specifies the requirements for an occupational health and safety management system to enable organisations to:

- provide safe and healthy workplaces in order to mitigate the occurrence of work-related incidents of injuries or ill health; and
- to proactively improve OH&S performance by taking advantage of OH&S opportunities.

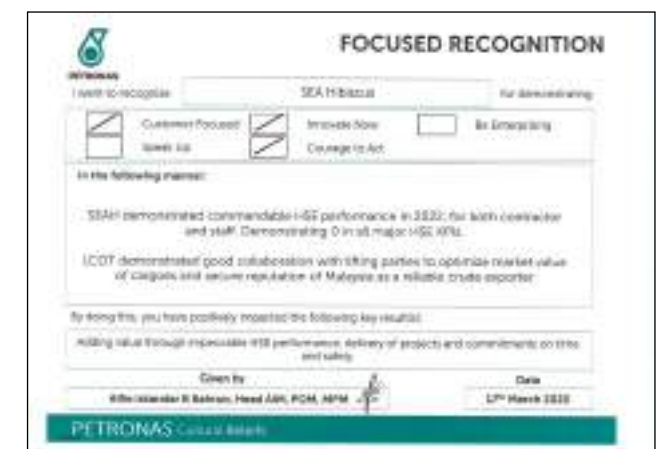
As part of this effort, an ISO 45001:2018 and ISO 14001:2015 Stage 1 desktop verification audit was conducted in September 2022 by the National Institute of Occupational Safety and Health (NIOSH). This was later followed by the ISO 45001:2018 and ISO 14001:2015 Stage 2 Audit at LCOT and ASB from 23 to 25 November 2022 which were held with the aim of evaluating the implementation, including effectiveness of the organisation's HSSMS in meeting the applicable statutory, regulatory and contractual requirements and standards in order to achieve the ISO 45001 certification.



ISO 45001 and ISO 14001 awareness session at ASB on 24 May 2022.

In March 2023, SEA Hibiscus was awarded 2 PETRONAS Focused Recognition Awards by our partner, PETRONAS Carigali Sdn Bhd (PETRONAS Carigali) for "Effectively contributing to excellent HSSE performance in 2022" as well from the regulator, PETRONAS MPM for "Adding value through impeccable HSE performance, delivery of projects and commitments on time and safely", demonstrated in the following manner:

- Excellent HSSE performance recorded in 2022 with no major incidents and accidents.
- Commitments on Zero Tolerance towards HSSE non-compliance.



### PM3 CAA and Kinabalu PSCs, and other PSCs under the Peninsula Hibiscus Group

The main objective of the Safety Integrated Level (SIL) assessment is to assess the integrity level for all instrumented protection functions that have been provided for all process systems, in accordance with international codes and standards such as Functional Safety – Safety instrumented systems for the process industry (IEC 61511).

## Sustainability Report

An assessment workshop was conducted to perform a systematic review of plant process systems to identify failures in various safety related control systems at each plant, which undertake activities that have the potential to harm personnel (through injury or loss of life) or cause damage to the environment (temporary or permanent). A secondary objective was to identify where such failures have the potential to cause significant economic loss due to production loss and/or damage to capital equipment. The safety and environmental harm and the economic loss would generally arise from a loss of containment, either of the product or of a substance hazardous to health.



Participants of the Kinabalu SIL Assessment Workshop from 17 to 19 January 2023.

As part of HML's commitment to ongoing improvement, the Safety Case must be formally revised and an updated Safety Case resubmitted every five years. Updating an existing Safety Case provides continuous assurance that existing HSSE risks are effectively managed, and guarantees that risks associated with changes to equipment, activities or locations, as well as systemic weaknesses identified by incident analyses and audits, are effectively managed.



Participants of the PM3 South Operations Safety Case Workshop held on 9 to 11 May 2023.

Additionally, other work-in-progress activities such as the Kinabalu and PM3 North Operations Safety Case Gap Assessment Workshops were held on 29 May and 19 June 2023 respectively. A Safety Layout As-Built Updates Campaign which involved participation of HML's Safety Specialists at offshore sites was also conducted.

As part of its ongoing efforts to reduce the incidence of LOPC across all of HML's maturing assets, a LOPC Management Framework programme, established since July 2021, was utilised to identify common threats for LOPC based on historical data and operational experience. This was done in order to identify the relevant areas of focus. Simultaneously, a review of the ongoing programme continues to be conducted across all assets to monitor, analyse, and report LOPC KPI to facilitate the development of new strategies to ultimately prevent and/or minimise LOPC incidents across all HML-operated assets.

In FY2023, there were 11 hydrocarbon releases recorded from July to December 2022 whilst 5 hydrocarbon releases were recorded from January to June 2023.

The relevant mitigation measures were immediately implemented and the learnings from such incidences were shared with all employees in efforts to prevent recurrence of such situations.

There was also a major LOPC incident reported on BRE platform at level gauge (8LZG-9175) bridle bottom flange that is connected to the Regeneration Gas Separator (8V-9140). The incident was caused by parted bolts on the bridle 4" bottom flange releasing hydrocarbon gas and condensate with operating pressure of 47 barg. Upon investigation, the failure of the bolts was due to Chloride Induced Stress Corrosion Cracking (CISCC) contributed by the use of lower grade B8 stainless steel bolts that were susceptible to CISCC. Immediate action was taken to replace all B8 bolts with higher grade B7 bolts for the affected system. The damaged (bend) spool was removed from location.

As added precautionary measures, the following recommended actions were also cascaded to other locations:

- To extend inspection and replace the standard grade bolts type with those of a higher grade for the regeneration gas separator system skid.
- To perform survey on bridle flange bolting integrity and condition for all vessels across all assets.

### Anasuria Cluster

In May and June 2023, AOCL was subject to a detailed regulatory inspection covering the subject of 'Process Safety Leadership' as part of a wider industry review which covered a wide cross section of installation operators. The process involved a detailed documentation review and individual interviews cascading through the organisation from the CEO, onshore and offshore Leadership Teams and offshore elected safety representatives. Overall, the regulator had positive feedback on AOCL's performance.

#### Contractor HSSE Management

As a practice, pre-contract HSEQ audits are carried out on all non-routine offshore projects, such as a scale inhibitor squeeze, diving and drilling campaigns. In addition, combined operations HAZID/risk assessment workshops are also held, bridging documents prepared and emergency response arrangements tested through exercises and drills. With respect to planned shutdowns, several planning meetings are held and the work packs prepared are subject to detailed risk assessments.

A requirement of the Safety Case Regulations 2015 is that a 'thorough review' of the installation Safety Case must be carried out every five years, and a report of the findings submitted to the Health & Safety Executive (HSE). The purpose of this review is to demonstrate, through a systematic examination, that the Safety Case remains sound, information is current and accurate, and areas for improvement are identified and addressed. The review looks at design parameters, ageing processes and changes in operating conditions that may limit the life of the installation, or impact the effectiveness of its safety critical elements.

During the course of calendar year 2020 when Petrofac was the Duty Holder, a Safety Case thorough review was conducted, and the required report was submitted to the HSE in 2020. As AOCL successfully transitioned to the role of the Anasuria FPSO Duty Holder on 10 June 2022, the responsibility to address open action items transferred from Petrofac to AOCL. Since transition, a series of HSE inspections have taken place. The table below shows the inspection focus areas and status of items raised. AOCL is engaging with the HSE on these items and they are tracked in AOCL's ATMS system to closure.

#### AOCL's Inspection Focus Areas and Status

Inspection Title	When	Onshore	Offshore	Items Raised	Items Closed
Petrofac Pre-Duty Holder Letter Items	-	-	-	11	5
Human Factors	November 2022	Yes	No	0	n/a
Maintenance Management	November 2022	Yes	No	1	0
HSE Offshore Inspection	December 2022	Yes	Yes	4	3
Wells	March 2023	Yes	No	1	1
Pipelines	January/March 2023	Yes	No	0	n/a
HSE Offshore Inspection	February/March 2023	Yes	Yes	7	2
Cyber Security	March 2023	Yes	No	1	0
Process Safety Leadership	June/July 2023	Yes	No	Ongoing	n/a

As a part of the environmental compliance process (with the UK Regulations), annual environmental inspections are undertaken by the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED). Such an inspection took place in November 2022.

The OPRED Inspection Letter received for the 2021 Inspection identified 10 areas for improvement. Six of these items have been closed/completed (which was 3 more than that achieved in the previous financial year), with the remaining four improvement areas still open and currently in progress. The remaining four improvement areas are:

- ensuring meter maintenance activities are carried out as planned;
- ensuring crude offtake systems are maintained and tested to prevent the release of crude oil to the sea;
- plans to assure integrity of all Anasuria risers and ensuring they are fit for operations beyond calendar year 2022; and
- ensure AOCL's anomaly management system allows clear tracking of anomalies through all phases or remediation.

## Sustainability Report

In addition, AOCL received the OPRED Inspection Letter on 27 June 2023. OPRED reported a total of eight findings/areas for improvement following the 2022 Inspection, of which one has been addressed. The remaining areas of improvement identified include:

- ensuring that subsidiary red lights, which are a part of navigational lights, are consistently flashing correctly as specified by the Consent to Locate;
- investigating to ensure that the Aids to Navigation System, both lights and fog horns, will automatically switch to the backup system, in the event the primary system fails;
- confirming offtake reel spool piece replacement has been completed;
- providing an update of the failed Guillemot production/test riser dissection, testing and root cause analysis;
- confirming that the newly installed forward fire water pump work has been completed;
- confirming what actions were taken to investigate and remedy the dripping of fluid from the hydraulic swivel and if any was released to sea; and
- providing an update to the Platform Operating Procedures Manual (POPM) update project.

During the reporting period, the Anasuria asset achieved a Gold Award for the 24<sup>th</sup> consecutive year and the Order of Distinction for 24 consecutive Gold Awards for health and safety performance from the Royal Society for the Prevention of Accidents (ROSPA), UK. Hibiscus Petroleum through its indirect wholly-owned subsidiary, Anasuria Hibiscus has been a joint operator of Anasuria since 10 March 2016. Prior to this, Shell U.K. Limited had been the operator of Anasuria since the fields commenced production in 1996.

In addition, in May 2023, AOCL entered the Offshore Safety Awards which are jointly organised by Offshore Energies UK (OEUK), the leading representative body for the UK offshore oil and gas industry, and Step Change in Safety. The Offshore Safety Awards celebrate the excellent work being done to promote safety across the energy industry, with winners being selected by their industry peers. In this regard, AOCL was nominated for two of the six industry awards for the Elected Safety Representative of the Year and Welfare and Wellbeing awards. Although ultimately AOCL did not win awards for these two categories, being recognised via nomination in such an elite field, is acknowledgement enough.

Together with our partner PPUK, Anasuria Hibiscus and AOCL, the Duty Holder of the Anasuria FPSO, are proud to have been able to continue to uphold the safety performance of the Anasuria asset.

At many of our operating sites, we work alongside third-party contractors who deliver proprietary products, and specialist technical skills and services. Where third-party contractors work alongside our employees, we must ensure that these members of our supply chain also subscribe to our systems and processes to assure a safe working environment for all. Thus, our selection of business partners and suppliers requires an assessment of their own organisational safety performance. We are only interested in working with those who are non-compromising in their attitude towards safety performance.



### 5.3 Crisis and Emergency Preparedness



Safety is not just a core value at Hibiscus Petroleum. It is the very foundation of our business. We strive to ensure the safety of our workforce and communities, to keep our infrastructure healthy and fit for service, and to maintain strong emergency preparedness and response systems.

We plan for safe, reliable, incident-free operations, in keeping with our belief that all incidents are preventable.

We have robust emergency preparedness and response systems which we constantly test for continuous monitoring and improvement, to enable us to promptly resume normal operations and/or business activities in the unlikely event of an incident, to reduce the occurrence of any adverse impact to business productivity and profitability. We partner proactively with local first responders, emergency management groups as well as state and federal agencies.

Our Crisis Management Team (CMT), located at our headquarters in Kuala Lumpur, is responsible for the overall strategic management of critical events which require corporate support.

At project level, the coverage of emergency preparedness encompasses unintended events caused by natural

disasters, major fires, spills, or social unrest, and ensures that Emergency Response (ER) centers and ER Plans are in place at the country, regional or global level.

ER plans are seamlessly integrated by company-appointed crisis and ER operatives and personnel by providing knowledge and skill development coaching programmes and training to manage various business emergencies. Corporate and site-specific drills and exercises to test emergency response plans are embedded in yearly activity plans and executed under the monitoring and coaching capabilities of the HSSE department.

Emergency preparedness requires a systematic approach to identify potential hazards to facilitate planned mitigation and remediation actions which are efficient and effective, whilst ensuring the safety of responders, the community, and the environment. Our programmes use an organisational structure for incident management that, depending on the nature and magnitude of an incident, covers all levels of the organisation – from frontline workers to executive leadership – and can be activated immediately. Additionally, these programmes are regularly reviewed and periodically audited to ensure their continual improvement and proper functioning.

## Sustainability Report

Our comprehensive ER plans are tailored to each business unit to cover distinct operations and risks, including site-specific receptors. We regularly review, audit, update and test these plans to ensure they work as expected. Our emergency management programmes outline the review and improvement cycles. All of our regulated plans are updated to ensure effectiveness and alignment with stakeholders' expectations, in addition to evolving business needs. Relevant information from our ER plans is shared with local first responders and key stakeholders in accordance with our license to operate to facilitate seamless coordination between all parties.

We place high importance in training our employees and direct contractors who could be involved in an emergency response. The training commensurates with the role they would be required to take on during such an emergency and addresses potential hazards or risks that may be encountered in the course of duty. For example, onshore operations staff are trained on shoreline oil spill protection and clean-up strategies, while marine and offshore operations staff are trained in facility emergency shutdown and oil spill offshore containment and dispersion strategies.

### North Sabah PSC

As part of a continuous effort towards achieving a level of desired readiness to face various types of incidents, numerous trainings, workshops and exercises were organised between July 2022 and July 2023 to exercise the Command, Control, Coordination and Communication (4Cs) principle between various facilities and the SEA Hibiscus Incident Management Team (IMT) and CMT.

To further improve response effectiveness, the HSSE Department fully implemented a virtual incident management tool called "LogIT". This tool enables both IMT and CMT to respond to emergencies in near "real-time", albeit virtually, across all locations with the support of our Emergency Control Centre (ECC).

The integration of LogIT with the pre-existing ER procedures and plans was done via linkage to our IMT webpage. The IMT Webpage functions as a one-stop centre for ER, and provides the user access to business emergency and crisis plans, emergency callout duty roster, operation emergency standing instruction updates, training schedules and online knowledge centre for ER. This includes access to relevant webpages and tools utilised during ERs. The webpage also communicates training offerings for emergency responders.



LogIT Incident Management Software.



SEA Hibiscus IMT Webpage.

To ensure emergency preparedness, discussions-based and operations-based exercises were conducted including seminars, workshops, and tabletop drills as well as full-scale exercises involving our employees and contractors, local first responders and other third-party agencies. We also work with local emergency responders as per our business HSSE plans.



Routine T-Baton Training at LCOT by our Auxiliary Police.



Polis Diraja Malaysia (PDRM) Engagement with Auxiliary Police Organisation.



Our Auxiliary Police on board St Joseph Standby Vessel.



LCOT Fire Team Member and Leader Training (February to March 2023).



Chemical Spill Emergency Drill Logistic Warehouse "Exercise Enoe 01/2023" (completed May 2023).



LCOT Emergency Response Assurance Visit, Training and Exercise (June 2023).



## Sustainability Report



SEA Hibiscus Warehouse Worst Case Scenario Workshop and Tabletop Drill (January 2023).



LCOT Worst Case Scenario Workshop and Tabletop Drill (July to August 2022).



SEA Hibiscus Incident Management Team Training (March 2023).

Furthermore, through industry associations, we exchange best practices with other operators and participate in committee activities and joint exercises for the purpose of collectively advancing safety and emergency preparedness. These were some notable engagements done with the following agencies during this financial year:

- MPM – Joint Emergency Response Working Group (JERWG), Joint Security Working Group, Sahabat Maritim initiative for fishermen engagement on security risks, Radar Surveillance (RS3).
- Malaysian National Security Council (MKN) – external stakeholder engagement level, drills and exercises (inclusive NACSA).
- Office of the CGSO – external stakeholder engagement level, business emergency response plans, Key Point Installation assessment, drills and exercises.
- Ministry of Health (MOH) of Malaysia – external stakeholder engagement level, drills and exercises.
- Fire and Rescue Department Malaysia (JBPM) – Labuan Emergency Mutual Aid (LEMA) Joint Working Group meetings, external stakeholder engagement level, drills and exercises.
- Malaysian Maritime Enforcement Agency (MMEA) – external stakeholder engagement level, Sahabat Maritim.
- Polis Diraja Malaysia (PDRM) – external stakeholder engagement level, Sahabat Maritim, Joint Security Working Group (Sabah), Auxiliary Police Annual meeting.
- Atomic Energy Licensing Board (AELB) (now known as the Department of Atomic Energy Malaysia) – external stakeholder engagement level, drills and exercises.
- DOE – external stakeholder engagement level, drills and exercises, national and state oil spill contingency seminars and workshops.
- Department of Occupational and Health (DOSH) of Malaysia – external stakeholder engagement level, drills and exercises.
- Marine Department Malaysia (MARDEP) – external stakeholder engagement level, drills and exercises, International Ship and Port Facility Security (ISPS) related engagement and national drills.
- Lembaga Kemajuan Ikan Malaysia (LKIM) – Mantanani Sahabat Maritim outreach programme.



Mantanani Sahabat Maritim outreach programme Safety and Security Awareness talk by SEA Hibiscus' Offshore Installation Manager (August 2023).



SEA Hibiscus' CEO presenting Safety Token to Villagers during Mantanani Sahabat Maritim outreach programme (August 2023).



Participating organising members of Mantanani Sahabat Maritim outreach programme (August 2023).



SEA Hibiscus Fire Safety Awareness Programme in collaboration with JBPM (August 2022).



SEA Hibiscus Fire Safety Awareness Programme in collaboration with JBPM (August 2022).



SEA Hibiscus Fire Safety Awareness Programme in collaboration with JBPM (August 2022).



SEA Hibiscus Security Awareness Programme in collaboration with CGSO and NACSA (August 2022).



SEA Hibiscus External Stakeholder meet – Civil Aviation Authority of Malaysia (CAAM) SAR Mission Director KLIA (February 2023).



SEA Hibiscus External Stakeholder meet – MKN (February 2023).



SEA Hibiscus External Stakeholder meet – MMEA (February 2023).



SEA Hibiscus External Stakeholder Meet – MARDEP WP Labuan (February 2023).

## Sustainability Report

### Pandemic Preparedness (COVID-19) and Post-Pandemic Initiatives

We moved swiftly to ensure preventive controls were established within the organisation in view of the COVID-19 pandemic which commenced in early 2021. Several stringent initiatives were implemented upon the announcement of the Movement Control Order (MCO) and the variations under Enhanced (EMCO), Conditional (CMCO) and Recovery (RMCO), and thereafter scaled back during the Endemic stage declared by the Malaysian Government. Upon a subsequent announcement by the Malaysian Government, all company controls for the pandemic were gradually reduced and ceased in October 2022.

Health monitoring and alerts are nevertheless practised within the Company to ensure necessary health controls are achieved in accordance with the Petroleum (Safety Measures) Act 1984, OSHA 1994 and Factories and Machinery Act 1967.

In addition, we secured contractual support from well-established entities to better manage and elevate our capabilities when facing non-desired events. More specifically, contracts are in place for:

- Medical Emergency Response support coverage – the integrated medical services provider extends comprehensive and continuous occupational health services covering international medical assistance, healthcare, occupational health regulatory compliance consultation and medical evacuation support services. Our Medical ER Plan incorporates its services in the event of medical evacuation of staff due to occupational or non-occupational illness while at work.
- Oil Spill Contingency Plan (OSCP) support coverage – the UK specialist organisation works to assist operators to respond effectively to oil spills. This gives us access to their global network of oil spill response equipment and expertise, including offshore and shoreline oil recovery equipment, dispersant stockpiles, and aerial dispersant spraying capabilities. Their equipment can be quickly mobilised from their regional bases at any time, for instance, it owns a dispersant aircraft based at Senai, Johor and a regional logistics base at Singapore.
- OSCP support coverage – the local oil spill response organisation (OSRO) National Oil Spill Workshops is well-connected with local enforcement and government agencies. It provides oil spill response consultation and equipment during oil spill incidents, as well as assists to build competency and skills for our emergency responders.



OSRO Tier 2 Petroleum Arrangement Contractor (PAC) Members Quarterly Meeting – Port Dickson Q1 2023.



Local and Regional OSRO participated in SEA Hibiscus Tier 3 Oil Spill Exercise (September 2022).

### Focused Worst Case Scenario Exercises – Tier 3 Oil Spill Exercise (Exercise Kiamsam 01/2022)

In an effort to maintain ‘readiness’, reduce any existing gaps and continually implement further improvements to emergency response capability, SEA Hibiscus embarked on a large-scale Tier 3 Oil Spill Exercise involving our frontline and management within the business units in line with requirements by PPGUA and following best practices recommended by IOGP and International Petroleum Industry Environmental Conservation Association (IPIECA).

Three crucial drills were conducted to test certain design phase criteria:

#### Phase 1

- Trigger LCOT Emergency Response Plan (ERP) and SEA Hibiscus OSCP (SEA Hibiscus Tier 1), trigger SEA Hibiscus IMT, Notify Crisis Leader.
- Deploy Tier 1 Equipment.
- Notification to external stakeholders (Authorities, PETRONAS, Petroleum Industry of Malaysia Mutual Aid Action Group (PIMMAG), OSRL, PETRONAS Labuan Gas Terminal (LGAST)).

#### Phase 2

- Activate Tier 2 support (PIMMAG/OSRL).
- Deployment – Oil spill modelling, staging area, Pusat Kawalan Tindakan Kecemasan/ Pusat Kawalan Operasi Bencana, Shoreline Clean-up Assessment Technique, manpower services, deployment Tier 2 Oil Spill Response Equipment, 4Cs.

#### Phase 3

- Managing a prolonged incident.
- Escalating events (knockover effect).
- Business continuity plan.

#### Phase 4

- Activate state response plan (National/State/ District Oil Spill contingency plan) and mobilisation.
- Deploy SEA Hibiscus Tier 3 (Manpower and Equipment), Government Assets.
- Joint command (Industry/ Authorities) and split responsibility of incident 4Cs.

### Oil Spill Classification

#### Tier 1

Tier 1 spills are likely to be small and affect a localised area. The spill can be managed using onsite resources.

#### Characteristics of Tier 1 Oil Spill:

- Spill occurs within immediate site proximity.
- Minor environmental impact.
- Spill can be managed using oil spill response resources available on site.
- Source of spill has been secured.
- Minimal media interest.

#### Tier 2

Tier 2 spills are those in which regional and national resources are required to control the spill.

#### Characteristics of Tier 2 Oil Spill:

- Spill extends beyond the immediate site boundary.
- Tier 1 resources are overwhelmed and additional in country resources are required.
- Potential impact to sensitive areas and/or local communities.
- Spill source cannot immediately be secured.
- Local/national media interest.

#### Tier 3

Tier 3 spills are those in which national and international resources are required to control the spill.

#### Characteristics of Tier 3 Oil Spill:

- E.g. complete loss of vessel cargo, well blowout, pipeline rupture.
- Spill has crossed international maritime boundaries.
- Tier 2 resources are overwhelmed and additional international resources (e.g. Oil Spill Response Limited (OSRL)) are required.
- Significant impact to sensitive areas and/or local communities.
- International media interest.

# Sustainability Report

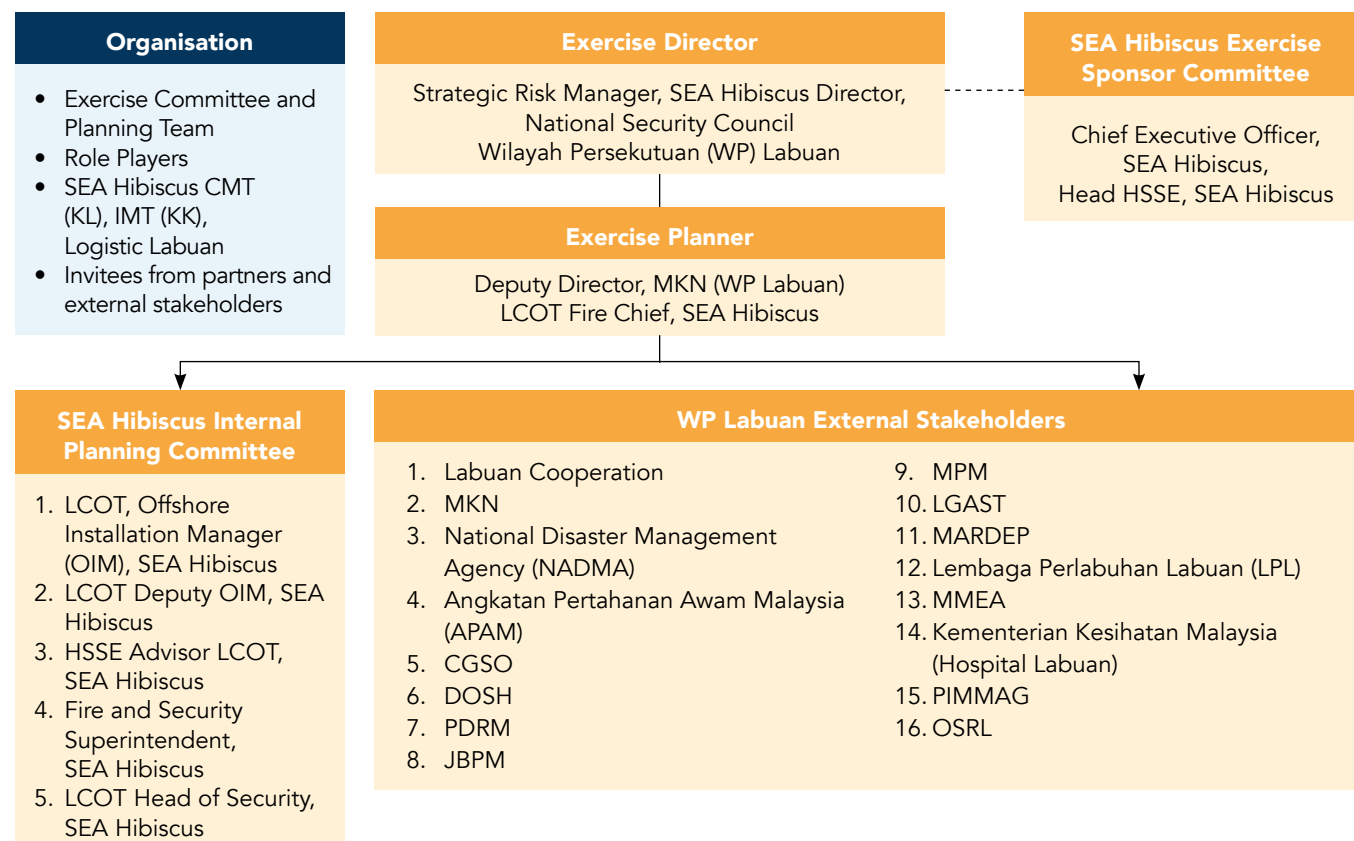
The objectives of the exercise are:

- Establish a multi-tiered oil spill exercise programme using SEA Hibiscus' worst case event scenario.
- Design the exercise programme to fit the lean organisation structure of the business.
- Populate training and coaching programmes to guide the organisation in the oil spill exercise journey.
- Embed external stakeholder engagements, workshops and joint physical and mobilisation exercises.
- Provide a safe environment where participants may exercise and learn through "trial and error/success" mode.
- Testing of all company and Tier 2 emergency response equipment in a real deployment exercise.
- Merge SEA Hibiscus and the Emergency Response Organisation and Resources of various authorities and agencies in a coordinated response plan, with full active deployment of equipment, vessels, and manpower by SEA Hibiscus and the relevant authorities.
- Conduct an "After Action Review" and revise company emergency response plans, responder growth development plan and equipment update.

Through this exercise, we achieved the following:

- Valuable exposure received by our frontline team with regards to managing a large-scale emergency from the perspectives of 4Cs.
- Leveraged the success of building business relationship ties with strategic partners especially local government and industry responders, in addition to providing valuable information with regards to tactics and strategies to establish a joint response capability to counter with business worst case scenario.
- Obtained assurance that all levels of emergency response resources including organisation, manpower, equipment and business aided tools are tested and ready for managing a large-scale emergency situation.
- Identified from exercise After Action Review potential business gaps, authority and licensing requirements, planned and agreed action on gap closures to ensure effectiveness in our future readiness, further improving our emergency response procedures.

## TIER 3 OIL SPILL JOINT EXERCISE ORGANISATION



Exercise Kiamsam Tier 3 full deployment exercise 27 to 29 September 2023 at WP Labuan.

### PM3 CAA and Kinabalu PSCs, and other PSCs under the Peninsula Hibiscus Group

Although the COVID-19 pandemic transitioned to the Endemic stage, monthly meetings have been regularly held between HML and the Office Building Management to discuss relevant issues associated with safety, security, and administrative issues within the building.

Continuous precautionary measures have been instituted within the HML Kuala Lumpur office. These include recommending the use of face masks in common areas in the office, regular sanitisation and disinfection of common areas within the building, *ad hoc* sanitisation or disinfection upon the reporting of any positive COVID-19 case by Building Management and/or tenant, and the distribution of COVID-19 self-test kits to HML employees.

The HSSE team has also carried out risk assessment to manage COVID-19 cases at the HML offices/and other premises, including at supply bases which includes Tok Bali Supply Base (TBSB), ASB, KSB under the purview of the

OSC. The OSC discharges its duty in collaboration with the Building Management (KL Office), and the Management of TBSB, ASB and KSB. Reference was also made to the MOH to ensure compliance with the latest procedures and to seek advisory support.

The HML Emergency Response Team comprises the CMT, Business Support Team (BST), IMT and Tactical Response Team (TRT). As part of the annual company emergency response and preparedness exercises, HML organised training and drills for BST, IMT and TRT. Below are the examples of TRT emergency drill exercise scenarios carried out on-site:

- Fire
- Abandon Ship
- Medical Emergency
- Confined Space
- Man Overboard (MOB)
- Emergency Steering
- Piracy
- Oil Pollution

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- Collision
- Dynamic Positioning (DP) Failure
- Power Failure
- Cargo Shifting

On average, a team, consisting of 10 to 15 crew members, is involved in each TRT exercise. Amongst the main objectives of these drills are to ensure readiness and skillfulness of onshore or offshore personnel in an emergency response, achieve improved communications between the on-site team and the KL office team, and enhance the capability of crew members in logistical preparations for emergency situations. The outcomes of these drills are better coordinated responses, good communication, mutual support between different levels of management and locations, in addition to compliance and familiarisation with the procedures and guidelines for safety purposes in offshore and onshore emergency situations. Approximately 13 emergency drill exercises have been conducted at the HML Supply Bases located at TBSB, ASB and KSB during the period between July 2022 and June 2023.

In addition, HML actively joins other oil and gas companies in monthly meetings and discussions to review and update the functionality of oil spill response equipment owned by PIMMAG. In December 2022, HML collaborated with PIMMAG and PETRONAS, as well as the DOE to conduct an Oil Spill Workshop to streamline the appropriate response in the event of an oil spill emergency. On 20 July 2023, PIMMAG organised the PAC Meeting Serial 3/2023 and Audit Committee Meeting Placeholder to re-appoint the new PAC Chairman and Deputy Chairman.

In addition, HML is also an active participant and regular member, in the capacity as a PAC, of the JERWG organised by MPM and attended the four meetings held from June 2022 to July 2023.

On average, the JERWG meetings or workshops attract around 25 participants comprising representatives from each PAC and MPM HSE.

Furthermore, HML had also joined a workshop organised by PIMMAG "*Bengkel Pemurnian Dokumen*" (Joint Oil Spill Response Guidelines for Industry and Related Government) which was held on 19 and 20 December 2022. The identified takeaways from this meeting was combined knowledge and experience shared by different PACs on the Emergency Response Plan (ERP) activation during Exercise Jerung Emas (PETRONAS Carigali-Peninsular Malaysia Asset (PMA)), Emergency Response Management (ERM) during Bekok-A Gas Leak incident (PETRONAS Carigali-PMA), Offshore Maritime Search & Rescue (MSAR) and Marine Maintenance, Repair and Operations (MMRO) Tabletop Exercises with several stakeholders, Site Emergency

Response Drill Learnings and Discussion, and Pre-Budget Expectation (PBE) for Emergency & Crisis Management 2024.

Finally, HML is also working with OSRL to prepare an Oil Spill Capability Review for Block PM3 CAA and Kinabalu assets (anticipated to be completed in Q3/Q4 2023). OSRL is the largest international industry-funded cooperative which exists to respond to oil spills wherever in the world they may occur, by providing preparedness, response, and intervention services. This Capability Review assesses, provides feedback, and makes recommendations on the following topic areas:

- Oil spill planning process i.e., scenario identification, response strategy, emergency response documents and tiered response capability
- Adherence/compliance to legislation, regulations, and agreements
- Emergency response documents (i.e., OSRP and Incident Management Plan (IMP))
- Oil Spill Training and Exercise Programme
- Sustainability and Continuous Improvements

### Anasuria Cluster

As joint operator of the Anasuria Cluster and through our ownership of AOCL, we partly rely on the provisions of the Management System Standards of our Duty Holder (AOCL), which is also the owner of the Safety Case, to demonstrate that AOCL has the ability to operate the Anasuria facility safely and be responsible for the day-to-day management of the Anasuria FPSO and pipelines.

We have identified all foreseeable major accident scenarios related to work under our direct control and have implemented emergency response plans, facilities and procedures to ensure an effective and efficient response by an empowered organisation. Emergency response plans are regularly tested through drills and exercises. As part of our initiatives in this area, employees and contractors receive emergency response training appropriate to their roles and responsibilities.

We also have the capability to respond to Tiers 2 and 3 environmental events. Emergency Response procedures are available which details the processes in place to maintain a constant state of preparedness and to enable the proactive mobilisation of resources when responding to an emergency. The emergency response provision functions through an on-call Duty Manager with onshore incident management support located within the Petrofac Emergency Response Centre at Blaikies Quay, Aberdeen Harbour.

The Anasuria Oil Pollution and Emergency Plan (OPEP) details the offshore Tiers 1-3 emergency response arrangements for the installation and subsea infrastructure and is supported by the Onshore AOCL OPEP. Additional Temporary Operation OPEPs and Communication and Interface Plans are developed and implemented where required.

Training and exercising plans are in place to ensure all personnel required for response to an emergency, are competent. Duty Managers are trained to OPEP level 2 and HSEQ team members are trained to OPEP level 3 and participate regularly in exercises organised by the Emergency Response Team of which they are a part of.

To support our oil spill response plans and capabilities, we are an associate member of a specialist organisation which works to assist operators to respond effectively to oil spills. Apart from access to their global network of oil spill response equipment and expertise, we also have access to the UK's Oil Spill Prevention and Response Advisory Group's (OSPRAG) well capping device. The well capping device is a vital piece of equipment which, if in the unlikely event has to be called upon, would be deployed to seal off oil leaking from an uncontrolled subsea oil well and minimise damage to the marine environment. The AOCL Duty Managers have the authority to mobilise these resources in response to an incident. In relation to a well-related incident, an appointed Well Operator has been provided the authority to mobilise these resources. AOCL and the appointed Well Operators are also members of the Offshore Pollution Liability Association (OPOL).

We also contract with an established integrated medical services provider which provides us with international medical assistance, healthcare and security services. The Coastguard Search and Rescue helicopter can also be called upon to provide emergency evacuation of casualties or those with serious illness.

### Pandemic Preparedness (COVID-19) and Post-Pandemic Initiatives

The Anasuria Cluster continued to support and comply with COVID-19 controls in line with the UK Governmental requirements and industry best practices. A cautionary approach was taken to the relaxation of the controls for COVID-19 resulting in no long-term health effects suffered by the core team and no significant disruption to operations. Post COVID-19, good practice hygiene measures have been maintained in both the office and offshore work environments.

## 5.4 Security

### **PM3 CAA and Kinabalu PSCs, and other PSCs under the Peninsula Hibiscus Group**

#### Security Engagement, Arrangement, Coordination and Communication with Government Authorities

In managing offshore encroachment and intrusion, HML has been actively involved in the Joint Security Working Group (JSWG) organised by PETRONAS' Group Security and the Government authorities including the MMEA, Royal Malaysian Navy (RMN), Marine Police Force and Special Branch of the Royal Malaysia Police (RMP), MARDEP, the Office of the CGSO, Department of Fisheries Malaysia (DOF), Sabah Ports and Harbour Department (JPDS), National Hydrographic Centre (PHN). The JSWG meetings were held approximately on 5 occasions from September 2022 to June 2023 and these meetings were focused on addressing and managing maritime security issues confronting the Malaysia Upstream operations block, including HML offshore operations at PM3 CAA and Kinabalu. Amongst the key topics discussed at the JSWG meetings were current security updates on South China Sea issues, management of encroachment or intrusion, gazettement of offshore facilities, and emergence of threats such as drone, physical intrusion and drifted persons.

On average, the JSWG meetings involve approximately 20 participants comprising of representatives from each PAC, MPM HSE, PETRONAS' Group Security and the Government authorities concerned. The main objectives of these JSWG meetings have been to address steps taken to facilitate security coordination in operational support to PETRONAS or PACs, enhance readiness and capability in response to various security risks and threats confronting offshore operations, and ensuring continuous communication between PETRONAS, PACs and the authorities in security-related issues. Such meetings have resulted in improved relationships and coordination between PETRONAS, PACs and the Government authorities on security matters and enhanced operational/logistical cooperation and collaboration between parties involved.

HML was also involved in making the necessary arrangements (including preparing the Security Risk Assessment and Security Plan) for security coordination to facilitate the offshore project execution which includes PM3 CAA Drilling Campaign, Kinabalu Remotely Operated Vehicle (ROV) Campaign, Kinabalu Infill Drilling, and South Angsi A (SAA) Decommissioning, with assistance and support from MKN and other relevant government agencies. Among the MKN-organised Security Coordination Meeting or *Mesyuarat Penyelarasan Keselamatan* (MPK) held were MPK MKN Sitting for PM3 CAA and Kinabalu Field Drilling Projects on 15 August 2022 and MPK MKN Sitting for SAA Decommissioning and Kinabalu Infill Projects on 8 June 2023.

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Additionally, HML assisted government agencies (e.g. CGSO and MKN) in reporting encroachment cases at the national strategic assets (offshore facilities) to the Kelantan State Key Point Committee (*Jawatankuasa Sasaran Penting Negeri* or JSPN) for the Federal Government's attention and action. HML also organised a Security Audit Visit to our offshore facilities, which includes Bunga Raya-A (BRA) platform on 7 June 2023 for Team JPKP Negeri Kelantan (Kelantan State Security Inspection Sub-committee or *Jawatankuasa Kecil Pemeriksaan Keselamatan* under JSPN Kelantan) comprising CGSO Kelantan, Kelantan Contingent Police Headquarters (IPK Kelantan) and the Kelantan State JBPM to inspect and audit the physical security aspects (protective security) of the BRA platform as it is one of the national strategic assets for which the government is responsible to protect and safeguard.

### Engagement and Communication with Onshore Facilities and Local Community

HML was involved in various engagements with onshore facilities (supply bases) in supporting offshore operations. These engagements involved security briefings, site visits and awareness programmes with supply bases' Auxiliary Police, HML staff and contractors stationed at supply bases. Other relevant stakeholders were also included in such engagements. On 4 and 5 July 2023, the Security Team conducted a security awareness and briefing session for HML and TBSB employees. The session covered the most recent security situation offshore and precautions to be undertaken in daily operations. In terms of HML's engagement with the local community, the Company was directly involved in the 'Sahabat Maritim' Programme (PSM) with PETRONAS and MMEA (amongst others) held on 21 July 2023 at Kuala Besar, Kota Bharu, Kelantan, with attendance from the local fishermen community, MMEA Kelantan, a PAC in the TBSB and the general public.



## 6. ENVIRONMENTAL MANAGEMENT

Amidst the growing urgency to address environmental challenges, we are committed to jointly play our part in safeguarding the environment by minimising our impacts as far as reasonably practicable, guided by our core values and *Environment Policy*. We recognise that strong environmental performance is crucial for our success and continued growth.

We adopt a risk-based approach to environmental management. We utilise an Environmental Aspects and Impacts Register to manage associated risks, in accordance with our Environmental Management System, throughout the lifecycle of assets under our control or influence. Environmental aspects are those elements of our activities, products, services, or physical resources which may have physical effects on, or potential benefits to, the environment. These include discharges, greenhouse gas and other air emissions, raw materials and energy use, waste disposal and pollution.

This section provides a comprehensive overview of our environmental initiatives, progress and the strategies we have implemented to mitigate our impact on the environment. Through diligent monitoring, innovation and collaboration, we are dedicated to fostering a harmonious relationship between our operations and the planet, working towards a future where sustainability is not just a goal, but an integral part of our identity.

In managing environmental impacts, we have also abided by the Guided Self-Regulation (GSR) requirements, a programme initiated by the Malaysian DOE to assist organisations in achieving environmental excellence through the implementation of a set of rigorous environmental mainstreaming (EM) tools. In line with GSR requirements, we have also established the Environment Regulatory Compliance Monitoring Committee (ERCMC), chaired by the CEO of SEA Hibiscus, which meets annually to discuss environmental updates and issues, budget requirements, continuous improvement measures and environmental compliance matters. This programme is currently implemented at LCOT.



LCOT Annual Environmental Regulatory Compliance Monitoring Committee (ERCMC) meeting conducted on 15 November 2022.

Meanwhile, AOCL had its Environmental Management System evaluated against the requirements of the ISO 14001:2015 Environmental Management System Standard and became certified on 5 April 2023. SEA Hibiscus is also on course to obtain the ISO 14001:2018 Environmental Management Systems certification, currently pending an audit process offshore.

We are committed to working closely with our stakeholders. We conduct meetings and engagements with the DOE at least twice a year, through which we provide some updates on our activities and status of compliance, and discuss matters pertaining to the environment. SEA Hibiscus also participates in the Joint Environment Working Group (JEWG) organised by MPM together with other PACs three times a year to discuss matters relating to the environment.

This Report includes our disclosure of data for all of our production assets. There is minimal reportable data for the PM314 and PM305 PSCs as PM314 is no longer operating and is undergoing the final stages of decommissioning, while there is negligible production from PM305. Block 46 PSC is accounted for under the PM3 CAA PSC as the PSC facilities are tied-back to PM3 CAA infrastructure.

Our summarised Environmental Management performance data table is shown below:

Indicator	Unit	FY2021	FY2022	FY2023
<b>Climate Change and Greenhouse Gas (GHG) Emissions</b>				
<b>Total Operational GHG Emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>551,447</b>	<b>6,490,703</b>	<b>7,249,428</b>
Scope 1	tonnes CO <sub>2</sub> e	549,846	6,487,907	7,247,324
Scope 2	tonnes CO <sub>2</sub> e	1,602	2,796	2,104
Payment to UK ETS	RM mil	16.8	25.0	25.0
Net GHG Emissions (Scope 1 and Scope 2) – Operational Control	tonnes CO <sub>2</sub> e	465,213	6,434,556	7,183,155
Net GHG Emissions (Scope 1 and Scope 2) – Equity Control	tonnes CO <sub>2</sub> e	224,598	2,384,887	2,613,073
Aggregate Net Emissions Intensity	tonnes CO <sub>2</sub> e/ kBoE	48.33	223.27	228.25
Total Scope 3 GHG Emissions (Categories 4 and 6)	tonnes CO <sub>2</sub> e	0	26,272	50,092
<b>Total Operational GHG Emissions (Scopes 1 and 2) by Operation</b>				
North Sabah PSC	tonnes CO <sub>2</sub> e	425,227	587,841	361,504
PM3 CAA PSC	tonnes CO <sub>2</sub> e	–	5,630,270	6,604,192
Kinabalu PSC	tonnes CO <sub>2</sub> e	–	184,850	185,437
Anasuria Cluster	tonnes CO <sub>2</sub> e	126,183	87,688	98,243
<b>Energy Management</b>				
<b>Total Energy Consumption (Anasuria FPSO)</b>	<b>kWh</b>	<b>370,630,088</b>	<b>371,895,367</b>	<b>414,788,144</b>
Natural Gas	kWh	348,580,994	357,475,720	390,922,822
Diesel	kWh	22,049,094	14,419,647	23,865,322
<b>Waste Management</b>				
<b>Total Waste Generated</b>	<b>tonnes</b>	<b>302.53</b>	<b>266.40</b>	<b>2,159.79</b>
Hazardous Waste	tonnes	205.58	191.56	865.70
Non-Hazardous Waste	tonnes	96.95	74.84	1,294.09
<b>Total Waste Generated by Type of Treatment</b>				
Recycled	tonnes	78.40	62.52	124.03
Non-recycled	tonnes	34.01	174.78	1,979.96

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Indicator	Unit	FY2021	FY2022	FY2023
<b>Environmental Fines and Penalties (Waste-related)</b>	<b>RM</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Waste Generation by Operation</b>				
North Sabah PSC	tonnes	190.12	29.13	65.19
PM3 CAA PSC	tonnes	–	148.61	1,713.92
Kinabalu PSC	tonnes	–	5.03	245.99
Anasuria Cluster	tonnes	112.41	83.66	134.69
<b>Oil Spills</b>	<b>kg</b>	<b>26.81</b>	<b>41.50</b>	<b>21.38</b>
<b>Water Management</b>				
<b>Produced Water Generated by Operation</b>	<b>m<sup>3</sup></b>	<b>5,501,175</b>	<b>7,296,705</b>	<b>10,538,784</b>
North Sabah PSC	m <sup>3</sup>	4,013,413	3,430,599	3,668,319
PM3 CAA PSC	m <sup>3</sup>	–	2,101,436	4,696,931
Kinabalu PSC	m <sup>3</sup>	–	433,412	842,280
Anasuria Cluster	m <sup>3</sup>	1,487,762	1,331,258	1,331,253
<b>Total Water Used</b>	<b>m<sup>3</sup></b>	<b>0</b>	<b>25,651</b>	<b>41,761</b>
Freshwater purchased from third-party	m <sup>3</sup>	0	326	1,360
Non-freshwater withdrawal	m <sup>3</sup>	0	25,169	39,671
Re-used water	m <sup>3</sup>	0	156	730
<b>Total Water (Effluent) Discharge by Operation</b>	<b>m<sup>3</sup></b>	<b>5,501,175</b>	<b>7,322,356</b>	<b>10,580,545</b>
North Sabah PSC	m <sup>3</sup>	4,013,413	3,430,599	3,668,319
PM3 CAA PSC	m <sup>3</sup>	–	2,126,671	4,736,749
Kinabalu PSC	m <sup>3</sup>	–	433,829	844,224
Anasuria Cluster	m <sup>3</sup>	1,487,762	1,331,258	1,331,253
<b>Oil in Water Concentration of Produced Water Discharged by Operation</b>				
North Sabah PSC	mg/l	19.9	17.6	19.8
PM3 CAA PSC	mg/l	–	13.42	17.86
Kinabalu PSC	mg/l	–	24.73	21.76
Anasuria Cluster	mg/l	7.82	11.92	13.31
<b>Environmental Fines and Penalties (Water-related)</b>	<b>RM</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Air Emissions (Anasuria Cluster)</b>				
Nitrogen oxides emissions (NO <sub>x</sub> )	tonnes	265	246	278
Sulphur oxides emissions (SO <sub>x</sub> )	tonnes	4	3	4
Volatile organic compounds (VOC) emissions	tonnes	568	389	401

Further details by assets/projects may be found at the Appendix section of this Report.

### 6.1 Climate Change and Greenhouse Gas (GHG) Emissions

We recognise the significant challenges that climate change has posed to the world and particularly, to our industry. We believe climate risks can and should be addressed concurrently while attending to the growing demand for affordable and secure energy, which is necessary to ensure a just and orderly transition.

We strive to align ourselves to the Paris Agreement's aim of limiting global average temperature rise to well below 2 degrees Celsius and the global ambition of achieving net zero emissions by 2050. This is expressed through our aspiration to become a Net Zero Emissions Producer by 2050, which is now part of our Mission Statement. This ambition will also align us with:

- The Malaysian Government's recent aspiration to reach Carbon Neutrality as early as 2050;
- PETRONAS' aspiration to be at Net Zero Carbon Emissions by 2050; and
- The UK and Scottish Governments' commitments to:
  - Reach net zero emissions by 2050 (the Scottish Government has committed to reach this goal by 2045);
  - Achieve Zero Routine Flaring by 2030 (as set out by the North Sea Transition Authority); and
  - Reduce methane emissions by 50% by 2030.

Our response to climate change is premised on the principle of Common but Differentiated Responsibilities (CBDR) outlined in the United Nations Framework Convention on Climate Change (UNFCCC). Our climate strategy, together with our climate position and policy principle are defined in our *Climate Change Framework*<sup>6</sup> (CCF), which was adopted in November 2021. This framework encompasses both climate mitigation and climate adaptation strategies.

In understanding, managing and reporting our climate-related risks and opportunities, we are guided by the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD).

#### Climate Governance

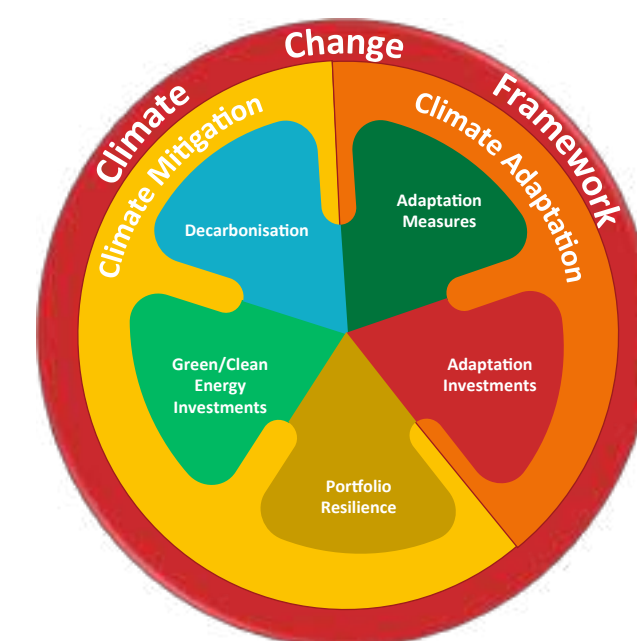
The Board of Directors, through our MD, provides overall leadership and supervisory role in all sustainability matters including climate change, as outlined in the Board Charter.

The Board is primarily assisted by the BSMC, which comprises senior representatives from all key business units and departments, in discharging its oversight duties. The BSMC

regularly reviews sustainability strategies and priorities, and assesses key initiatives, policies and programmes highlighted by business units, including those pertaining to climate change.

The Board and MD are further supported in the oversight and management of climate change risks by the Executive Risk Management Committee (ERMC), which reports to the Audit and Risk Management Committee, a committee of the Board, through the consolidated Group risk register and management monitoring carried out.

#### Climate Risks and Our Response



The Group's Climate Change Framework Chart.

Our *Climate Change Framework* encompasses both our Climate Mitigation and Climate Adaptation strategies. Whilst the goal of climate mitigation is to address the causes of climate change, climate adaptation aims to minimise the impact of climate change.

Within our Framework, we have conducted a high-level evaluation of climate-related risks and opportunities, adopting the recommendations of the TCFD. This assessment has allowed us to identify transition and physical risks that may affect our businesses in the short, medium and long terms as well as develop the necessary action plan to address these risks and opportunities.

<sup>6</sup> Note: Our *Climate Change Framework* can be accessed at <https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/Climate-Change-Framework.pdf>.

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The following table presents a summary of high-level climate-related risks identified and the advancement we have made in mitigating the same via climate-related activities aligned with our CCF thus far.

Transition Risks	Threats	Latest Status
Market	Possible decline in market demand for oil resulting in stranded assets <sup>1</sup> .	<ul style="list-style-type: none"> <li>Improving the resilience of our hydrocarbon portfolio through the acquisition of assets which has resulted in the increase of gas volumes in our portfolio from 4% to 19% (2P reserves).</li> <li>Implementing internal carbon pricing for development projects within the UK. As of FY2023, the adopted internal carbon price stood at USD104 per tonne.</li> </ul>
	Price volatility of oil and gas.	<ul style="list-style-type: none"> <li>Implementing continuous improvement in resource and operational efficiency, to further reduce unit production cost.</li> </ul>
Technology	Widespread adoption of green/disruptive technologies (e.g. electric vehicle (EV), energy storage system (ESS) and fuel (e.g. hydrogen)) displacing demand for oil.	<ul style="list-style-type: none"> <li>Engaging in a progressive and measured exploration of investments in clean energy.</li> </ul>
Policy and Legal	Tightening government policies on climate rules, implementation of domestic and cross border carbon tax.	<ul style="list-style-type: none"> <li>Pursuing decarbonisation opportunities, towards achieving our aspirational target of being Net Zero Emissions Producer by 2050, including:               <ul style="list-style-type: none"> <li>Fuel switching of diesel genset to hybrid of solar PV and small wind turbine in North Sabah;</li> <li>Commencing Phase 2 of the Advanced Membrane trial in Q3 2023 and performing CCS study to assess the potential for geological storage in PM3 CAA;</li> <li>Switching to energy efficiency LED lights resulting in a reduction of the Anasuria FPSO's electrical consumption helping to reduce the emissions by approximately 682 tonnes CO<sub>2</sub>e/year;</li> <li>Implementing leak detection and repair (LDAR) programmes to reduce fugitive emissions for all our assets; and</li> <li>Exploring opportunities for cost recovery of eligible decarbonising projects via carbon market.</li> </ul>               Subject to the extension of PM3 CAA, these initiatives would help us reach our Scopes 1 and 2 reduction target of 50% by 2030, against FY2020 baseline.             </li> <li>In FY2023, our total net absolute GHG emissions amounted to 7,249,428 tonnes CO<sub>2</sub>e, a reduction of 15% from our FY2020 baseline of 8,416,395 tonnes CO<sub>2</sub>e, with a net emission intensity of 228.25 CO<sub>2</sub>e/kBOE.</li> <li>AOCL established its <i>Net Zero Policy</i> in May 2021, pursuant to the UK and Scottish Governments' climate commitments.</li> <li>Continuing our engagement with relevant key stakeholders on climate-related activities and participation in industry associations.</li> </ul>
Reputation	Stigmatisation of the oil and gas sector due to perceptions of the sector's contribution to climate change or detraction from energy transition.	<ul style="list-style-type: none"> <li>Maintaining our constituency on the FTSE4Good Bursa Malaysia (F4GBM) Index pursuant to the latest assessment in June 2023 and being accorded the maximum 4-star ESG rating by FTSE Russell, which places Hibiscus Petroleum in the top 25% by ESG ratings amongst public listed companies on the FBM EMAS Index.</li> <li>Improving disclosure on waste and water management with the inclusion of data on total waste generated and total water used.</li> </ul>

*Latest Steps Taken to Address our Climate-related Transition Risks.*

**Note:**  
<sup>1</sup> As of September 2023, International Energy Agency (IEA) forecasted the oil peak demand to be reached by 2030.

The changes in regulations related to GHG emissions and climate change have been identified as a key business risk and is currently monitored and managed under the Group's risk management framework and reviewed by the Board as part of our quarterly risk evaluation process.

The Group also acknowledges that climate-related physical risks, both acute and chronic, arising from extreme weather events and shifts in climate pattern may cause disruption to our business and have an impact on our portfolio of hydrocarbon assets. We will continue to assess any potential impact, charting and implementing the necessary climate adaptation measures accordingly.

## 6.2 GHG Emissions Management

The Group acknowledges the significance of GHG emissions in driving climate change and is dedicated to taking important measures to enhance our reporting and performance in this area.

The GHG Protocol Corporate Accounting and Reporting Standard serves as our primary guideline in our GHG reporting. We calculate GHG emissions based on the Global Warming Potential (GWP) factors premised on the Intergovernmental Panel on Climate Change (IPCC)'s 5<sup>th</sup> Assessment Report. The estimated GHG emissions encompass carbon dioxide, methane, and nitrous oxide, reported in units of carbon dioxide equivalent (CO<sub>2</sub>e).

Our GHG reporting includes Scope 1, Scope 2, and Scope 3 emissions within our operational control.



*AOCL's Net Zero Emissions Management Strategy.*

**Notes:**

<sup>7</sup> Level 3 is a level of quantification of GHG at a Component Level. It is quantified based on the number of components such as valves or pumps in gas or liquid services, with average emission factor applied to each category (component and services) to calculate methane emissions. Level 3 gives a higher confidence and accuracy than Level 1 and 2 as it is based on site specific component inventory.

<sup>8</sup> Level 4 is a level of quantification of GHG at a Site Measurement. It requires actual or direct site measurement using appropriate measurement equipment (e.g. flowmeter, Optical Gas Imaging (OGI)) or use of process data for quantification (e.g. simulation model). Simulation model refers to an engineering calculation, using suitable software when appropriate, to determine the volume of emissions.

For AOCL, the efforts in managing GHG emissions are guided by its Net Zero Strategy developed in 2022, in alignment with its *Net Zero Policy* introduced in 2021. The Strategy presents a structured and well-founded approach for both AOCL and its shareholders, supporting its future development and investment decisions with regards to emissions reduction.

Specific emissions reduction measures and initiatives opportunities were already identified in the Anasuria Emissions Reduction Action Plan (ERAP) and integrated into the yearly plans. A comprehensive roadmap was devised as a tool to advance, monitor and oversee the Net Zero Emissions Management Strategy, which has been communicated to all members of both offshore and onshore teams. These initiatives have been shared with external regulatory stakeholders, fostering transparency and collaboration.

### Improving Our GHG Reporting

We are consistently striving to refine our GHG emissions reporting and exploring ways to improve the quality and coverage of our disclosure.

This year we have disclosed Scope 3 emissions data of our North Sabah asset under Category 4: Upstream Transportation and Distribution for the full financial year. This disclosure encompasses diesel consumption of third-party vessels used in our North Sabah offshore operations, such as accommodation work barges, workboats, and anchor handling towing supply vessels.

The Group has commenced the use of the SANGEA 4.3 Software application to calculate and report the GHG emissions of the PM3 CAA PSC, Kinabalu PSC and North Sabah PSC in November 2022. The SANGEA Software is widely acknowledged in the industry as a leading tool for estimating and reporting GHG emissions. It is also capable of monitoring energy usage and detecting the concentration of pollutants in the atmosphere.

We have also commenced reporting of GHG Fugitive Emission Level 3<sup>7</sup> for the North Sabah PSC as part of PETRONAS MPM's requirement on methane quantification which was effective in December 2022. This is executed using iCON, a process simulation software developed by PETRONAS to quantify methane levels of remaining sources. The Kinabalu PSC and PM3 CAA are presently meeting PETRONAS MPM's requirement and reporting GHG Fugitive Emissions at Level 4<sup>8</sup>.

## Sustainability Report



Monitoring the flare stack emissions.

We have also conducted a GHG data validation exercise at North Sabah Offshore in July 2022 with the objective of reviewing and improving GHG data accuracy and competency in the data collection process, in line with PETRONAS MPM's requirement.

An independent third-party has been commissioned to conduct an annual audit on Anasuria Cluster's GHG emissions data as part of a mandatory requirement for the UK ETS reporting process. In addition, monthly and quarterly internal assurance checks on the accuracy of the data and readings that measure our emissions are also conducted.

### GHG Emissions Reduction Initiatives

We are dedicated to continuously improving our efforts to reduce GHG emissions across the Group. Below are examples of initiatives implemented in FY2023:

- LDAR

As part of this commitment towards reducing our operational emissions, we have planned LDAR programmes for our PSCs and the LCOT facility. These LDAR programmes are in line with the requirements set by the DOE, Malaysia, as stipulated in the Environmental Quality (Clean Air) Regulations 2014. The purpose is to detect fugitive emissions, including methane.

In addition to meeting DOE requirements, LDAR is also mandated by PETRONAS MPM under the Minimum Environmental Specification (MES) requirements to quantify and report GHG Fugitive Emission Level 4. In a similar approach, MPM has enforced the requirement for all PACs to conduct LDAR for both onshore and offshore operations as part of the PETRONAS Net Zero Carbon Emissions 2050 aspiration.

Last year, the LDAR programme was conducted in the South Furious field from 9 to 14 November 2022 and in the LCOT from 19 to 23 December 2022. The LDAR programme for year 2023 was scheduled at the St Joseph and Barton fields for September 2023 and at LCOT in October 2023 but as of the date of this Report, work has yet to commence.



LDAR being conducted at LCOT in December 2022.

- Hydrocarbon Recovery via Advanced Membrane Installation

For the PM3 CAA PSC, the advanced membrane units installed in April 2022 for the Phase 1 trial managed to achieve GHG reduction of around 80,000 tonnes CO<sub>2</sub>e/annum by recovering hydrocarbon from the Acid Gas Removal Unit (AGRU) vent and monetising it as sales gas, thereby reducing the venting of the methane into the atmosphere. Phase 2 of the trial is planned for execution in Q3 2023, where more units of advanced membrane will be placed at the secondary membrane for higher GHG reduction.

Hydrocarbon gas in the PM3 CAA reservoirs may contain CO<sub>2</sub> in concentrations which range from 2% to 75%. Produced gas is channeled through a membrane system to reduce CO<sub>2</sub> concentrations to 8% to meet the sales gas specification.

- CCS Study

Aiming to reduce the GHG impact of excess gas rich in CO<sub>2</sub>, we have initiated a CCS study to assess the potential of injecting the CO<sub>2</sub> rich gas into depleted PM3 CAA gas reservoirs for geological storage. The study consists of two phases. Phase 1 focuses on reservoir candidates screening, storage capacity and flow assurance study while Phase 2 focuses on the CCS feasibility and overall CCS concept. Phase 1 was kicked off in May 2023 and is planned for completion by the end of 2023. The result from Phase 1 will determine if Phase 2 is required. If the CCS project in the PM3 CAA is feasible and economical, the first CO<sub>2</sub> re-injection is targeted for 2028.

- Flaring Reduction Initiatives

Kinabalu PSC is currently implementing a project to improve the efficiency of the low-pressure and high-pressure compressors to increase the amount of produced gas that can be transported to the Semarang platform, thereby reducing the need for flaring. The gas produced from the Kinabalu Complex is intended to be directed to the Semarang platform owned by PETRONAS. However, due to the limitations of the current gas compressors at the Kinabalu Complex, a small amount of produced gas cannot be transported to the platform and is instead flared, resulting in higher GHG emissions. Implementation work on the Kinabalu facilities commenced in March 2022 and is expected to complete by Q3 2024.

In the Anasuria Cluster located in the North Sea, the produced gas serves as fuel for our machinery and supports gas lift operations to enhance production. The remaining gas is exported through pipelines to the UK mainland, where it is sold as a cleaner primary energy source. However, there are instances where some gas volumes need to be flared. There is a risk that the Shell Esso Gas and Associated Liquids (SEGAL) pipeline, a crucial part of our gas export infrastructure, may experience capacity limitations at various times between 2021 and 2025. To address this situation, we are exploring options and alternative routes for gas evacuation to minimise excessive gas flaring should the SEGAL pipeline become unavailable during this period.

AOCL plans to develop Flare and Vent Reduction Strategies as per the North Sea Transition Authority's Net Zero Stewardship Expectation 11 requirements to support AOCL's commitment to reducing emissions from its operations.

- Development of Anasuria FPSO ERAP

Following on from AOCL's Net Zero Strategy, in 2023, AOCL developed the Anasuria FPSO ERAP in line with the North Sea Transition Authority's Net Zero Stewardship Expectation 11 requirements. The Anasuria ERAP is specific to a single installation which sets out a plan of actions, projects and investments which AOCL plans to consider or undertake to reduce the emissions associated with Anasuria operations. AOCL submitted the Anasuria ERAP to the North Sea Transition Authority in March 2023 for review. Subsequently, further work including the conduct of methane service has been carried out prior to the next ERAP submission in Q4 2023.





# Sustainability Report

## GHG Emissions Performance

Below are the consolidated indicators of the Group's GHG emissions. GHG emissions figures for FY2022 have been restated, upon finalisation of Anasuria Cluster's GHG emissions data for 1 January 2022 to 30 June 2022 noted in the Sustainability Report 2021/2022 as provisional.

### Group GHG Emissions Performance

Scope 1 Emissions						
Emissions by source	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Combustion	tonnes CO <sub>2</sub> e	226,330	280,499	269,272	1,250,885	1,373,130
Flaring	tonnes CO <sub>2</sub> e	209,535	233,482	241,510	460,183	373,882
Venting	tonnes CO <sub>2</sub> e	94,047	70,993	36,037	183,644	55,897
AGRU	tonnes CO <sub>2</sub> e	-	-	-	4,514,050	5,266,850
Fugitive Emissions	tonnes CO <sub>2</sub> e	3,039	2,898	2,960	2,206	2,148
Mobile and Transportations	tonnes CO <sub>2</sub> e	374	235	65	76,706	111,129
Others	tonnes CO <sub>2</sub> e	-	-	-	233	64,288
<b>Total<sup>1</sup></b>	<b>tonnes CO<sub>2</sub>e</b>	<b>533,325</b>	<b>588,107</b>	<b>549,846</b>	<b>6,487,907</b>	<b>7,247,324</b>

Emissions by type of gas	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Carbon dioxide	tonnes	473,955	489,389	490,990	4,118,648	4,801,268
Methane	tonnes	2,423	4,640	2,694	94,017	96,943
Nitrous oxide	tonnes	16	17	16	63	72
HFCs	tonnes	0.00	-	0.01	0.02	-

Scope 2 Emissions <sup>2</sup>						
Emissions by source	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Purchased Electricity	tonnes CO <sub>2</sub> e	1,683	1,647	1,602	2,796	2,104

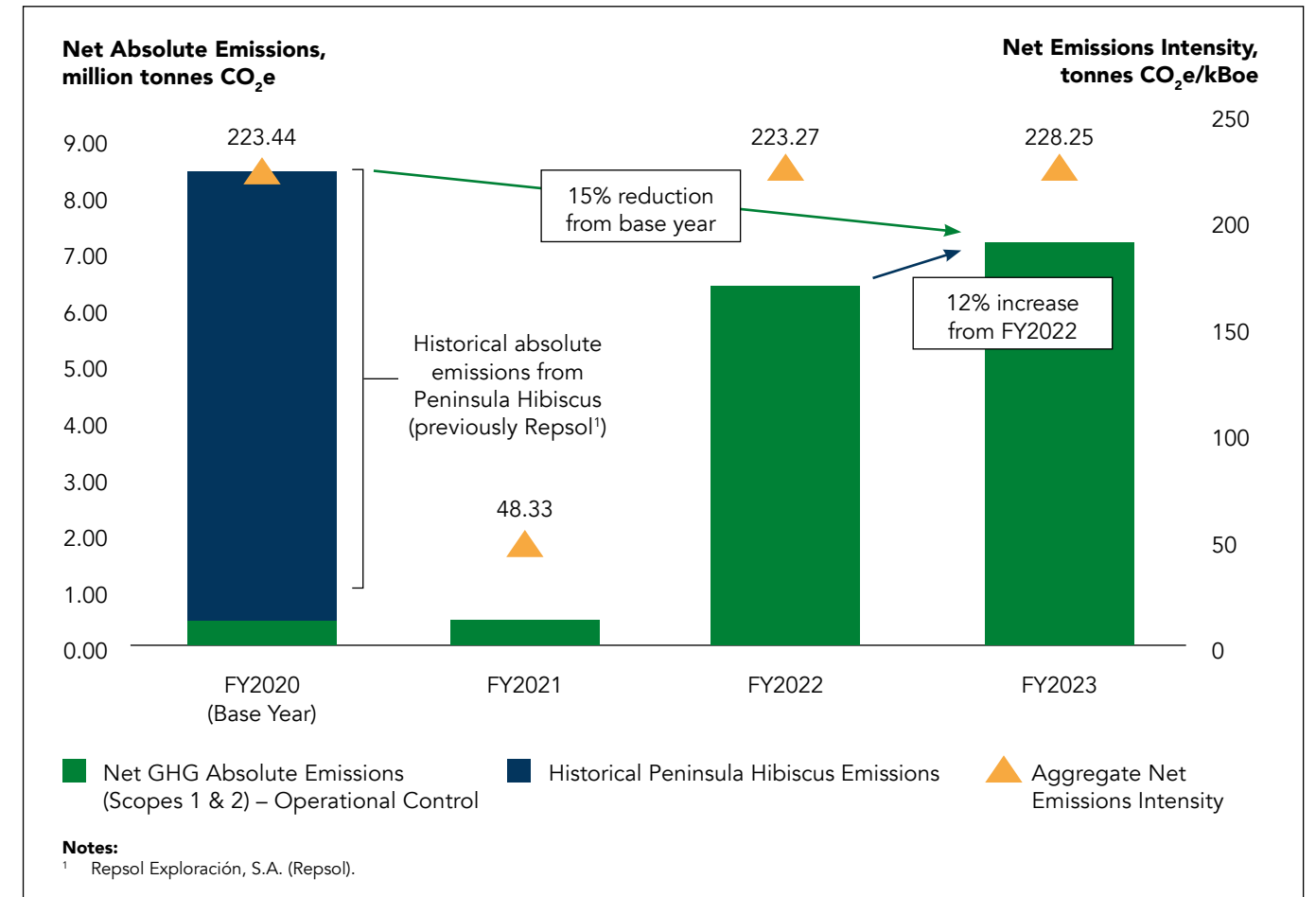
Total GHG Emissions (Scopes 1 and 2)						
Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Total Operational GHG Emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>535,008</b>	<b>589,754</b>	<b>551,447</b>	<b>6,490,703</b>	<b>7,249,428</b>

Scope 3 Emissions						
Category	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Upstream Transportation and Distribution	tonnes CO <sub>2</sub> e	Not available	Not available	Not available	26,272	50,092
Business Travel	tonnes CO <sub>2</sub> e	0	0	0	0	0
<b>Total</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,272</b>	<b>50,092</b>

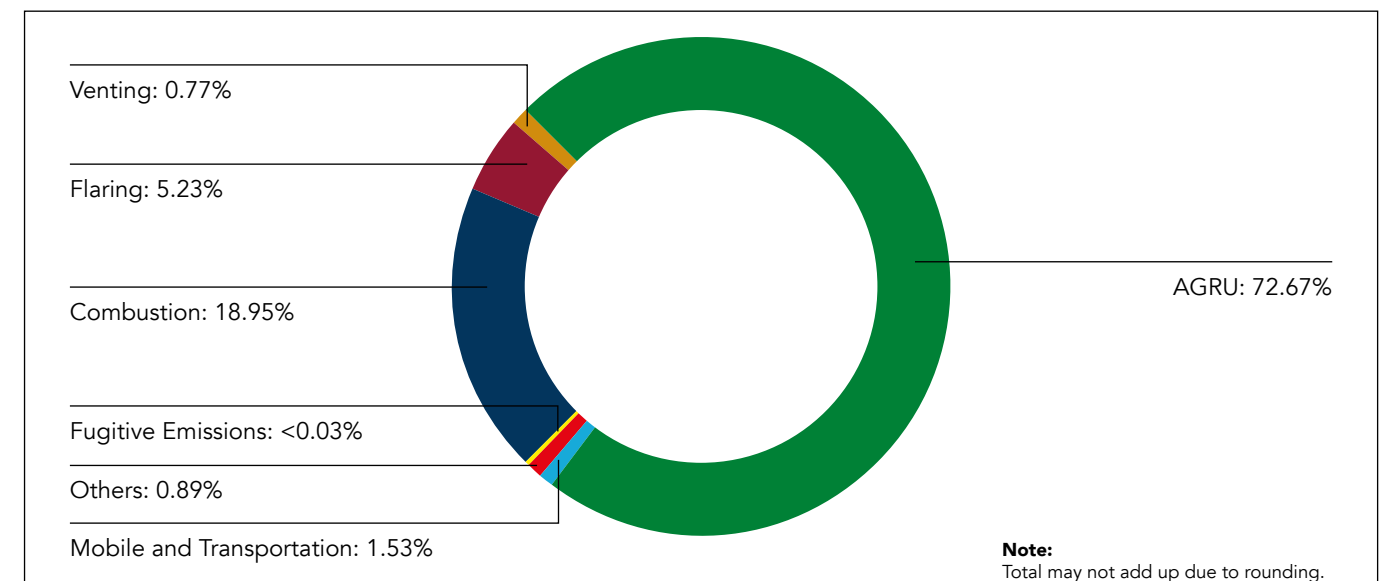
UK ETS Payment	RM mil	13.7	11.5	16.8	25.0	25.0
<b>Net GHG Emissions (Scopes 1 &amp; 2) – Operational Control<sup>3</sup></b>	<b>tonnes CO<sub>2</sub>e</b>	<b>447,589</b>	<b>479,143</b>	<b>465,213</b>	<b>6,434,556</b>	<b>7,183,155</b>
<b>Net GHG Emissions (Scopes 1 &amp; 2) – Working Interest<sup>4</sup></b>	<b>tonnes CO<sub>2</sub>e</b>	<b>214,413</b>	<b>229,886</b>	<b>224,598</b>	<b>2,384,887</b>	<b>2,613,073</b>
<b>Aggregate Net Emission Intensity<sup>5</sup></b>	<b>tonnes CO<sub>2</sub>e/kBoE</b>	<b>48.50</b>	<b>57.08</b>	<b>48.33</b>	<b>223.27</b>	<b>228.25</b>

**Notes:**

- Totals may not add up due to rounding.
- Scope 2 Emissions include corporate building emissions.
- Net GHG Emissions – Operational Control refers to net emissions after payment to UK ETS.
- Net GHG Emissions – Working Interest refers to the net emissions based on our equity share.
- Aggregate Net Emission Intensity – Previously GHG Emissions Intensity was presented as a Gross Emissions Intensity. This has been updated to a Net GHG Emission Intensity.



Group Net GHG Emissions Performance.



Breakdown of Total GHG Emissions by Source for FY2023.

## Sustainability Report

In FY2023, the Group has reduced its net absolute emissions by 15% against its FY2020 baseline, whilst seeing an increase of 2% of its net emissions intensity, largely driven by the increase in oil and gas production.

The Group is taking steps to reduce its overall emissions through initiatives such as improving the efficiency of its oil and gas production operations through our decarbonisation efforts.

### Carbon Credit Policy

The Group acknowledges the important role of carbon credits on the path towards achieving net zero emissions. In pursuing our emissions target however, the utmost priority is given towards reducing our emissions where viable, with carbon credits playing a complementary role in bridging any remaining gap against our target or to fulfil compliance obligations. Carbon offsets acquired as carbon credits for these purposes must be of high quality, meeting our criteria for environmental integrity, additionality, permanence, and adherence to reputable standards.

AOCL actively participates in the UK Emissions Trading Scheme (ETS) and procures carbon credits when the emissions at the Anasuria Cluster exceed the permitted allowances. The UK ETS commenced operations in 2021, replacing the previous participation of the UK in the European Union Emission Trading Scheme (EU ETS).

Since assuming operatorship in March 2016, AOCL has been participating in the ETS. Therefore, the costs associated with purchasing carbon allowances under the scheme have been factored into AOCL's annual planning and budgeting process. The carbon price used during the planning and budgeting cycle is based on the prevailing ETS prices.

Separately, as Hibiscus Energy UK Limited serves as the operator for Hibiscus' development assets in the UK, it has also factored in the ETS costs as part of the economic evaluation for these projects. In 2023, Anasuria Hibiscus' internal carbon price assumption of USD104/tonne has been applied to estimate the future ETS costs for when the development assets have progressed into production phase.

The Group is committed to transparently disclosing the use of purchased carbon credits as an emissions offset mechanism for both compliance and voluntary carbon markets in our annual Sustainability Report.

### Stakeholder Engagements

On 17 August 2022, the Group had the opportunity to speak at the *Floating Offshore Energy Transition: University, Industry & Government Conference* held by the Asia School of Business. This event marked the commencement of the *Floating the Energy Value Chain in East Asia: Collaboration for Innovation in the Adaptation of the Oil and Gas Supply Chain to Zero Carbon (FEVCEA)* project from April 2022 to March 2023. The research conducted for this project identifies areas within the oil and gas supply chain that require innovative solutions for successful decarbonisation.

In FY2023, the Group became a member of the 2022-2025 International Gas Union (IGU)'s Sustainability Committee and contributed in the Study Group for Methane Emission Reduction. The primary objectives of this working group are to gather industry best practices for reducing methane emissions and establish a framework for the sector to achieve a minimum of 30% reduction, as outlined in the 26<sup>th</sup> United Nations Climate Change Conference (COP26).

In addition, the Group has been and remains a member of the Malaysian Gas Association (MGA). The MGA actively supports the use of gas as an interim and transitional energy source during the global shift towards cleaner fuels. Gas is recognised as the cleanest among fossil fuels and plays a crucial role as the world transitions towards lower carbon alternatives. The Group's energy transition strategy aligns with this advocacy by focusing on increasing the presence of gas in our hydrocarbon asset portfolio. Furthermore, the Group is a general sponsor of the 2024 Offshore Technology Conference (OTC) Asia scheduled to be held on 27 February 2024 until 1 March 2024 in Kuala Lumpur, and is represented in the Decarbonisation and Future Energy Sub-committee for the event. The conference aims to promote and advance scientific and technical knowledge for offshore resources and environmental matters.

AOCL, which is equally owned by AHUK and PPUK, is an active member of OEUK, a representative body for the UK offshore energy industries. AOCL is fully committed to collaborative efforts aimed at realising the goals outlined in OEUK's Roadmap 2035: A Blueprint for Net Zero. This roadmap was introduced in September 2019 by OEUK, representing the UK oil and gas industry, with a focus on the sector's role in facilitating the energy transition necessary for a fully decarbonised economy. AOCL fully supports these objectives and actively contributes to the energy transition endeavours aligned with the UK's net

zero targets. In conjunction with OEUK's initiatives, AOCL has been pursuing further action to reduce emissions and actively participates in efforts to decrease methane emissions by 50% by 2030, as outlined in its Methane Reduction Strategy. These collective measures demonstrate AOCL's commitment to playing a crucial role in achieving a sustainable and environmentally responsible future.

### Awareness Building on Climate Change

We have made deliberate efforts in enhancing consciousness and understanding of climate change, recognising their importance in supporting our journey

towards becoming a Net Zero Producer by 2050. In FY2023, concerted endeavours were directed on brainstorming and harmonising our proposed decarbonisation projects and initiatives across the Group.

In addition to such internal engagements on the matter, we also attended an online webinar, organised by the DOE on World Ozone Day as part of our commitment to enhance our awareness and knowledge on the Hydrochlorofluorocarbon (HCFC) Elimination Management Plan that governs some refrigerants, the use of which requires prior approval from the DOE.



Hibiscus Group Decarbonisation Discussions held between March and May 2023.

## Sustainability Report

### 6.3 Energy Management

The Group continues to expand the utilisation of renewable energy sources to power our offshore facilities. To date, several of our platforms have benefited from these alternative energy supplies:

Solar PV	Wind Turbine
<ul style="list-style-type: none"> <li>• St Joseph: SJJT-A, SJJT-B, SJJT-F and SJV-A</li> <li>• South Furious: SFJT-B and SFV-A</li> <li>• Barton: BTJT-A and BTV-A</li> </ul>	<ul style="list-style-type: none"> <li>• St Joseph: SJJT-F</li> <li>• Barton: BTJT-A</li> </ul>

The Group also plans to install a wind turbine system at SJJT-A in Q3 2023 followed by a hybrid of solar PV and wind turbine system at SFJT-B in 2024. The feasibility of using fuel cells to power up the lighting system SJJT-F is also being explored as part of the energy management initiative.



Wind Turbine Solar Hybrid Installation at SFJT-F (2 units).

Wind Turbine at BTJT-A.

We are also continuously looking for methods to improve our energy efficiency levels. Several improvements were made on Anasuria FPSO in FY2023, including:

- The G-8030 engine exchange which the FPSO upgraded from a 14,000 Hp engine to a 16,000 Hp engine. The new engine power output capability increases with a minor reduction in heat rate and increased efficiency. The improved aerodynamics also serves to optimise gas flow, increase mass flow and overall machine efficiency. The result is an increase in power output and reduced environmental emissions to the atmosphere.
- Installation of AAF N-Hance Filtration System to improve the gas turbine air inlet filtration. The air intake filter upgrades will provide adequate filtration through the engine. This will be a line of defence/mitigation against contamination of the engine internals and causing it to seize. This upgrade will be implemented across the gas turbine fleet, upgrade on G-8030 already complete with G-8010/8020 in the plan for Q4 2023.

The Anasuria FPSO and its associated facilities are engineered to remain operational throughout the entire field lifecycle, making frequent replacements unlikely. As a result, finding opportunities for energy savings presents challenges. However, if the need arises to replace or acquire new equipment, we will strive to procure more recent models that provide energy-saving possibilities, taking into account their costs and benefits.

#### Resource Management

As a Group, we are committed to applying best practices in managing environmental resources, acknowledging their finite nature and the irreversibility of certain environmental damages. We closely monitor and evaluate our performance across a range of potential environmental impacts including waste, water, air emissions, soil quality, spills and biodiversity performance, and actively seek ways to improve the efficiency of our resource use.

### 6.4 Waste Management

Our waste management practices in Malaysia are guided by the Environmental Quality (Scheduled Wastes) Regulations 2005 and our Waste Management Procedures. We endeavour to ensure full compliance with the applicable regulations and minimise the impact of waste generation on the environment and the communities around which we operate.

At SEA Hibiscus, there are currently two competent persons who are qualified Certified Environmental Professional in Scheduled Waste Management (CePSWaM) authorised by the DOE overseeing the management of hazardous waste. Monthly reports containing inventory data of both generated and disposed hazardous waste are submitted to the DOE through their online Electronic Scheduled Waste Information System (E-SWIS), covering both the SEA Hibiscus and Peninsula Hibiscus operations.

Meanwhile, in the UK, our waste management practices for our offshore installations abide by a well-defined Waste Management Plan aimed at effectively handling and managing waste in accordance with regulatory guidelines and environmental standards. A basic level of segregation is required between non-hazardous, solid and inert waste and all other waste categories. Certain products, waste, and containers, including specific chemicals used offshore,

fall under the classification of special waste (hazardous waste). Special waste materials or 'sludge' are handled by specialised contractors. Any waste of this nature that is transferred ashore for disposal is closely monitored through a systematic auditing process.

As part of the activities in annual HSSE Plan, we conducted quarterly Scheduled Waste Inspections at LCOT and the SEA Hibiscus ASB warehouse as well as monthly Scheduled Waste Inspections at North Sabah offshore facilities respectively to ensure that we complied with stipulated regulations, guidelines and the applicable SEA Hibiscus procedures covering hazardous waste.

We also continued our Waste Characterisation Study to determine the characteristics and composition of our waste, for submission to the DOE. In FY2023, the study was carried out on several types of scheduled wastes, namely fluorescent tubes (SW 109), waste of paints, inks, dye, or varnish (SW 417), spent lubricating oil (SW 305) and a mixture of scheduled and non-scheduled wastes mainly comprising used garnet (SW422) via Total Threshold Limit Concentration (TTLC) tests. The parameters for this test include pH, total solids, gross calorific value, flash point, moisture and heavy metals. TTLC analysis for oily sludge (SW 310) generated by crude oil storage tanks at LCOT is planned to be carried out by Q3 2023, as part of our Waste Acceptance Criteria reviews.



Several meetings and inspections with different stakeholders in relation to our scheduled waste treatment, recovery and onshore and disposal facilities.

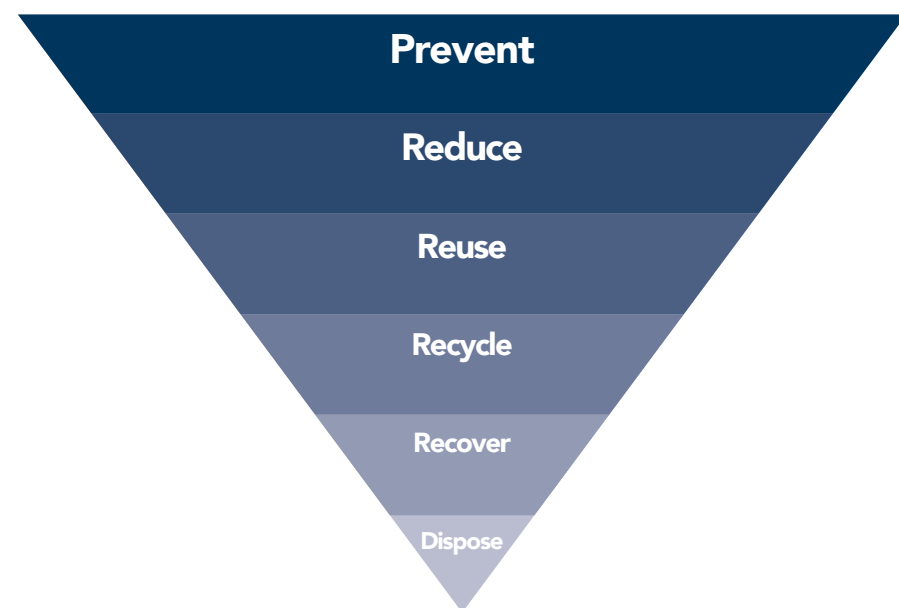
## Sustainability Report

Staff and contractors onshore and offshore were provided with awareness and refresher programmes regarding the management of hazardous waste. Furthermore, inspections were carried out at all our facilities in North Sabah, both onshore and offshore, to ensure our compliance with stipulated regulations, guidelines and the applicable SEA Hibiscus procedure(s) regarding hazardous waste.

We are currently running a Reuse and Recycling campaign at LCOT with the objective of reducing the usage of single-use plastics at the LCOT canteen premise since the beginning of 2023. Under this campaign, we encourage our staff and contractors to bring their own food containers and bottles from home for use while in LCOT. In FY2023, we also carried out our e-waste recovery initiative in North Sabah and received a certificate of participation from our waste management partner for this endeavour.

We have established a Recycle & Recovery Temporary Storage Area at the Sludge Farm as a collection point on 1 November 2022. The recycling of identified items is currently managed by an appointed contractor who sends the waste items to the approved recycling centres.

A recovery contract has also been established in November 2022 between Peninsula Hibiscus and a licensed waste contractor, specifically for recoverable scheduled waste, such as contaminated drums and oily sludge. This move towards circularity aligns with our waste management hierarchy.



Waste Management Hierarchy.

In addition to the conduct of waste management awareness and refresher programmes, we have also invited the DOE of Labuan to give a talk on Scheduled Waste Management to our staff and contractors in LCOT and the SEA Hibiscus ASB warehouse on 26 and 28 July 2022. The talk covered key focus areas in Scheduled Waste Management such as scheduled waste classifications and its characteristics, the sources of scheduled waste, the policies and regulations related to scheduled waste, the management and challenges related to scheduled waste and its management in Malaysia.

Relevant personnel also attended a training organised by the DOE to familiarise themselves with the new system, MyPremis, used to renew licences related to scheduled waste.

Further, on 6 September 2022, we have also conducted a performance review on our scheduled waste contractors to discuss on issues and challenges related to waste management and to assist them enhance their performance in managing our waste.

We have updated our waste performance data to include the total waste generated which encompasses hazardous and non-hazardous waste.

### Group Waste Management Performance

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Hazardous waste</b>	<b>tonnes</b>	<b>31.40</b>	<b>39.17</b>	<b>205.58</b>	<b>191.56</b>	<b>865.70</b>
Non-recycled waste	tonnes	17.70	12.19	4.51	153.27	775.81
Recycled waste	tonnes	13.69	14.03	10.95	9.19	34.09
<b>Non-Hazardous waste</b>	<b>tonnes</b>	<b>94.44</b>	<b>93.57</b>	<b>96.95</b>	<b>74.84</b>	<b>1,294.09</b>
Non-recycled waste	tonnes	41.25	35.30	29.50	21.51	1,204.15
Recycled waste	tonnes	53.19	58.27	67.45	53.33	89.94
<b>Total Waste</b>	<b>tonnes</b>	<b>125.84</b>	<b>132.74</b>	<b>302.53</b>	<b>266.40</b>	<b>2,159.79</b>
Environmental fines and penalties	RM	0.00	0.00	0.00	0.00	0.00

### Group Oil Spill Performance

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
North Sabah PSC	kg	0	0	0	0	0
PM3 CAA PSC	kg	n/a	n/a	n/a	0	0
Kinabalu PSC	kg	n/a	n/a	n/a	0	0
AOCL <sup>1</sup>	kg	0	0	26.81	41.50	21.38
<b>Total</b>	<b>kg</b>	<b>0</b>	<b>0</b>	<b>26.81</b>	<b>41.50</b>	<b>21.38</b>

#### Notes:

- <sup>1</sup> Data under AOCL's operatorship is only available from 10 June 2022 onwards.
- <sup>2</sup> Hydrocarbon discharges to sea during permitted routine or planned operations have not been included, such as Oil Pollution Prevention and Control (OPPC) Non-Compliance Event described under the Water Management section.
- <sup>3</sup> FY2021 figures have been updated to reflect the actual data on financial year basis.

### Sludge Farm

We are the sole oil and gas organisation in Malaysia granted a licence to operate a sludge farm within our facility for handling hazardous waste, specifically sludge waste. This authorisation comes with a strict set of 55 requirements outlined in the licence approval conditions. Sludge waste is primarily generated in our crude oil production facilities during operations in the emulsion and wax treatment plant (EWTP), crude storage tanks, effluent treatment plant (ETP), free water knock-out vessels (FWKO), as well as during maintenance activities like pigging operations.

At the sludge farm, we utilise bacteria and nutrients to treat the generated sludge, which undergoes processes such as tilting, ploughing, and water spraying. This treatment process spans a duration of five to eight years, during which the sludge is gradually prepared for disposal in a designated landfill located on the LCOT premises. Before disposing of the treated sludge, we obtain the necessary approvals from the DOE and the AELB.

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Sludge farm at LCOT.

The operations carried out at the sludge farm are regulated by the DOE and are subjected to rigorous monitoring in accordance with the Environmental Quality (Prescribed Premises) (Scheduled Wastes Treatment and Disposal Facilities) (Amendment) Regulations 2006.

As part of our monitoring obligations, we perform Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) monitoring at our facility to track the level of TENORM concentrations in the sludge.



Visit by the DOE of Putrajaya (DOE Headquarters) and the DOE of Labuan to LCOT's Sludge Farm.

### Chemicals

The Offshore Chemicals Regulations 2002 require UK offshore operators to apply for permits for the use and/or discharge of chemicals during all relevant offshore energy activities, including well operations, production operations, pipeline operations and decommissioning activities. Chemicals used must be approved by the UK Centre for Environment Fisheries Aquaculture Science (CEFAS). AOCL has conducted appropriate risk assessment for each chemical usage and discharge and has all relevant permits in place which allows the Anasuria FPSO to utilise chemicals during normal operations and for *ad hoc* projects. Chemicals are tracked and usage and discharge reported to the regulators on a quarterly basis.

### 6.5 Water Management

We are aware that operational discharges to the sea, including produced water, slops, and bilge water, can potentially have negative impacts on the aquatic environment. Among these discharges, produced water is typically associated with the highest environmental risk, which is why we devote particular attention to its management and mitigation.

Produced water extracted from the North Sabah offshore is transported via pipeline to LCOT where it undergoes treatment at the ETP. Following treatment, the water is discharged into the open sea.

As per the directive issued by the DOE in 2011, all crude oil terminals in Malaysia, including LCOT, must adhere to the maximum limit of 100 mg/l for oil and grease in effluent discharge. Compliance with this parameter is monitored at LCOT daily, with measurements taken at eight-hour intervals. The data obtained is submitted monthly to the DOE through an online system, and our results consistently fall well within the specified limits.

To oversee the effluent treatment process and industrial effluents, we currently have two (2) certified individuals (CePIETSO – Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems) recognised by DOE.

In addition to oil in water measurements, we also monitor various other parameters for effluent discharge, including temperature, pH, 5-day biological oxygen demand (BOD<sub>5</sub>), chemical oxygen demand (COD), suspended solids, boron, phenol, sulphide, ammoniacal nitrogen, cyanide, and chloride.

In February 2023, DOE officers conducted a routine inspection and sampling visit to our LCOT site. During this visit, they collected several samples from our ETP, and no instances of non-compliance with relevant regulations were observed.



DOE taking samples from our ETP as part of Routine Inspection and Sampling.

Further samples will be taken in the coming months to complete this testing exercise before any further action or follow-up is contemplated.

On the Anasuria field in the UK, pressure maintenance of the producing reservoirs is achieved by drawing water from the sea, then filtering and injecting it into the producing horizons. The water injected into the reservoirs combines with groundwater and is produced with the oil. The produced water then undergoes cleansing and filtering in the processing facilities located on the Anasuria FPSO, prior to its discharge into the sea.

Residual oil in water concentrations are monitored and reported to the regulators in accordance with the Offshore Petroleum Activities OPPC Regulations 2005. Any exceedance of the legal monthly average limit of 30mg/l of oil must be reported to OPRED. We collect samples of produced water every six months. These samples are then subjected to analysis for inorganic and organic constituents, radiology, and chemical residues. The findings are subsequently reported to the appropriate regulatory authorities.

During FY2023, three OPPC Non-Compliance Notifications (NCN) were submitted to OPRED. Two of these incidents were due to higher than permissible oil in water levels that occurred during routine planned OPPC-permitted discharging activity. The other OPPC NCN submitted to the regulator was the result of AOCL failing to meet OPPC permit conditions in relation to sampling requirements, when a crude oil sample required for 6-monthly oil in water calibration was missed. Mitigation and action plans have been put into place to address and prevent such incidents in the future. This has been communicated and agreed by OPRED.



## Sustainability Report

We are continuously seeking out various measures to minimise our water usage and actively work towards recycling and reusing water sources. We have implemented an initiative in the North Sabah PSC area to collect rainwater, and in Peninsula Hibiscus, we have explored various strategies to reduce water consumption and encourage water recycling practices within our facilities. Specifically, at the Kinabalu Complex, which comprises two wellhead platforms (KNDP-A and KNDW-D), we have implemented a system to reuse and recycle water condensation from the air conditioning system. As the Kinabalu Complex does not have a seawater desalination unit, it relies on freshwater supply transported from the shore via support vessels. By adopting this initiative, the Kinabalu Complex has achieved a sustainable source of fresh water for general washing and sanitation purposes, while concurrently reducing its reliance on freshwater supply from the shore.

From a reporting standpoint, the Group has further improved its disclosure by reporting the total water used for this financial year. The following summarises the Group's water management indicators on a consolidated basis:

### Group Water Management Performance - Water Produced

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Produced water <sup>1</sup>	m <sup>3</sup>	6,087,360	5,737,533	5,501,175	7,296,705	10,538,784
Environmental fines and penalties	RM	0	0	0	0	0

**Note:**

<sup>1</sup> Produced water is water generated from our production and it is discharged back into the sea after treatment.

### Group Water Management Performance - Water Usage and Discharge

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Freshwater purchased from 3 <sup>rd</sup> party <sup>1</sup>	m <sup>3</sup>	0	0	0	326	1,360
Non-freshwater withdrawal <sup>2</sup>	m <sup>3</sup>	0	0	0	25,169	39,671
Re-used water <sup>3</sup>	m <sup>3</sup>	0	0	0	156	730
<b>Total water used<sup>4</sup></b>	<b>m<sup>3</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,651</b>	<b>41,761</b>
<b>Total water (effluent) discharge<sup>5</sup></b>	<b>m<sup>3</sup></b>	<b>6,087,360</b>	<b>5,737,533</b>	<b>5,501,175</b>	<b>7,322,356</b>	<b>10,580,545</b>

**Notes:**

<sup>1</sup> Freshwater purchased is potable water used for consumption.

<sup>2</sup> Withdrawal of seawater for desalination – used for sanitation and general washing.

<sup>3</sup> Re-used water is water (condensate) from air conditioners.

<sup>4</sup> Total water use includes freshwater purchased, non-fresh water withdrawn and re-used water.

<sup>5</sup> Total water discharge includes water used and produced water discharge.

### Water Quality

The monitoring of seawater quality in the North Sabah PSC is conducted annually, covering four locations within a 1km radius distance from the nearest St Joseph and South Furious facilities and two control stations. The parameters involved include dissolved oxygen (DO), total suspended solids (TSS), phosphate, nitrate, ammonia, mercury, cadmium, chromium (VI), copper, cyanide, lead, zinc, arsenic (III), aluminium, tributyltin (TBT), polycyclic aromatic hydrocarbon (PAH), total phenol, oil and grease, faecal coliform count, temperature, pH and marine litter.

In November 2022, we carried out our seawater sampling and monitoring at the South Furious and St Joseph fields. The results for seawater sampling reported that concentrations for the parameters of interest are well below the prescribed Class 3 limit stipulated in the Malaysia Marine Water Quality Criteria and Standard.

Following the new directive issued by DOE, in 2022 we began monitoring and reporting our groundwater quality at LCOT to DOE annually, instead of quarterly. We ensure that the limits set by the Contaminated Land Management and Control Guideline No.1: Malaysian Recommended Site Screening Levels for Contaminated Land 2009 and Dutch Target and Intervention Values, 2000 are fully adhered to.

The parameters monitored include temperature, pH, dissolved oxygen, total suspended solids, phenol, cyanide, chromium (hexavalent and trivalent), arsenic, copper, lead, selenium, vanadium, zinc, mercury, total polycyclic aromatic hydrocarbons (PAH) and monoaromatic hydrocarbons – benzene, toluene, ethylbenzene and xylenes (BTEX). The monitoring points are BH1 – BH2 and BH4 – BH8. We have voluntarily committed to monitor our groundwater quality in 9 additional boreholes: BH15, BH24, BH26, BH27, BH28, BH29, BH31, BH32 and BH33, on an annual basis for selected parameters.

Additionally, thorough assessments known as Environment Site Assessments (ESAs) were conducted at Peninsula Hibiscus' supply bases located in ASB, KSB, and TBSB. These assessments were aimed at ascertaining whether our operations had caused any soil or groundwater contamination in those areas. Furthermore, regular monitoring of groundwater is being carried out on an annual basis, and thus far, no instance of environmental contamination has been observed.



Borehole for groundwater monitoring.

As part of our continuous improvement effort, we also visited the laboratory of the contractor involved in our groundwater and soil samples analysis located at Kota Kinabalu, Sabah. The objective of the visit was to check, verify and ensure all Standard Operating Procedures (SOPs) and methodologies utilised by the contractor were as per the documented procedures provided to SEA Hibiscus. The check found that the contractor has complied with the stipulated SOP and documentation.

This year, we also plan to carry out seawater monitoring around the surrounding areas of LCOT's new pipeline to verify the oil in water (OIW) performance and to inspect the effectiveness of the pipeline diffuser by collecting water samples from four transects with a total of 21 sampling points.

### 6.6 Biodiversity

We acknowledge the significance of biodiversity in maintaining ecological balance. We also recognise the crucial role of preserving biological diversity and protecting ecosystems. The biodiversity surrounding our operations encompasses various marine organisms such as algae, fishes, reptiles, seagrasses, mangroves and coral reefs. We consistently evaluate the impact of our operations on the nearby environment, considering their effects on biodiversity with the aim of minimising or avoiding negative impact.

Under the Enhanced Biodiversity & Ecosystem Services (BES) Management for Upstream Malaysia, LCOT is amongst the three sites identified by PETRONAS MPM and DOE as high-risk sites as it is located approximately 2km from the Labuan Marine Park, Pulau Kuraman. In line with this, a BES Risk Assessment (BESRA) and a Biodiversity Action Plan (BAP) have been planned to be conducted for LCOT in 2024.

The objective of the BESRA is to identify the potential impact from site operations located onshore/offshore around the surrounding high-risk marine ecosystem. Key activities include:

- Gathering environmental and biodiversity data (up to the most recent 3 calendar years) and establishing the existing environment around the site. Areas of interest include:
  - o Species of actual or potential economic value;
  - o Species that could serve as indicators of ecosystem health, particularly predators at the top of the food-chain or invasive colonising species that may indicate ecosystem disturbance;

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- o Endangered and threatened species including International Union for Conservation of Nature (IUCN) Red List Status and protection under national law (i.e. threatened species at global and national level);
  - o Alien or exotic species, the spread of which could threaten indigenous biological diversity;
  - o Areas of high biodiversity value; and
  - o “Flagship” species, the conservation of which will also protect the diversity of other species and habitats.
- Understanding site operational activities and to identify:
    - o Any existing impacts on biodiversity, including impact on socio-economic (if any);
    - o Activities that could have exerted pressures that could or already have contributed to degradation of the biodiversity; and
    - o Identify any mitigation measures to be implemented to address impact.
  - Identifying any historical incident that may have impacted the surrounding marine ecosystem at site or resulted in any significant biodiversity issues to provide focus for subsequent biodiversity impact assessment.

The aim of the BAP is to ensure adequate controls and proactive measures are in place to protect the surrounding ecosystem. It will outline a set of future actions that will lead to the conservation or enhancement of biodiversity and will include but are not limited to these elements:

- Recommend additional mitigation measures and/or strengthen existing mitigation measures against potential impact identified during risk assessment;
- Recommend future biodiversity monitoring programme;
- Identify indicator species that could be monitored to indicate biodiversity health of the area; and
- Recommend biodiversity conservation programme for any species of concern identified.

As part of our initiatives to minimise impact to the environment and biodiversity, we are dedicated to reduce onshore disposal activities by evaluating together with the relevant regulators, the potential of reusing and repurposing decommissioned platforms.

- South Angsi (SAA) Platform In-Situ Rig-to-Reef

For the SAA platform, regulatory endorsements to reef in-situ have been obtained in September 2022. This concept was crafted in the conceptual phase by

Hibiscus’ internal technical experts working closely with the relevant stakeholders in 2018. To enhance the diverse marine ecological state of the SAA location, four major sections of the substructure will be laid in-situ creating the largest reefing substructure in the region.

As part of the collaboration with the DOF and PETRONAS, a portion of the substructure measuring 8m x 21m x 17m will be reefed in Tenggol Island, Terengganu. This will promote future decommissioning activities to be more cost effective whilst enhancing marine biodiversity and addressing the sanctity of our food security.

- Repurposing of Tanjong Baram Topside Platform

Similarly, rather than completely dismantling the Tanjong Baram topside, this facility was removed from location and refurbished at shore. In 2024, it will be mobilised for offshore installation at one of our projects at South Furious, Sabah. This will be the first repurposing project in Malaysia in which the topside is removed and repurposed for another project. Refurbishment efforts are currently ongoing pursuant to the topside having arrived at the fabrication yard on 3 May 2023.



Refurbishment of Topside Platform.



Refurbishment of Topside Platform.

- Beach Clean Up at Greyhope Bay, Aberdeen

In the United Kingdom, in conjunction with World Environment Day on 5 June 2023, AOCL joined forces with OEUK and other member companies for a beach clean at Greyhope Bay, Aberdeen to support this year’s ‘Beat Plastic Pollution’ global campaign. By participating in this beach cleaning event, AOCL had the opportunity to demonstrate its commitment to environment sustainability, and support a cause that aligns with AOCL’s company values. Beach clean-ups play a vital role in protecting marine life, reducing pollution, and preserving the natural beauty of our coastal areas. AOCL came together as a team, made a positive impact, and contributed towards the well-being of our local environment. A total of 168kg of waste was collected during this beach cleaning event.



OEUK 2023 Beach Clean at Greyhope Bay, Aberdeen.

### 6.7 Soil Quality

Soil quality refers to the soil’s capacity to perform essential functions that contribute to maintaining the local biodiversity balance. The assessment of soil quality involves monitoring the ability of a specific type of soil, within the boundaries of natural or managed ecosystems, to sustain or enhance water and air quality, as well as support human health and habitation.

In 2022, SEA Hibiscus initiated an annual soil monitoring and reporting process for LCOT, maintaining the same set of 10 parameters: pH, oil and grease, cyanide, cadmium, chromium, lead, mercury, copper, total phenol and arsenic.

In addition to monitoring soil quality, we also assessed soil characteristics, focusing specifically on soil permeability, hydraulic conductivity, subsurface transport capability, and soil nutrient status. Both assessments involve a distinct set of test parameters that conform with the requirements specified in our licence. We are in compliance with the applicable requirements.

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### 6.8 Boundary Noise

We also conducted annual monitoring of the noise levels at three locations outside the LCOT boundary, both during the day and night. This practice aims to guarantee that our surrounding communities are not subjected to excessive noise pollution originating from our regular onshore operations. We are in compliance with the applicable requirements.

### 6.9 Air Emissions

As part of our commitment to reducing air pollution, we perform an annual dark smoke observation on all our fuel burning equipment (FBE) at LCOT, in compliance with the Environmental Quality (Clean Air) Regulation 2014. Additionally, we perform dust particulate monitoring for three furnaces and two generator sets within LCOT. We are in compliance with the applicable requirements.

Furthermore, we carry out an annual FBE Efficiency Assessment to measure our flue gas emissions and evaluate the efficiency of our combustion processes.

To ensure transparency and regulatory compliance, we submit our Emission Declaration for LCOT to DOE on an annual basis.

The reported efficiency of our combustion processes in relation to the FBE Efficiency Assessment that was carried out is that our performance ranges from 93.78% to 99.22%. There are no gaseous emission standards prescribed for natural gas fuelled furnaces and no specific efficiency values prescribed for furnaces in the Environmental Quality (Clean Air) Regulations 2014. Thus, we have complied with applicable standards or practices and shall continue to carry out the mitigation measures stipulated in the Approval Condition issued by the DOE.

In 2023, we will also be conducting an ambient air monitoring at LCOT with the parameters of sulphur dioxide (SO<sub>2</sub>), nitrogen dioxide (NO<sub>2</sub>), carbon monoxide (CO), carbon dioxide (CO<sub>2</sub>), ground level ozone (O<sub>3</sub>), particulate matter with the size of less than 10 micron (PM10) and particulate matter with the size of less than 2.5 micron (PM2.5).



One of the furnaces at LCOT.

### 6.10 Environmental Studies

To develop an improved understanding of our impact on the environment, we are undertaking several studies, namely the Environmental Impact Assessment (EIA) Study and Marine Risk Assessment (MRA) for the SF30 Water Flood Project Phase 2 which includes, amongst others, an Environmental Baseline Study (EBS) and a coral survey, and the Environmental Risk Project Assessment and Mitigation Plan (ERAMP) for the upcoming drilling project.

#### EIA Study and MRA

In line with our commitment to environmental conservation, we have just concluded an EIA Study and MRA for the SF30 Water Flood Project Phase 2. This comprehensive study involves an Environmental Baseline Sampling (EBS) process, which encompasses monitoring the quality of marine water, seabed sediment, as well as conducting plankton and macrobenthos sampling. A coral survey was also conducted as part of this EIA Study. The results of this EIA Study and MRA would be known in due course.



EIA Study for SF30 Water Flood Phase 2.



EIA Study for SF30 Water Flood Phase 2.

#### Macrobenthos Study

During the course of 2023, a macrobenthos study is currently being undertaken at LCOT. The objectives of this study are to monitor macrobenthos, particle size distribution and hydrocarbons, specifically total petroleum hydrocarbons, aliphatic hydrocarbons, aromatic hydrocarbons and BTEX, and metals, and to attempt a correlation analysis among the macrobenthos data collected and volume of effluent discharge, concentrations of hydrocarbons and metals.

Prior to commencing the sampling exercise, a specific macrobenthos survey was performed to check the site and identify suitable transects and sampling points to develop the necessary sampling strategy. The first sampling exercise was conducted from 21 to 23 November 2022 at the beaches near LCOT and Universiti Malaysia Sabah (UMS). The sampling exercise covered seven stations with one station in each transect. A total of 77 samples of macrobenthos were collected including five samples for sediment analysis, particle size analysis and total organic matter analysis. The particle size analysis was undertaken to determine the size of sand grains while the total organic matter analysis was to determine the potential organic contamination from the discharge effluent or the dispersion of the organic content.



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The second sampling exercise was carried out from 12 to 17 of December 2022 at the same locations, with a total of 66 samples of macrobenthos collected, including 6 samples for sediment analysis. The third sampling exercise was conducted from 19 to 26 February 2023 at the same locations, with a total of 88 samples of macrobenthos collected, including 8 samples for sediment analysis.

The final sampling exercise was conducted offshore, near LCOT and the UMS seaside, on 15 April 2023 utilising a vessel. In total, 77 samples of macrobenthos were collected during this exercise.



Sampling of macrobenthos conducted offshore from LCOT using a vessel.



Sampling of macrobenthos along the LCOT's shoreline.

### Environmental Sensitivity Index (ESI)

SEA Hibiscus also participated in the first ESI workshop organised by PETRONAS MPM together with the DOE of Sabah, Universiti Malaysia Sarawak (UNIMAS), UMS, Environment Protection Department (EPD), PETRONAS Carigali, Sabah Biodiversity Centre, Sabah Forestry Department, Sabah Parks, and the World Wildlife Fund (WWF) in July 2022 for Sabah and Labuan.

The workshop included site verification trips to several islands in Sabah to classify the ESI ranking, establish an index map and reporting of the same. A second workshop was then held in November 2022 to handover the updated ESI to all end users and government agencies. During the workshop, training on the ESI 2022 digital system was also conducted for the end users.

### 6.11 Environmental Audit

Environmental audits are also a key aspect of our management system.

As per the regulations set by the DOE, certain aspects of our operations require an annual Environmental Audit to be conducted by an independent third-party. The purpose of this audit is to serve as a tool for continuous improvement, aiding the enhancement of productivity, reducing long-term costs and concurrently ensuring environmental protection. The Government of Malaysia introduced Environmental Audits under Section 33A of the Environmental Quality Act (EQA) 1974 (Amendment 1996). This requirement aims to ensure compliance and promote self-regulation within the industry, emphasising the importance of environmental responsibility.

In August 2022, an audit was conducted on LCOT by an independent third-party, focusing on certain aspects of its operations, as per regulations set by DOE. The audit recorded no instance of Non-Compliance (NC), zero observations of potential non-compliance and ten good practices. Amongst the good practices recorded were the following:

- Environmental monitoring reports being prepared and submitted to the DOE of Labuan as per the requirements. All parameters of interest were within the stipulated limit.
- Scheduled waste inventory had been submitted to the DOE on quarterly basis as per requirements under the "Jadual Pematuhan Lesen".
- Sludge farm was effectively managed in compliance with Environmental Quality (Scheduled Wastes) Regulations 2005. It was located within a bunded area, and sump pits were provided.
- Environmental management matters were being diligently communicated and discussed with the DOE.

In addition to the aforementioned third-party audit, we also underwent other annual inspections by the DOE to ensure our adherence to various regulations, including the Environmental Quality (Industrial Effluent) Regulations 2009, Environmental Quality (Scheduled Wastes) Regulations 2005, Environmental Quality (Clean Air) Regulations 2014, and Sludge Farm licence. In relation to the above, the DOE had also conducted inspections in September 2022 and February 2023, and noted no non-compliance incidents against applicable regulations.



Site inspection at LCOT by the DOE.

## Sustainability Report

### 7. OUR PEOPLE

Our people are the collective essence of who we are as an organisation. With operations across multiple geographies and an ambitious growth plan, we recognise it is important that our people drive sustainable practices at all levels of our business.

Our vision of becoming a Respected, Valuable and Responsible energy company is fuelled by our five corporate values, encapsulated by the acronym TEPAT, which are being tenacious, environmentally responsible, people focused, agile and trustworthy. These values define how we work as a team and how we deliver in our commitments to our stakeholders. As a dynamic organisation operating in a competitive global landscape, we are not afraid to question the *status quo* and challenge common norms. Innovation requires an enterprising mindset and turning ideas into action demands agility and perseverance. The trust of our stakeholders is crucial and we are mindful that solutions must be cost competitive, safe and environmentally friendly to be effective.

Our success is underpinned by our ability to recruit, develop, motivate and retain highly competent employees. This is driven primarily by the following key factors:

- Ensuring a diverse and inclusive working environment, in which we seek to treat all our employees fairly and equally;
- Establishing competitive remuneration packages linked to the collective performance of our Group and balanced with the individual contribution of each employee; and
- Nurturing talent development to optimise the capabilities of our employees which also sets the critical platform for succession planning.

#### 7.1 Workforce Diversity and Inclusivity

We are committed to recognising the importance of diversity. This extends to all areas of our business including talent acquisition, talent development, competency development (including skills enhancement), career progression, Board appointments, staff retention and motivation, mentoring and coaching programmes, flexible work arrangements, forms of leave available to staff, succession planning, as well as the Group's policies and procedures. Our employees are treated respectfully and equally, irrespective of age, gender, ethnicity, nationality, disability, sexual orientation, cultural background, religious beliefs and socio-economic status. Our commitment towards such inclusivity and diversity is clearly set out in our *Diversity Policy*.

We are a diverse organisation, comprising individuals of various nationalities, genders, age groups, educational backgrounds and level of experience. Our commitment to inclusivity is steadfast. Currently, our workforce consists of 824 employees, including both permanent and fixed term members. We take pride in our international makeup, with employees hailing from 6 nationalities including Malaysians, British, Americans, Indians, Vietnamese and Dutch nationals. Our team boasts an average age between 31 to 40 years, reflecting a well-rounded blend of age groups and a diverse array of technical expertise. We place a strong emphasis on valuing and leveraging technical competence and experience as our key assets.

#### Group Employee Gender Diversity by Employee Category

Category		Corporate Headquarters			SEA Hibiscus			HML		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Senior Management	Male	8	6	6	2	2	3	0	10	1
	Female	1	3	6	1	1	0	0	1	0
Middle Management	Male	6	7	9	66	66	71	0	39	93
	Female	9	9	9	13	16	15	0	12	20
Executive	Male	6	10	12	104	126	124	0	149	153
	Female	22	28	29	48	53	52	0	78	93
Non-Executive	Male	2	2	2	110	105	109	0	40	4
	Female	0	1	1	3	3	6	0	17	6
<b>Total</b>		<b>54</b>	<b>66</b>	<b>74</b>	<b>347</b>	<b>372</b>	<b>380</b>	<b>0<sup>1</sup></b>	<b>346</b>	<b>370</b>

Note:

<sup>1</sup> In FY2021, no reportable data was available as acquisition completion only occurred on 24 January 2022.

#### Group Employee Composition by Employment Type

Employee Type	Corporate Headquarters			SEA Hibiscus			HML		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Permanent	46	58	62	324	344	350	0	312	336
Contract (Direct Hire)	8	8	12	23	28	30	0	34	34
<b>Total</b>	<b>54</b>	<b>66</b>	<b>74</b>	<b>347</b>	<b>372</b>	<b>380</b>	<b>0<sup>1</sup></b>	<b>346</b>	<b>370</b>

#### Group Employee Age Diversity by Employee Category

Age	Corporate Headquarters			SEA Hibiscus			HML		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Below 30	11	14	16	41	45	49	0	19	125
31 to 40	19	27	26	147	153	155	0	126	134
41 to 50	15	14	16	91	105	115	0	125	81
51 to 60	5	7	11	53	54	54	0	74	7
Above 60	4	4	5	15	15	7	0	2	23
<b>Total</b>	<b>54</b>	<b>66</b>	<b>74</b>	<b>347</b>	<b>372</b>	<b>380</b>	<b>0<sup>1</sup></b>	<b>346</b>	<b>370</b>

Notes:

<sup>1</sup> In FY2021, no reportable data was available as acquisition completion of the Repsol assets in Malaysia and Vietnam only occurred on 24 January 2022.

<sup>2</sup> The figures in the above Group employee tables are as at 30 June of the respective financial year.

We will continue to take positive measures to enhance our workforce diversity, invoking policies which provide equal opportunities, free of any form of discrimination and encourages fair treatment and opportunity for men and women. These measures include:

- Continued observance and commitment to our *Diversity Policy*.
- Ongoing adherence to our *Group Recruitment Policy* which aims to recruit the best candidates based on merit. Furthermore, we will continue to ensure that:
  - o all persons, regardless of age, gender, ethnicity, disability, cultural background or other personal factors, with appropriate experience and qualifications will be considered equally when recruiting new staff or directors; and
  - o there will be no preference given to a specific gender for a position and women with appropriate experience and qualifications will be considered equally in the recruitment and selection process.
- Continued use of our performance appraisal and incentives framework which is merit-based. In addition, all decisions associated with career advancement, including promotions, transfers, and other assignments, as well as training opportunities are based on our Group's needs and determined on merit.

To further strengthen our recruitment efforts, we are actively sourcing talents via our internal vacancy advertisement, Company's careers page, and Employee Referral Programme (ERP).

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### 7.2 Performance and Rewards

Our corporate core values provide the foundation upon which we undertake all aspects of our business. These values bind our staff and coupled with our Performance Management System, align business objectives and targets, and govern the manner in which our goals are pursued. Our Performance Management System has been extended to recognise not only an individual's work performance but also how the individual interacts within a team to achieve common goals. We emphasise the importance of constructive feedback and conversations across the organisation throughout the year and empower people to deliver on their commitments.

Our employees undergo 2 comprehensive appraisals annually. These appraisals include discussions about performance, the progress made towards pre-determined targets, future career development and training needs. Throughout the calendar year, all of our employees underwent performance reviews in which their superiors assigned performance ratings. For the Leadership Team, performance reviews were conducted by our MD, Nominating and Remuneration Committees with final approval from our Board.

We are committed towards exceeding the regulatory minimum wage requirements. We further strive to remunerate our employees competitively and conduct industry remuneration benchmarking exercise at least once annually. Incentives are utilised as a means to compensate and motivate employees with clear linkages of performance to rewards. Discretionary bonuses are paid annually based on the achievement of corporate and individual performance targets.

### 7.3 Talent Development

Talent development has continued to be a key area of focus for the organisation. It ensures that we have, and will continue to have, the relevant competencies and capabilities required to achieve our Group's business objectives. Talent development also allows our people to realise their career aspirations.

Our talent development programmes comprise on-the-job training, mentoring and participation in relevant workshops, conferences and seminars. The various types of training programmes that are offered to employees build on key competencies required for their specific job roles. In addition, employees are afforded exposure to other fields. The programmes undertaken during FY2023 included technical courses (mandatory HSSE, industry specific courses including business fundamentals, technical elements of operations, petroleum economics and climate change matters impacting the industry), management and leadership skills development, personal competencies and various corporate courses.

In 2023, the Group has consolidated the Leadership Development Programme (LDP), consisting of 3 parts: the Senior Management Development Programme (SMDP), the Managerial Development Programme (MDP) and the Executive Development Programme (EDP). The objective of the LDP is to build strong capabilities within the workforce for technical and non-technical staff. The LDP was successfully piloted by SEA Hibiscus in 2022 and was seamlessly implemented for the rest of the Group.

The extent of training provided to our employees during FY2023 is tabulated below:

#### Employee Training Performance

Indicators	FY2021	FY2022	FY2023
Total training hours as a Group	6,359 hours	15,772 hours	40,348 hours
Average training hours per day per employee	15.86 hours/1.98 days	20.12 hours/2.52 days	48.97 hours/6.12 days

#### Note:

- For HML, the total training hours computed were from 25 January 2022 to 30 June 2023 as the acquisition of Repsol's assets was completed on 24 January 2022.

### 7.4 Employee Management and Engagement

The management of our employees is grounded in our *Diversity Policy*, *Employee Handbook* and our *Code of Conduct and Ethics*. These documents have been thoughtfully developed after reviewing industry standards, consultation with our staff, Senior Management and the Board. They are readily available to all employees through SharePoint, our Group's web-based collaborative platform and updates are communicated through email notification.

Our Board is committed to instilling an organisational culture with high integrity and zero tolerance for corruption. In this regard, the Group updated its *Anti-Corruption and Anti-Bribery (ACAB) Policy* in 2020 and subsequently as of 31 July 2023, all employees have fully completed the quizzes which had been rolled out to test their awareness and understanding of the *ACAB Policy*. Another set of quizzes is planned to be rolled out in October 2023.

#### Employee ACAB Training

Employee Category	ACAB Training Completion Rate					
	Third Quarter 2021		Third Quarter 2022		Third Quarter 2023	
	No. of Employees	%	No. of Employees	%	No. of Employees	%
Senior Management	12	100	22	100	17	100
Middle Management	86	100	145	100	218	100
Executive	158	100	424	100	461	100
Non-Executive	108	100	162	100	127	100

Our Leadership Team members regularly engage with each other and with all levels of personnel within our Group through quarterly townhall sessions, weekly and monthly meetings, management offsite visits and festive celebrations. Importantly, we celebrate significant milestones and achievements as a team. Apart from meetings and gatherings, we gather employee feedback and concerns through semi-annual performance appraisals and a formal, confidential and non-discriminatory grievance process as set out in the *Employee Handbook*.

The attrition rate of our full-time employees during FY2023 was 7.17% of which 1.73% of this total was due to staff reaching the age of retirement.

#### Group Employee Attrition Rate

Employee Category	Attrition Rate		
	FY2021	FY2022	FY2023
Senior Management	2.88	0.10	1.45
Middle Management	1.11	0.85	2.65
Executive	2.73	11.19	8.53
Non-Executive	0.59	0.29	0.67

Our Knowledge Sharing Webinars (KSW) aim to provide a platform for knowledge sharing, networking and professional development in a semi-formal environment. Topics presented range from technical areas (such as decommissioning phases and gas business fundamentals) to legal scopes. These employee sharing sessions have provided the opportunity for different experts from our various assets to share and learn from each other's work experiences and facilitate personal development.

These sessions have been recorded and posted on our Hi-Tech corporate learning repository for employees to access at any time. In 2023, 6 KSWs are scheduled through to the end of 2023 commencing August 2023 onwards, with topics encompassing areas of mental health and sustainability, amongst others.

# Sustainability Report

## 8. OUR COMMUNITY

We are committed to conducting our business operations in a manner that fully acknowledges and respects the rights of the people impacted by our operations, specifically our local community. Our presence in the various locations in which we operate places us in the position to directly understand how we can make a positive difference to the communities that support us.

We also recognise the importance of building positive relationships with our community and striving to deliver sustainable socio-economic benefits, where feasible. By implementing these inclusive initiatives, we not only build trust with local communities but also established strong partnerships with regulatory bodies and our stakeholders at large.

### 8.1 Employment and Training Initiatives

We prioritise the appointment of suitably qualified locals in the areas in which we operate and build on this initiative by investing in their training and development through on-the-job training and external courses.

In addition, for FY2023, we provided on-the-job guidance and exposure to 16 interns from the petroleum engineering, chemical engineering, mechanical engineering, technology management, logistics and maritime, software engineering, manufacturing and offshore engineering, process engineering and finance fields who were integrated into our Asset/Project Teams or placed at our Corporate Headquarters. Aside from gaining valuable experience, these interns were also provided allowances during their placement period at the Group.

Intern Placement	Degree Major
Corporate Headquarters	Bachelor of Mechanical Engineering (Honours), Monash University
	Bachelor in Accounting & Finance (Honours), Sunway University
SEA Hibiscus	Pearson SRF BTEC Level 3 Advanced Diploma in Process Engineering, Tun Ahmadshah Abdullah Institute of Oil and Gas
	Bachelor of Office Systems Management (Honours), Universiti Teknologi Mara (UiTM)
	Bachelor in Manufacturing & Offshore Engineering, Universiti Teknologi Malaysia (UTM)
HML	Bachelor in Mechanical Engineering, UMS
	Bachelor of Chemical Engineering, Universiti of Malaysia Pahang (UMP)
	Bachelor of Management (Technology), UTM
	Bachelor of Science (Honours) Logistics & Maritime Transportation, Universiti Pertahanan Nasional Malaysia (UPNM)
	Bachelor of Science (Honours) in Statistics, Universiti Kebangsaan Malaysia (UKM)
	Bachelor in Petroleum Engineering, Universiti Teknologi PETRONAS (UTP)
	Bachelor of Computer Science (Software Engineering), Universiti Tenaga Nasional (UNITEN)
	Bachelor in Accounting (Honours), Universiti Malaya (UM)
Bachelor in Petroleum Engineering, UNITEN (2 interns)	
	Bachelor of Chemical Engineering, University College London

For North Sabah, 46% of our employees comprise local Sabahans which far exceeds the minimum threshold set by the state government of 30%, whilst more than 99% of our employees are Malaysians. Meanwhile, for HML, approximately 4% of employees are local Sabahans and there are no minimum requirements set for their employment.

In Malaysia, we also support and comply with PETRONAS' requirement for affirmative action with respect to the award of supply and service contracts to companies in the Malaysian states that produce oil and gas (Terengganu, Sabah and Sarawak). As we conduct operations in Sabah, where viable, we unbundle scopes of integrated contracts and carve out minor works for tender and award these to indigenous contractors from within the state. This practice directly generates job opportunities within local communities in Sabah, where we operate.

### 8.2 Community Investment and Engagement

The Group has a set of comprehensive Corporate Social Responsibility (CSR) selection criteria and review processes to evaluate and approve all CSR initiatives on a Group-wide basis. CSR proposals are assessed by the CSR Review Panel on the BSMC, utilising a set of criteria that covers, amongst others, relevance to business operations, social and environmental reach, cost effectiveness, risks and programme sustainability. This is performed under the direction of the Group's MD, who is the Committee Chair.

Separate specific working committees are formed to undertake additional research and groundwork (e.g. site recess) for shortlisted projects which encompass areas such as Education, Health, Safety, Preserving Cultural Heritage, Capacity Building and Other Community Services. A presentation is then prepared to the CSR Review Panel who is tasked to evaluate these selected projects. Such initiatives which meet the required pre-determined conditions are then forwarded to the relevant Company authorised leader in accordance with Hibiscus Petroleum's *Limits of Authority*. Throughout this process, the Board is apprised of the activities conducted/recommended by the BSMC on a continuing basis for its input.

We are pleased to advise that our CSR initiatives are aligned with, and a testament of our support of United Nations (UN)' Sustainable Development Goals (UN SDGs), particularly Goals 2, 3, 4, 8, 10, 11, 12, 14 and 15, with Goal 17 – Partnerships for the Goals underpinning all the initiatives.



A summary of our contributions and the number of beneficiaries who have been the recipients of our CSR efforts are shown below:

#### Group CSR Spending and Reach

	FY2021	FY2022	FY2023
Total Spend (RM)	311,440	1,252,964	1,071,869
Beneficiaries	12	65,997	96,561

#### Education

- Hibiscus Scholarship

We are passionate about contributing to the development of young Malaysian talents through the Hibiscus Scholarship programme. In this regard, we have partnered with 5 local universities, namely UM, Universiti Sains Malaysia (USM), UTM, Universiti Malaysia Terengganu (UMT) and UMS in the areas of engineering, environment, finance and information technology.

In FY2023, we continued our sponsorship of 47 scholars pursuing degrees at various universities. In 2023, a total of 16 scholars from these institutions of higher learning are graduating. These 16 scholars comprise 4 scholars from UMT (marine biology), 4 from UTM (petroleum and chemical engineering), 3 from USM (geophysics), 4 from UMS (petroleum and mechanical) and 1 from UM (geology). Our contribution to these scholarships amounts to RM470,400.

Out of 16 graduating scholars, 1 scholar from UTM (Petroleum Engineering) and 1 from UM (Applied Geology) interned with the Group. Subsequently, these 2 scholars completed their internship programme and have graduated in 2023.

To nurture resilient and innovative individuals, we organised a scholar engagement session aimed at equipping them with crucial life skills such as communication, leadership, problem-solving and collaboration. These skills will benefit them not only in their academic journeys but also their personal and professional lives.

The Hibiscus Scholarship programme aligns with UN SDG 4 (Quality Education) and makes meaningful contribution to UN SDG 8 (Decent Work and Economic Growth) and UN SDG 17 (Partnerships for the Goals).

## Sustainability Report



41 scholars from 5 partner universities attended the 'Scholars Engagement Programme' to assist them to develop a 'workplace ready' professional mindset.

- Contribution towards Education and Training for the Mentally Challenged

The Selangor and Federal Territory Association for the Mentally Handicapped (SAMH), a non-profit organisation, provides education and training to mentally handicapped children in two special schools in the Klang Valley which serve the needs of 250 multi-racial children. The children come from the bottom 40<sup>th</sup> percentile household income category (B40) families, single parent families or are orphans.

It is SAMH's aim that such efforts assist the children to reach their maximum potential in order to improve their future quality of life, in line with their tagline of 'Transforming Disability to Ability'.

The Group has supported SAMH's goals by contributing a token contribution of RM10,000. The contribution supports UN SDG 4 (Quality Education), UN SDG 10 (Reduced Inequalities) and SDG17 (Partnerships for the Goals).

### Health

- Human Papillomavirus (HPV) Screening

The state of Sabah has among the highest incidence rates of cervical cancer in Malaysia. Inaccessibility, lack of awareness and financial limitations are the causes of the relatively low number of screenings conducted for HPV, the main causative agent of cervical cancer. We hope to improve the number of screenings currently conducted by making free medical screenings available to Malaysian women aged between 30 to 65 years in the B40 category in Sabah.

SEA Hibiscus has collaborated with public agencies (Sabah State Health Department), private individuals (general practitioners), academic institutions (Hospital UMS) and civil societies (Malaysia Medical Association

and the Obstetrical and Gynaecological Society of Malaysia) to support testing for the early detection of HPV. We have pledged approximately RM2.5 million for this effort over a five-year period starting calendar year 2021.

As of 30 June 2023, 3,135 women have been screened under this programme, of which 64 cases of HPV have been detected. Those detected with the HPV have been advised on their next medical course of action.



Entrance to Outreach Programme for Early HPV Detection.



Outreach Programme for Early HPV Detection at Kg. Pukak, Kuli, Tuanan in October 2022.



Outreach Programme for Early HPV Detection at Kg. Parapat Laut, Kudat in July 2022.

The HPV medical screening programme supports UN SDG 3 (Good Health and Well-being) and UN SDG 17 (Partnerships for the Goals).

- Thalassaemia Awareness

We are committed in our support of the local Thalassaemia communities and we conduct joint initiatives to raise the awareness about this disorder. Thalassaemia is a hereditary blood disorder that causes the body to have less haemoglobin (red blood cells that carry oxygen). This deficiency cause an individual to easily feel tired, weak or have shortness of breath. Regular blood transfusions are the most common method of treatment and is a life-long treatment.

The NowyouSEEme (NYSM) 3.0 campaign was launched in 8 May 2023 on World Thalassaemia Day and marks the third consecutive year of our collaboration with the Malaysian Ministries of Health and Education. The campaign aims to educate secondary school students on the medical condition so that by being better informed, they are able to play an active role in society to help manage and eventually eradicate the disease.

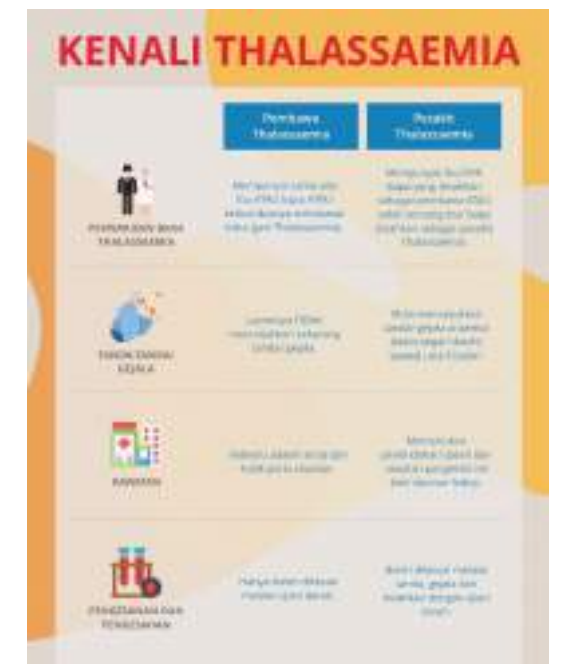
Similar to prior campaigns, the NYSM 3.0 initiative taps into the creativity of students in storytelling to develop content on a social media platform. Engagement through participation in contests held in their respective schools is also a means of promoting awareness amongst students. In 2023, 70 schools throughout the country competed in this year's campaign, which showcased the talent and ingenuity of young students in creating awareness on Thalassaemia through a fresh, different perspective relatable to a younger generation audience.

A report on the effectiveness of NYSM campaigns will be issued by the MOH by June 2024.

The NYSM 3.0 programme incurred costs of RM158,249 and contributes to UN SDG 3 (Good Health and Well-being) and UN SDG 17 (Partnerships for the Goals).



Judging panel consisting of representatives from MOE, MOH and HML.



The infographic poster provided to each participating school.

- Blood Donation Drive In Labuan

In December 2022, SEA Hibiscus organised a Blood Donation Campaign at the Financial Park Complex located in Labuan. The campaign received support from the Malaysian Red Crescent Society Labuan Branch, Hospital Labuan Blood Bank and Junior Chamber International (JCI) Labuan Branch. The initiative involved the participation of 16 volunteers from LCOT, including individuals from the Operations, Emergency Response Team and Auxiliary Police. The campaign successfully collected 57 pints of blood. This blood will help replenish the supply of blood transfusions, particularly benefitting Thalassaemia patients in Labuan.

The blood donation drive cost RM7,528 and contributes to UN SDG 3 (Good Health and Well-being) and UN SDG 17 (Partnerships for the Goals).



SEA Hibiscus' Labuan Operations successfully jointly organised a Blood Donation Campaign, supported by the Malaysian Red Crescent Society Labuan Branch, Hospital Labuan Blood Bank and JCI Labuan Branch.

## Sustainability Report



A blood donor participating in the campaign.

### Safety

- Hibiscus Safety Campaign in Schools

A safe and conducive environment is imperative in order that students thrive at school. Therefore, a Hibiscus Safety campaign was organised in November and December 2022 to increase safety awareness in schools by nurturing early mindfulness of personal safety from a young age through the dissemination of safety messages focused on personal safety issues and potential threats which may be faced at home, at school and at other public locations.

The half-day "Let's Be Safe" Safety awareness campaign, conducted on a hybrid basis via face-to-face interaction at the schools and online, was attended by:

- More than 1,000 schoolchildren from 58 primary schools in Kota Kinabalu, Sabah;
- More than 300 schoolchildren from 7 primary schools in Dungun, Terengganu; and
- A combination of more than 2,500 participants from schools located in remote locations in Sabah and Terengganu.

The campaign involved partnerships with various governmental agencies including the State Education Department, PDRM, JBPM, Health Department and the Civil Defence Agency. During the campaign, students had the opportunity to engage in a fun-learning environment. They listened to easy-to-understand briefings and viewed visuals provided by the enforcement agencies. Quiz sessions were organised to encourage maximum understanding. Following these activities, live demonstration of safety protocols were conducted by JBPM, PDRM, Health Department and the Civil Defence Agency.

A hands-on interactive learning session focused on potential risks and surrounding dangers, whether at home, school or public places, was also conducted via a specially created interactive video, with the same tagline "Let's Be Safe". Students were encouraged to share the knowledge they gained with their peers, friends and family members to reach a wider audience.

The Hibiscus Safety campaign incurred costs of RM107,892 and contributes to UN SDG 3 (Good Health and Well-being), UN SDG 4 (Quality Education) and UN SDG 17 (Partnerships for the Goals).



Participants in Sabah trying out the interactive module.



Group photo of participants of "Let's Be Safe" programme in Terengganu with collaborators and HML's representatives.



The Hibiscus Safety Campaign being shared on multiple platforms for better reach to the wider community.

- Flood Donation Relief Dungun

The Kuala Dungun area in Terengganu is prone to floods during the monsoon season.

In addition to our school safety campaign aimed at instilling safety awareness amongst the schoolchildren in the same neighbourhood, HML also provided aid to four villages with a combined population of about 1,000 people. Life jackets, first-aid kits and safety ropes worth RM18,000 were distributed to residents of Kg. Pasir Raja, Kg. Jongok Batu, Kg. Kuala Jengai and Kg. Shukor.

The villages were also advised of additional safety measures to be taken during the monsoon season, particularly the importance of making early preparations by storing essential items in a safe place and relocating to a temporary evacuation centre in the event of rising flood waters.

The Flood Donation relief initiative supports UN SDG 4 (Quality Education), UN SDG 11 (Sustainable Cities and Communities) and UN SDG 17 (Partnerships for the Goals).



Representatives from the four villages receiving aid from our representatives.

- Dog Health Protection Programme in Labuan

The vicinity surrounding LCOT has become a refuge to stray dogs, as it is an area where dog owners abandon their unwanted pets. Some of these dogs have made LCOT their home, and attempts to remove them in a humane manner have proven unsuccessful. Since the dogs do not pose a hazard to LCOT personnel and contribute to mitigating the intrusion of wild monkeys, a long-term solution was implemented. In collaboration with a private veterinarian, a programme was initiated to spay, neuter, vaccinate, deworm and provide care for 10 dogs. These dogs are also given food and shelter within the LCOT compound.

This programme has cost RM7,528.

### Preserving Cultural Heritage

- Tunas Tari Sponsorship

In December 2022, Hibiscus Petroleum sponsored Tunas Tari's "Seeds of Hope" production at a cost of RM25,390. The production was held at the Damansara Performing Arts Centre.

Tunas Tari is a traditional dance enrichment centre for children that aims to instill positive traits and nurture their soft skills whilst raising public awareness about the importance of preserving cultural heritage.

The "Seeds of Hope" production showcased and highlighted the current global concern of climate change and natural disasters, as well as the importance of caring for the environment for future generations.

## Sustainability Report



The production cast comprising 34 children between the ages of 6 to 16 years old.



Combination of 14 dances inspired by various traditional dances in Malaysia including contemporary concept dance.



Hibiscus Petroleum's Managing Director and Group General Counsel attended the production.

The sponsorship of "Seeds of Hope" contributes to UN SDG 4 (Quality Education) and UN SDG 17 (Partnerships for the Goals).

- Sisters in Islam (SIS) Fundraising Initiative

In support of culture and arts, HML sponsored RM10,000 for a fundraising event organised by SIS. This initiative served both as a means to raise funds, and as a platform to celebrate Malaysia's rich culture and tradition. SIS is dedicated to advocating for women's right and ensuring justice for women in Malaysia.

The above initiative aligns with the UN SDG 10 (Reduced Inequalities) and UN SDG 17 (Partnerships for the Goals).

### Capacity Building

We are committed to capacity building programmes aimed at promoting sustainable socio-economic development. These programmes are well planned and involved active engagement with local communities and collaborations with local agencies or non-governmental associations (NGOs).

Through these initiatives, skills training and cultivation of entrepreneurial capacity are provided to women in rural communities, fishermen and marginalised groups. Our programmes are aimed at improving the socio-economic standing of these beneficiaries, and thus facilitate the generation of an alternative source of income on a sustained basis for their families.

- Handicraft Revival Programme in Kuala Terengganu

The Kercut Revival Craft project was launched in 2022 to revive a local handicraft using 'Kercut' (*Lepironia articulata*), a wild sedge that grows in and near 'gelam' (*Melaleuca forest*) swamps in the Setiu Wetlands area and 'Lidi' sourced from Nipah trees (*Nypa fruticans*), plants that grow in mangrove forests where there are tides and which are close to the sea.

The project is a collaboration between the Sultan Mizan Royal Foundation, Terengganu State Parks, Kraftangan Malaysia and HML. The objectives of the programme are to enhance weaving skills and creativity for new products, to increase the income of craft entrepreneurs through the production of tourism related souvenirs and to create a new community in the field of crafts with the involvement of the younger generation.

In 2022, 20 participants (10 women from Kg. Beris Tok Ku, Setiu for the 'Kercut' programme and 10 women from Pengkalan Gelap, Setiu for the Lidi Nipah programme) were trained by Kraftangan Malaysia in the making of products using 'Kercut' and 'Lidi' Nipah for the ecotourism industry. These women will continue for another year in the programme. Towards the third quarter of this year, an additional 10 women will be joining the programme in efforts to be equipped with the skills necessary towards becoming a Kercut entrepreneur.

The project workshop was initially equipped with a dyeing machine and a flattening machine. These machines enhance the efficiency of leaf-flattening and colouring process before weaving them into various products such as bags or mat. This year, a drying hut is being constructed to expedite the drying of 'Kercut' leaves after the flattening and colouring process. These improvements aim to reduce the production cycle duration, thereby increasing product output.

The Handicraft Revival programme in Terengganu contributes to UN SDG 8 (Decent Work and Economic Growth) and UN SDG 17 (Partnerships for the Goals).

- Oyster Farming Project in Sabah

Launched in October 2021, this 18-month long social investment project began in January 2022 to sponsor and develop 7 selected participants from the B40 group in Mengkabong Bay, Tuaran, Sabah into competent oyster farmers to enable them to generate sustainable income to uplift their livelihood and that of their families.

This collaborative venture between HML and the Sabah Fisheries Department is in line with the latter's vision of establishing Mengkabong Bay into a primary oyster production hub in Sabah and Malaysia in general.

HML sponsored the required start-up equipment including farm tools and event ceremonies while the Sabah Fisheries Department allocated farm lots,

conducted theory and practical skills training on the oyster farming system, and exposed participants to fish rearing management through familiarisation visits as well as introduction to basic bookkeeping and inventory practices.

The group of participants managed to harvest a total of 4,580 kg of oysters and generated approximately RM20,141 in revenue for their efforts throughout the project.

The Sabah Fisheries Department has committed to continually nurture, monitor and assist the participants with technical input and expansion plans in the future.

The Oyster Farming Project in Sabah incurred costs of RM8,290 in FY2023 and made significant contributions to UN SDG 8 (Decent Work and Economic Growth), UN SDG 12 (Responsible Consumption and Production), UN SDG 14 (Life Below Water) and UN SDG 17 (Partnerships for the Goals).



Group photo of all participants of the Oyster Farming Project together with collaborators and HML's representatives.



The oyster farm lots in Mengkabong Bay, Tuaran.

## Sustainability Report

- Sustainable Urban Farm in Selangor

In October 2022, the Rotary Club of Gombak launched a Sustainable Urban Farm project for Rumah Amal Cheshire (Cheshire Home), with the Group sponsoring the RM12,000 cost of the urban farming unit installed on the home's grounds.

Rumah Amal Cheshire currently provides housing for 25 residents. Since 1963, the home has been providing residential care to individuals who are permanently disabled, regardless of race or religious background, and are without the means or resources to live independently. From 2007, they have been offering Economic Empowerment Programmes for their residents in which they provide training to those with physical or learning disabilities to increase employability. The programme also provides a pathway to gain independence.

The urban farm will serve as a space for residents to cultivate plants to produce fresh and healthy agricultural products like herbs and vegetables to ensure food security as well as supplement their daily nutritional needs. The farm is also a therapeutic and healing community space for the residents' increased quality of life.

The Sustainable Urban Farm contributes to UN SDG 2 (Zero Hunger), UN SDG 12 (Responsible Consumption and Production) and UN SDG 17 (Partnerships for the Goals).



Urban Farming Unit at Rumah Amal Cheshire.



Rotary Club members and Rumah Amal Cheshire patrons viewing the Urban Farming Unit.

- Providing Employment Opportunities for Communities with Special Needs in Aberdeen

AOCL supports a local Aberdeen social enterprise called, 'The Bread Maker' to provide lunch during all-day meetings. The Bread Maker is a social enterprise that gives opportunities to adults with learning disabilities. It assists those who would find it difficult to get a job or training in most ordinary businesses. Meaningful employment enhances the lives of their apprentices equipping them with essential life skills.

This effort contributes to UN SDG 4 (Quality Education), UN SDG 8 (Decent Work and Economic Growth) and UN SDG 17 (Partnerships for the Goals).

### Other Community Services

Under the Group's Social Sustainability section of the Sustainability Policy, we have recognised the importance of community engagements via the following assertion made i.e. "The Group places importance on CSR Programmes and actively encourages our employees to participate in CSR activities/programmes in our locations of operations. Such engagements with local communities and other stakeholders play an important part in our maintaining a social licence to operate."

- Provision of School Uniforms

During the Ramadan period this year, over 50 HML's employees volunteered their time to partake in a series of CSR activities, aimed at assisting underprivileged communities in Peninsular Malaysia and Sabah. Partnering with USM, 41 sets of school uniforms were donated to the 'Back to School' programme for B40 families, specifically those from Sekolah Jenis Kebangsaan (Tamil) Ladang Sungai Puntar, Kedah, who lacked the means to provide school attire and essentials for their children.

This initiative contributes to UN SDG 4 (Quality Education) and UN SDG 17 (Partnerships for the Goals).

- Food Aid Initiative

In collaboration with Pusat Pungutan Zakat, 60 families at Projek Perumahan Rakyat (PPR) Hiliran Ampang received food baskets containing 22 essential items. Additionally, 30 families at PPR Kota Damansara received food baskets via the arrangement with the Kechara Soup Kitchen. In Tawau, Sabah, 38 families affected by a fire incident received food baskets in a joint effort with Jabatan Kebajikan Masyarakat Tawau.

This 'Food Basket' programme supported these families in preparing for the Hari Raya festivities and contributes to UN SDG 2 (Zero Hunger) and UN SDG 17 (Partnerships for the Goals).

- Spreading Cheer and Assistance to Orphanage Residents

Our employees also volunteered their time to bring joy to the residents of various orphanages over the course of FY2023.

One of these heart warming visits was part of the 'Aidilfitri Cheer' programme, which involved accompanying 60 orphans from two orphanages, namely (Rumah Sentuhan Budi, Petaling Jaya and Rumah Anak Amal Budi Bistari, Shah Alam) on a 'Shopping Raya' outing to an outlet in Subang. This memorable day was followed by a 'buka puasa' event in Kelana Jaya, where the children enjoyed the delicious meals. The programme was further enriched with activities to entertain the children.

In addition, our volunteers also accompanied children from three orphanages in Sabah, namely Rumah Anak Yatim Darul Bakti, Kota Belud, Rumah Anak Yatim As-Sakinah, Kinarut and Rumah Anak Kesayangan, Likas to purchase Raya attire at a textile shop in Kota Kinabalu.

The above initiative supports the UN SDG 2 (Zero Hunger) and UN SDG 17 (Partnerships for the Goals).



Our volunteers with the orphanage residents.

We continue to play our part consistently and on a sustained basis to assist in advancing and improving the quality of life of various communities throughout Malaysia.

Our programmes have positively impacted many lives and contributed to local development on an inclusive basis. We remain committed in our continuous efforts to assist the development of the communities around us through our annual allocation of sponsorship programmes under our social investment budget.

- Support of 'Recipe for Life' programme in Aberdeen

In May 2023, AOCL selected Home-Start Aberdeen as its chosen charity for 2023/2024. Home-Start Aberdeen has been supporting vulnerable families across Aberdeen for over 30 years. AOCL kicked off the partnership with a donation to the charity's Recipe for Life programme, which aims to empower parents to enhance their families' dietary habits by enhancing their knowledge, skills and confidence in cooking and making healthy eating choices.

AOCL recognises the importance of giving back to the local community, especially during these challenging times, and we hope that AOCL's support plays a modest yet meaningful role in addressing broader social issues affecting families in the Aberdeen area.

This initiative supports UN SDG 2 (Zero Hunger), UN SDG 3 (Good Health and Well-being) and UN SDG 17 (Partnerships for the Goals).

## 9. OUR SOCIETY – HUMAN RIGHTS

We are dedicated to respecting and promoting the rights of every person including our employees, the communities where we operate and those working within our supply chain. This commitment is in line with internationally recognised human rights and labour standards such as the UN Guiding Principles on Business and Human Rights (2011) and the UN International Covenant on Economic, Social and Cultural Rights which guide businesses on how to act responsibly in respecting human rights. We have in place the following policies as a testament of our ongoing commitment in upholding human rights:

### Anti-Modern Slavery Policy

This policy underscores our commitment to prohibit the employment of forced bonded or underage labour and to take all necessary steps to ensure that no form of slavery exists within our business operations and supply chain. The scope of this policy covers our Group, contractors, joint venture partners, and other parties collaborating with us.



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The Audit and Risk Management Committee is the designated independent committee to receive any complaints/information with follow-up on actions taken (if any) by the Group Internal Auditor as the Investigator.

We work to continually assess the extent of the risk of instances of modern slavery and human trafficking in our business and take reasonable steps to ensure that these have no place in our Group and supply chain. Going forward, we will enhance our efforts in bringing to the attention of our suppliers our commitment against modern slavery in our business operations.

### Diversity Policy

Our *Diversity Policy* ensures the inclusiveness of all people.

### Whistle Blower Policy

Our *Whistle Blower Policy* extends to external parties as a further sign of our commitment to key stakeholders, including our communities. This provides a confidential and anonymous avenue for individuals and communities impacted by any human rights violations arising from our business activities.

### Drug and Alcohol Policy

The Group recognises that the protection of the health and safety of our employees, contractors and others involved in our operations is an integral part of business performance. Therefore, this policy was introduced in January 2020 as part of efforts to illustrate the Group's commitment and seriousness in ensuring a safe and healthy work environment for all.

### Right to Collective Bargaining and Freedom of Association

Further, we support the right of our employees to freedom of association and collective bargaining, in compliance with the Malaysian labour regulations. We also commit to fully complying with labour regulations of the countries in which we operate and accordingly, have not recorded any non-compliances of applicable labour standards or encountered any human rights violations during the financial year under review.

## 10. ECONOMIC VALUE GENERATION AND DISTRIBUTION

We aim to make a positive contribution by delivering long-term tangible benefits to our key stakeholders. We generated and distributed value in the following manner during FY2023:

- Payment of taxes and royalties totalling approximately RM232.5 million to the host governments, which grant us our licences to operate;
- Payment of remuneration of approximately RM139.4 million to our employees; and
- Use of contractors and suppliers located in our host countries, when they possess the necessary expertise and utilise a high level of localised resources. In this regard, we have compensated local service providers and suppliers approximately RM928.7 million.

The summary of total spending on all suppliers is approximately RM439.6 million for FY2021, RM590.8 million in FY2022 and RM1,157.0 million for FY2023.

## 11. INFORMATION TECHNOLOGY (IT) AND CYBERSECURITY

In 2022, we saw the successful assimilation of the acquired Repsol's assets into the Group. The transition activity related to the acquisition was carefully planned and executed for all systems including IT infrastructure, core applications, engineering, and Enterprise Resource Planning (ERP) applications. The project was successfully completed in the allocated period.

The key priorities of the InfoTech & Digitalisation department for FY2023 focused on the consolidation of the IT infrastructure, implementing the digitalisation strategy for the operational technology and IT networks and progressive adoption of cloud technology. The continuous enhancement of cybersecurity and expansion of the organisation's technology support ecosystem continues to be a focus area for the Group.

With the completion of the Repsol transition, two additional data centres are now under the purview of the InfoTech & Digitalisation team. These new data centres were in existence from the Repsol assets' acquisition and are in addition to the existing two data centres that were already serving the Group. To increase operational efficiency, we intend to consolidate the data centres through 2024. The consolidation exercise will reduce overheads required to manage the data centres and will provide flexibility and release additional resources to the InfoTech & Digitalisation team to refocus on service delivery and cybersecurity. The Group will also significantly benefit from the optimal usage of licences, resources and will reduce the carbon emissions as a result of having in place an efficient IT network.

In addition to data centre consolidation, we are currently exploring the possibility of adopting a hybrid cloud model. Adoption of a cloud model provides the freedom to scale up computing resources without the need to purchase physical hardware which may be subject to long procurement lead times. The hybrid model allows existing hardware in the data centre to remain while eliminating the need to procure additional hardware to cater for the increasing demands of the future. To ensure compliance, our InfoTech & Digitalisation team has actively involved the PETRONAS Digital team to obtain the latest guidelines that govern cloud adoption. Meticulous assessment involving various global cloud providers is ongoing to ensure the Company derives the best value by moving to cloud.

The data centre consolidation exercise and the cloud adoption initiative require extensive planning and the final design considerations include easier access to digital information and applications without compromising security of the infrastructure. The most important focus in 2023 is on the design and feasibility of the initiative ensuring optimal utilisation of resources and preparing a model that is in line with business needs of the Group.

Digitalisation initiatives are prioritised according to cost-benefit and budget considerations. Selected projects are being implemented in line with the Digitalisation strategy articulated in the Group Business Plan. These digital initiatives are tested for robustness and value creation to ensure tangible impact at scale across the Group. Specifically, we are evaluating digital solutions that will increase productivity of the Group's employees, reducing cycle time and, optimising workflows, where possible and utilising technology to accelerate outcomes. Additionally, we are assessing the Group's data management structures. The approach here is to ensure information is available on a timely basis, is easily searchable and leveraging advanced search engines, for better decision making across the organisation. Some of the initiatives that we are working on are Industrial Internet of Things (IIOT), a Predictive Maintenance project which has been planned to improve Asset Performance Management and ensure that the Group efficiently manages uptime of production assets. Significantly, we are evaluating digital tools to ensure that we effectively manage and continuously improve on HSSE standards to provide a safe working environment for the Group's employees.

For continuous enhancements of cybersecurity systems across the Group, customisation, and alignment of processes between different business units are the top priority. Other efforts being carried out include:

- Increasing server capacities to ensure testing and staging environments are set-up for controlled roll-out of applications in-compliance with the IT General Compliance requirements.
- Implementing an additional layer of firewall to protect core IT infrastructure.
- Enhancing the security of the Office 365 applications used widely in the Group, constantly auditing the effectiveness of the controls and maintain the average security score above the industry average.
- Improving end user's security through the rollout of multi-factor authentication and implementing a personal backup facility for the Group's users.
- Implementing additional security measures for privileged account access to critical infrastructure components across the Group.
- Increasing awareness of cybersecurity for the entire Group including providing anti-phishing training in addition to the development of a capacity building programme which is being implemented in stages.
- Embarking on a single incident management framework that includes provision of service desk, consolidation of managed services vendors and consolidation of security incidents and security measures at the Group level.

A multi-pronged approach has been taken to address data security and its possible leakage. The implementation of an electronic Data Management solution will provide visibility into the data and its usage within the Group. Current initiative includes identification of structured and unstructured data sources and bringing them together into the greater data lake where granular access can be determined based on the business needs of the Group. The initiative is expected to be completed in the year 2024.

A validation of the security controls will be carried out in Q4 2023 through an external penetration test and an audit exercise. The exercise will provide vital inputs on potential gaps in the cybersecurity setup for the Group.

Several initiatives and projects have been planned to address the core business needs of the Group. Constant efforts are ongoing to ensure that end users can effectively conduct their activities efficiently and effectively in a dynamic, stable connected and secure environment that adapts to growing business needs.

## Sustainability Report

### 12. OUR COMMITMENT TOWARDS TAX CORPORATE GOVERNANCE

The Group practises strong governance when managing its tax affairs. Adequate systems and processes are in place to allow the Group to comply with all tax laws and regulations of the countries in which it operates.

The Group conducts its tax affairs based on the following key principles:

- Ensuring compliance with applicable tax laws and regulations, both in terms of the letter and the spirit of these laws and regulations.
- Developing and maintaining professional and cooperative relationships with tax authorities.
- Managing tax related matters with professional care, including the engagement of external tax advisors whenever necessary to ensure positions taken are supportable and defensible.
- Undertaking tax planning only where there are business operations with genuine commercial presence and economic substance. The Group does not seek to evade tax nor engage in aggressive tax planning.

The Group also observes its core values when managing tax matters. The five core values are (i) tenacious, (ii) environmentally responsible, (iii) people focused, (iv) agile, and (v) trustworthy.

#### 12.1 Compliance

Our Group recognises that taxes play an important role in the economic development of countries in which it operates. Accordingly, we prioritise attention to its responsibilities in this area by ensuring the rightful amount of taxes are paid on a timely basis.

Within the framework of this principle, the Group undertakes to:

- Adopt its tax positions on sound economic and business principles and best practices, and refrain from the use of abusive tax schemes and planning practices;
- Apply the "arm's length" principles in intra-group transactions, as required by the applicable tax laws and regulations;
- Disclose truthful and complete information in its dealings with tax authorities; and
- Strive for certainty, stability and predictability of tax implications on practices applied by the management in accordance with applicable tax laws and regulations and due collaboration with the tax authorities.

### 12.2 Cooperative Relationship with Tax Authorities

The Group shall continue fostering relationships with the tax authorities grounded on principles of mutual trust, good faith, professionalism, transparency, cooperation and due collaboration, all with the purpose of ensuring due compliance with applicable tax laws and regulations and to reduce tax disputes without compromising the Group's interests.

In particular, the Group:

- Provides the tax authorities with the required tax-related information and documentation in a timely manner;
- Prioritises non-litigious means for disputes resolution when possible, but considers legal action to preserve/strengthen our position in seeking to achieve amicable agreements with the tax authorities whenever feasible; and
- Participates in discussion and contributes views on proposed changes to applicable tax laws and regulations which may impact the Group.

### 12.3 Tax Governance, Control and Risk Management

The Group has in place a sound management system and control environment to govern its tax matters.

The management of tax-related risks is carried out via the implementation of policies, procedures and a system of internal control with clear definition of roles and responsibilities, key steps of processes, and reporting and monitoring routines to ensure compliance and exposure to tax-related risks are well managed. It also forms part of the Group's risk management framework, details of which are documented in the SORMIC.

In particular, the Group adopts the following approaches towards its tax governance, control and risk management:

- Tax affairs are managed in an orderly and professional manner to ensure compliance with tax obligations and proper management of tax-related risks. Efficient internal procedures, systems and controls are applied to enable the correct operation of key tax-related processes.
- Active management, monitoring and mitigation of tax-related risks with a view to eliminating them, and where the said risks are assumed (e.g. in cases involving uncertainty in respect of the application or interpretation of tax law), steps will be undertaken to defend the Group's legitimate interests as efficiently as possible by ensuring advice is sought from external advisors and comprehensive position papers are prepared and maintained.

- The Group's tax department and personnel involved with the tax function are kept up to date on developments in the tax laws and practices through regular updates from external tax advisors and regular attendance/participation in tax seminars.
- Ensuring the Group's tax department is equipped with sufficient knowledge and skill sets to support its commitments towards tax corporate governance.

The Group provides an avenue to report information relating to occurrences of known and/or suspected malpractices or wrongdoings, including reporting on any tax mismanagement. Whistle-blowers can report in writing to a designated email or in a sealed labelled envelope to the Chair of the Board or Chair of the Audit and Risk Management Committee or Senior Independent Director. The *Whistle Blower Policy* and the *ACAB Policy* are available on the Group's SharePoint facility and corporate website.

### 12.4 Approach to Tax Planning

The Group's transactions are always driven by proper business purpose. The following principles are applied in relation to tax planning:

- Manage tax costs and tax benefits in an efficient manner and apply available tax incentives and benefits appropriately, provided they are aligned with the relevant intended policy objectives and supported by genuine commercial activities.
- Ensure that tax planning is based on reasonable interpretations of applicable laws that are aligned with the economic and commercial activities, and which would avoid any abusive or fraudulent outcomes. Where necessary, professional advice will be sought from external consultants to support positions taken.
- Refrain from using engineered business structures to conceal or reduce the transparency of its tax activities. Transactions and structures are driven by commercial considerations and aligned with business activities.
- Avoid setting up a presence in tax havens, except where justifiable with sound business reasons and economic substance requirements are complied with. There is full transparency and cooperation with the relevant tax authorities to facilitate the disclosure of required information.

We are committed to continuously review and enhance our tax policies, processes and procedures so as to strengthen our tax corporate governance and bring value to our stakeholders.

### THE WAY FORWARD

In this Report, we have detailed many of the specific initiatives that have been undertaken, or which we plan to undertake in the near future to address matters of material business sustainability within our Group and of impact to our stakeholders. Much of what we do relies on the efforts of our people. Hibiscus Petroleum's corporate core values form the bedrock of our Business Sustainability Principles. With our workforce equipped with such values, we believe that we balance our commercial objectives of achieving profitability and growth without compromising on the overarching need to extract essential resources from our planet safely and responsibly whilst keeping our people safe and secure.

We continue to strengthen our foothold in the oil and gas industry in line with our aspirations to be an enduring player. Our long-term existence as a commercial organisation can only be assured if we act responsibly now and always. We endeavour to be an organisation that incorporates sustainability initiatives in all that we do. We believe that such an approach is part of our obligation to accrete shareholder value responsibly, in a dynamic and evolving business environment. Each of our stakeholders should remain assured that the Board and Management remain committed to these goals.

This Report has been approved by the Board of Hibiscus Petroleum Berhad on 4 October 2023.

## Sustainability Report

### APPENDIX – DETAILED ENVIRONMENTAL MANAGEMENT PERFORMANCE INDICATORS BY ASSETS

#### North Sabah PSC

##### Scope 1 Emissions

Emissions by source	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Combustion	tonnes CO <sub>2</sub> e	147,701	203,053	192,283	214,643	166,828
Flaring	tonnes CO <sub>2</sub> e	154,242	152,274	192,507	185,369	135,412 <sup>1</sup>
Venting	tonnes CO <sub>2</sub> e	93,833	70,807	35,866	183,498	55,746 <sup>2</sup>
Fugitive Emissions	tonnes CO <sub>2</sub> e	3,036	2,898	2,941	2,162	2,064
Mobile and Transportations	tonnes CO <sub>2</sub> e	374	235	65	47	33
<b>Total</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>399,185</b>	<b>429,267</b>	<b>423,663</b>	<b>585,719</b>	<b>360,083</b>

Emissions by type of gas	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Carbon dioxide	tonnes	347,455	340,493	371,813	373,522	283,415
Methane	tonnes	2,207	4,340	2,501	8,371	2,982 <sup>3</sup>
Nitrous oxide	tonnes	8.85	8.33	9.19	9.57	3.93 <sup>4</sup>

##### Scope 2 Emissions

Emissions by source	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Purchased Electricity	tonnes CO <sub>2</sub> e	1,608	1,567	1,564	2,122	1,421

##### Total GHG Emissions (Scopes 1 and 2)

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Total Operational GHG Emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>400,793</b>	<b>430,834</b>	<b>425,227</b>	<b>587,841</b>	<b>361,504<sup>5</sup></b>

##### Total GHG Emissions (Scope 3)

Category	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Upstream Transportation and Distribution	tonnes CO <sub>2</sub> e	Not Available	Not Available	Not Available	26,272	50,092

##### Notes:

- Decreased flaring emissions in FY2023 as compared to the previous FY2022 due to various reasons i.e. reduced Low Low Pressure (LLP) compressor shutdown, multiple compressors interruptions and trips in North Sabah Offshore.
- Significant reduction in venting emissions due to higher reliability of auto ignitors after upgrades.
- Methane emissions reduced by 64.3% due to lower venting in FY2023.
- Nitrous oxide emissions lower by 58.9% due to decrease in GHG emission from combustion sources in North Sabah Offshore in FY2023.
- Total operational GHG emissions reduced by 38.5% from FY2022 due to lower venting and flaring in FY2023.

#### PM3 CAA PSC

##### Scope 1 Emissions

Emissions by source	Unit	FY2022	FY2023
Combustion	tonnes CO <sub>2</sub> e	933,158	1,081,811
Flaring	tonnes CO <sub>2</sub> e	114,103	102,627
AGRU <sup>1</sup>	tonnes CO <sub>2</sub> e	4,514,050	5,266,850
Fugitive Emissions	tonnes CO <sub>2</sub> e	41	83
Mobile and Transportations	tonnes CO <sub>2</sub> e	68,472	89,683
Other GHG's <sup>2</sup>	tonnes CO <sub>2</sub> e	n/a	62,680
<b>Total</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>5,629,823</b>	<b>6,603,734</b>

Emissions by type of gas	Unit	FY2022	FY2023
Carbon dioxide	tonnes	3,478,205	4,242,806
Methane	tonnes	85,575	93,834
Nitrous oxide	tonnes	41	51

##### Scope 2 Emissions

Emissions by source	Unit	FY2022	FY2023
Purchased Electricity	tonnes CO <sub>2</sub> e	447	458

##### Total GHG Emissions (Scopes 1 and 2)

Indicator	Unit	FY2022	FY2023
<b>Total Operational GHG Emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>5,630,270</b>	<b>6,604,192</b>

##### Notes:

- Acid Gas Removal Unit (AGRU).
- Other GHG's include compressors, pneumatic controls and pumps, and loss of primary containment (LOPC).

#### Kinabalu PSC

##### Scope 1 Emissions

Emissions by source	Unit	FY2022	FY2023
Combustion	tonnes CO <sub>2</sub> e	26,646	39,483
Flaring	tonnes CO <sub>2</sub> e	149,843	123,230
Venting	tonnes CO <sub>2</sub> e	0	0
Fugitive Emissions	tonnes CO <sub>2</sub> e	1.21	1.03
Mobile and Transportations	tonnes CO <sub>2</sub> e	8,187	21,412
Other GHG's <sup>1</sup>	tonnes CO <sub>2</sub> e	n/a	1,137
<b>Total</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>184,677</b>	<b>185,263</b>

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Emissions by type of gas	Unit	FY2022	FY2023
Carbon dioxide	tonnes	182,777	180,777
Methane	tonnes	5	51
Nitrous oxide	tonnes	6	11

### Scope 2 Emissions

Emissions by source	Unit	FY2022	FY2023
Purchased Electricity	tonnes CO <sub>2</sub> e	173	174

### Total GHG Emissions (Scopes 1 and 2)

Indicator	Unit	FY2022	FY2023
<b>Total Operational GHG Emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>184,850</b>	<b>185,437</b>

#### Note:

<sup>1</sup> Other GHG's include compressors, pneumatic controls and pumps, and LOPC.

### Anasuria Cluster

#### Scope 1 Emissions<sup>1</sup>

Emissions by source	Unit	FY2019	FY2020	FY2021	FY2022 <sup>6</sup>	FY2023 <sup>7</sup>
Combustion	tonnes CO <sub>2</sub> e	78,629	77,446	76,990	76,438	85,008
Flaring	tonnes CO <sub>2</sub> e	55,292	81,208	49,003	10,869	12,613
Venting	tonnes CO <sub>2</sub> e	215	186	171	145	151
Fugitive Emissions	tonnes CO <sub>2</sub> e	4	–	19	2	–
Other	tonnes CO <sub>2</sub> e	–	–	–	233	471
<b>Total</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>134,140</b>	<b>158,840</b>	<b>126,183</b>	<b>87,688</b>	<b>98,243</b>

Emissions by type of gas	Unit	FY2019	FY2020	FY2021	FY2022 <sup>6</sup>	FY2023 <sup>7</sup>
Carbon dioxide	tonnes	126,501	148,896	119,176	84,144	94,269
Methane	tonnes	216	300	193	67	75
Nitrous oxide	tonnes	8	8	7	6	7
HFCs <sup>2</sup>	tonnes	0.002	–	0.008	0.023	–

#### Scope 2 Emissions<sup>3</sup>

Emissions by source	Unit	FY2019	FY2020	FY2021	FY2022 <sup>6</sup>	FY2023 <sup>7</sup>
Purchased Electricity	tonnes CO <sub>2</sub> e	0	0	0	0	0

### Total GHG Emissions (Scopes 1 and 2)

Indicator	Unit	FY2019	FY2020	FY2021	FY2022 <sup>6</sup>	FY2023 <sup>7</sup>
<b>Total Operational GHG Emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>134,140</b>	<b>158,840</b>	<b>126,183</b>	<b>87,688</b>	<b>98,243</b>

### Total GHG Emissions (Scope 3)<sup>4</sup>

Category	Unit	FY2019	FY2020	FY2021	FY2022 <sup>6</sup>	FY2023 <sup>7</sup>
Business Travel	tonnes CO <sub>2</sub> e	0	0	0	0	0
<b>UK ETS Payment<sup>5</sup></b>	<b>RM mil</b>	<b>13.7</b>	<b>11.5</b>	<b>16.8</b>	<b>25.0</b>	<b>25.0</b>

#### Notes:

<sup>1</sup> GHG emissions comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. The GWP factors used are in accordance with the UK Government's guidance for reporting of GHG emissions.

<sup>2</sup> HFCs or Hydrofluorocarbons are included in the reporting for this year.

<sup>3</sup> Scope 2 GHG emissions are zero as there is no purchased electricity for the Anasuria FPSO operations, as all activities are conducted offshore. Office use of electricity is not measured separately as this is included in the office rent.

<sup>4</sup> Scope 3 – Business Travel GHG emissions are zero as there are no vehicles that are owned or rented by AOCL, or where AOCL is responsible for purchasing fuel for the purposes of business travel. GHG emissions from air travel, helicopters and supply vessels have not been accounted for. This category of Scope 3 is included in fulfilment of UK Government's Streamlined Energy and Carbon Reporting (SECR) requirements.

<sup>5</sup> Payments for UK ETS are on a gross basis.

<sup>6</sup> Emission figures from 1 January 2022 to 31 December 2022 are final and have undergone successful external verification.

<sup>7</sup> Emission figures from 1 January 2023 to 30 June 2023 are provisional.

### Waste Management

#### North Sabah

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Hazardous waste</b>	<b>tonnes</b>	<b>4.373</b>	<b>12.95</b>	<b>190.12</b>	<b>29.10</b>	<b>65.19</b>
Non-recycled waste	tonnes	3.395	–	–	–	–
Recycled waste	tonnes	0.978	–	–	–	9.396
<b>Total Waste</b>	<b>tonnes</b>	<b>4.373</b>	<b>12.95</b>	<b>190.12</b>	<b>29.10</b>	<b>65.19</b>
Environmental fines and penalties	RM	0	0	0	0	0

#### Notes:

<sup>1</sup> Non-recycled and recycled waste are no longer reported as there are no requirements to report this to MPM.

<sup>2</sup> FY2021 figure has been updated to reflect the actual data on financial year basis.

<sup>3</sup> Higher hazardous waste generated due to tank maintenance activity at LCOT in FY2023.

## Sustainability Report

### PM3 CAA PSC

Indicator	Unit	FY2022	FY2023
<b>Hazardous waste</b>	<b>tonnes</b>	<b>148.61</b>	<b>772.70</b>
Non-recycled waste	tonnes	148.61	764.40
Recycled waste	tonnes	0	8.30
<b>Non-Hazardous waste</b>	<b>tonnes</b>	<b>-</b>	<b>941.22</b>
Non-recycled waste	tonnes	-	941.22
Recycled waste	tonnes	-	0
<b>Total Waste</b>	<b>tonnes</b>	<b>148.61</b>	<b>1,713.92</b>
Environmental fines and penalties	RM	0	0

**Note:**  
Inclusive of waste from PM305.

### Kinabalu PSC

Indicator	Unit	FY2022	FY2023
<b>Hazardous waste</b>	<b>tonnes</b>	<b>5.03</b>	<b>15.11</b>
Non-recycled waste	tonnes	1.80	8.93
Recycled waste	tonnes	3.23	6.18
<b>Non-Hazardous waste</b>	<b>tonnes</b>	<b>-</b>	<b>230.88</b>
Non-recycled waste	tonnes	-	230.88
Recycled waste	tonnes	-	0
<b>Total Waste</b>	<b>tonnes</b>	<b>5.03</b>	<b>245.99</b>
Environmental fines and penalties	RM	0	0

### Anasuria Cluster

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Hazardous waste</b>	<b>tonnes</b>	<b>27.02</b>	<b>26.22</b>	<b>15.46</b>	<b>8.82</b>	<b>12.70</b>
Non-recycled waste	tonnes	14.31	12.19	4.51	2.86	2.48
Recycled waste	tonnes	12.72	14.03	10.95	5.96	10.22
<b>Non-Hazardous waste</b>	<b>tonnes</b>	<b>94.44</b>	<b>93.57</b>	<b>96.95</b>	<b>74.84</b>	<b>121.99</b>
Non-recycled waste	tonnes	41.25	35.30	29.50	21.51	32.05
Recycled waste	tonnes	53.19	58.27	67.45	53.33	89.94
<b>Total Waste</b>	<b>tonnes</b>	<b>121.47</b>	<b>119.80</b>	<b>112.41</b>	<b>83.66</b>	<b>134.69</b>
Environmental fines and penalties	RM	0	0	0	0	0

**Notes:**  
<sup>1</sup> Totals may not add up due to rounding.  
<sup>2</sup> Further improvements have been made on the waste disclosure, where the non-recycled waste and recycled waste are now reported for both Hazardous waste and Non-Hazardous waste.  
<sup>3</sup> Waste figures from 1 January 2022 to 31 December 2022 are final.  
<sup>4</sup> Waste generation figures from 1 January 2023 to 30 June 2023 are provisional.

### GLOSSARY FOR THE SUSTAINABILITY REPORT

**#**  
4Cs – Command, Control, Coordination and Communication

**A**  
ACAB – Anti-Corruption and Anti-Bribery  
ACT – Accident Control Technique  
AELB – Atomic Energy Licensing Board  
AGRU – Acid Gas Removal Unit  
ALARP – As Low As Reasonably Practicable  
Anasuria – Anasuria Cluster  
Anasuria Hibiscus – Anasuria Hibiscus UK Limited  
AOCL – Anasuria Operating Company Limited  
AP – Auxiliary Police  
ASB – Asian Supply Base  
ATMS – Action Tracking Management System

**B**  
B40 – Malaysians within the lowest 40% household income category  
BAP – Biodiversity Action Plan  
barg – Bar Gauge  
BES – Biodiversity and Ecosystem Services  
BESRA – Biodiversity and Ecosystem Services Risk Assessment

Block 46 PSC – Block 46 Cai Nuoc Production Sharing Contract  
Board – Board of Directors  
BOD<sub>5</sub> – 5-Day Biological Oxygen Demand  
BOSIET – Basic Offshore Safety Induction and Emergency Training

BRC – Bunga Raya C platform  
BRE – Bunga Raya E platform  
BSMC – Business Sustainability Management Committee  
BST – Business Support Team  
BTEX – Benzene, Toluene, Ethylbenzene and Xylenes  
BT – Barton

**C**  
CA-EBS – Compressed Air Emergency Breathing System  
CAA – Commercial Arrangement Area  
CAAM – Civil Aviation Authority of Malaysia  
CAR 2014 – Environmental Quality (Clean Air) Regulations 2014  
CBDR – Common but Differentiated Responsibilities

CCF – Climate Change Framework  
CCS – Carbon Capture and Storage  
CEFAS – Centre for Environment Fisheries Aquaculture Science  
CEO – Chief Executive Officer  
CePIETSO – Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems  
CePSWAM – Certified Environmental Professional in Scheduled Waste Management  
CGSO – Chief Government Security Officer Malaysia  
CH<sub>4</sub> – Methane  
CISCC – Chloride Induced Stress Corrosion Cracking  
CMCO – Conditional Movement Control Order  
CMT – Crisis Management Team  
CO – Carbon Monoxide  
CO<sub>2</sub> – Carbon dioxide  
CO<sub>2</sub>e – Carbon dioxide equivalent  
COD – Chemical Oxygen Demand  
Company – Hibiscus Petroleum Berhad  
COO – Chief Operating Officer  
COP26 – 26<sup>th</sup> United Nations Climate Change Conference  
COVID-19 – Coronavirus disease 2019  
CSR – Corporate Social Responsibility  
CY – calendar year

**D**  
DO – Dissolved Oxygen  
DOE – Department of Environment  
DOF – Department of Fisheries  
DOSH – Department of Occupational Safety and Health Malaysia  
DP – Dynamic Positioning

**E**  
EBS – Environmental Baseline Sampling  
ECC – Emergency Control Centre  
EDP – Executive Development Programme  
EDPR – Effluent Discharge Pipeline Replacement  
EI – Energy Institute  
EIA – Environment Impact Assessment  
EM – Environmental Mainstreaming  
EMCO – Enhanced Movement Control Order  
EMS – Environmental Management System  
EPD – Environment Protection Department  
ePTW – Electronic Permit to Work  
EQA – Environmental Quality Act  
ER – Emergency Response

## Sustainability Report

ERAMP	– Environmental Risk Assessment and Mitigation Plan	HAZOP	– Hazard and Operability analysis	Kinabalu Oil	– Kinabalu Production Sharing Contract	NIOSH	– National Institute of Occupational Safety and Health
ERAP	– Emissions Reduction Action Plan	HCFC	– Hydrochlorofluorocarbon	KK	– Kota Kinabalu	North Sabah PSC	– The 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract
ERM	– Emergency Response Management	HFC	– Hydrofluorocarbon	KL	– Kuala Lumpur	NO <sub>x</sub>	– Nitrogen oxides
ERP	– Emergency Response Plan	HHS	– Hibiscus Hope Scholarship	KPIs	– Key Performance Indicators	NO <sub>2</sub>	– Nitrogen Dioxide
ERCMC	– Environment Regulatory Compliance Monitoring Committee	Hibiscus Petroleum	– Hibiscus Petroleum Berhad	KSB	– Kemaman Supply Base	NYSM	– NowyouSEEMe campaign
ERMC	– Executive Risk Management Committee	HiOC	– Hibiscus Observation Card	KSW	– Knowledge Sharing Webinar		
ESG	– Environmental, Social and Governance	HiPo	– High Potential	<b>L</b>		<b>O</b>	
ESA	– Environmental Site Assessment	HML	– Hibiscus Oil & Gas Malaysia Limited	LCOT	– Labuan Crude Oil Terminal	OEUK	– Offshore Energies UK
ESI	– Environmental Sensitivity Index	HSE	– Health, Safety and Environment	LDAR	– Leak Detection and Repair	OGI	– Optical Gas Imaging
ESS	– Energy Storage System	HSEQ	– Health, Safety, Environment and Quality	LDP	– Leadership Development Programme	OH&S	– Occupational Health and Safety
E-SWIS	– Electronic Scheduled Waste Information System	HSEx	– Health & Safety Executive	LED	– Light Emitting Diode	OIM	– Offshore Installation Manager
ETP	– Effluent Treatment Plant	HSS	– Health, Safety and Security	LEMA	– Labuan Mutual Aid Group	OIW	– Oil In Water
ETS	– Emissions Trading Scheme	HSSE	– Health, Security, Safety and Environment	LGAST	– Labuan Gas Terminal	OPEP	– Oil Pollution and Emergency Plan
ETSWAP	– Emissions Trading Scheme Workflow Automation Project	HSSEMS	– Health, Security, Safety and Environment Management System	LKIM	– Lembaga Kemajuan Ikan Malaysia	OPOL	– Offshore Pollution Liability Association
EU	– European Union	HSSMS	– HSS Management System	LOPC	– Loss of Primary Containment	OPRED	– Offshore Petroleum Regulator for Environment and Decommissioning
EU ETS	– European Union Emission Trading Scheme	HPV	– Human Papillomavirus	LP	– Low Pressure	OPPC	– Oil Pollution Prevention and Control
EV	– Electric Vehicle	<b>I</b>		LTI	– Lost Time Injury	OSC	– Office Safety Committee
EWTP	– Emulsion and Wax Treatment Plant	IEA	– International Energy Agency	LTIF	– Lost Time Injury Frequency	OSCP	– Oil Spill Contingency Plan
<b>F</b>		IGU	– International Gas Union	LWC	– Lost Workday Case	OSHA	– Occupational Safety and Health Administration
F4GBM	– FTSE4Good Bursa Malaysia	IMP	– Incident Management Plan	<b>M</b>		OSI	– Offshore Safety Induction
FBE	– Fuel Burning Equipment	IMT	– Incident Management Team	MARDEP	– Marine Department Malaysia	OSPRAG	– Oil Spill Prevention and Response Advisory Group
FEVCEA	– Floating the Energy Value Chain in East Asia: Collaboration for Innovation in the Adaptation of the Oil and Gas Supply Chain to Zero Carbon	IOAIA	– Integrated Operational Asset Integrity Assurance	MCO	– Movement Control Order	OSRO	– Oil Spill Response Organisation
FMA 1967	– Factories and Machinery Act 1967	IOGPA	– International Association of Oil & Gas Producers	MD	– Managing Director	OSRL	– Oil Spill Response Limited
FOET	– Further Offshore Emergency Training	IPCC	– Intergovernmental Panel on Climate Change	MDP	– Managerial Development Programme	OSRP	– Oil Spill Response Plan
FPSO	– Floating Production Storage and Offloading	IPIECA	– International Petroleum Industry Environmental Conservation Association	MES	– Minimum Environment Specification	OTC	– Offshore Technology Conference
FTSE	– Financial Times Stock Exchange	ISP	– Integrated Service Provider	METS	– Manage your UK Emissions Trading Scheme Reporting Service	O <sub>3</sub>	– Ozone
FTW	– Fitness to Work	ISPS	– International Ship and Port Security	MGA	– Malaysian Gas Association	<b>P</b>	
FWKO	– Free Water Knock-out Vessels	ITGC	– Information Technology General Compliance	MKN	– Malaysian National Security Council	PAC	– Petroleum Arrangement Contractor
FY	– Financial Year	IUCN	– International Union for Conservation of Nature	MMEA	– Malaysian Maritime Enforcement Agency	PAH	– Polycyclic Aromatic Hydrocarbon
<b>G</b>		<b>J</b>		MMRO	– Marine Maintenance, Repair and Operations	PBE	– Pre-Budget Expectation
GHG	– Greenhouse gas	JBPM	– Fire & Rescue Department Malaysia	MOB	– Man Overboard	PETRONAS Carigali	– PETRONAS Carigali Sdn Bhd
Group	– Hibiscus Petroleum Berhad Group	JERWG	– Joint Emergency Response Working Group	MOC	– Management of Change	PDRM	– Polis Diraja Malaysia
GS	– Group Security	JEWG	– Joint Environment Working Group	MOH	– Ministry of Health	PD&T	– Project Delivery and Technology
GSR	– Guided Self-Regulation	JHSEC	– Joint HSE Committee Meeting	MOV	– Management Operation Visit	Petrofac	– Petrofac Facilities Management Limited
GWP	– Global Warming Potential	JPDS	– Sabah Ports and Harbour Department	MPK	– Mesyuarat Penyelarasan Keselamatan	PETRONAS	– Petroliam Nasional Berhad
<b>H</b>		JSPN	– Jawatankuasa Sasaran Penting Negeri	MPM	– Malaysia Petroleum Management	pH	– Potential of hydrogen
H <sub>2</sub> S	– Hydrogen Sulphide	JSWG	– Joint Security Working Group	MRA	– Marine Risk Assessment	PHA	– Process Hazard Analysis
H&M	– Hearts & Minds	JT-A, -B, -F	– Jacket A, B, F	MS	– Management System	PHN	– National Hydrographic Centre
HAZID	– Hazard Identification	<b>K</b>		MSAR	– Maritime Search and Rescue	PIMMAG	– Petroleum Industry of Malaysia Mutual Aid Action Group
		kBoE	– Kilobarrel of Oil Equivalent	MTC	– Medical Treatment Case	PMA	– Peninsular Malaysia Asset
				<b>N</b>		PM3 CAA	– PM3 Commercial Arrangement Area Production Sharing Contract
				NACSA	– National Cyber Security Agency	PM10	– Particulate Matter with the size of less than 10 micron
				NC	– Non-Compliance		
				NCD	– Non-Communicable Disease		
				NCN	– Non-Compliance Notifications		