

Sustainability Statement



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Group Chief Executive Officer

MESSAGE FROM LEADERSHIP

With Malaysia reaffirming its commitment to achieving net zero carbon emissions by 2050, following the significant milestone set during the 28th Conference of the Parties (“COP28”) for global climate action, Deleum has been taking steps towards addressing climate change action and sustainability initiatives within our organisation and across its value chain.

As a key player in the oil and gas supply chain, we collaborate with industry leaders to navigate the evolving energy transition while addressing broader economic, social and environmental challenges.

Deleum remains resilient and well-equipped to overcome these challenges and seize emerging opportunities, guided by the strategic decision-making of our experienced and skilled leadership.

Deepening Our Sustainability Commitment

In FY2024, we reaffirmed our commitment to sustainability, recognising that our responsibilities go beyond operational excellence. We have introduced a refreshed sustainability framework and material matters to better align our strategic ESG goals with the evolving needs of our industry, stakeholders, communities and the planet.

Our revised sustainability framework is guided by three Core Values: (1) Service Quality; (2) Health, Safety and Environment;

and (3) Integrity. These values enhance our focus on relevant sustainable practices and form the foundation of an integrated approach that prioritises transparency, accountability and continuous improvement in sustainability across our operations.

In line with our updated sustainability framework, we have also refined our sustainability material matters to better meet stakeholders’ expectations, ensuring we address the issues most critical to our business, people and environment.

By reassessing critical areas of our sustainability agenda, we have identified 17 material matters where our efforts can drive the greatest impact, from managing our carbon footprint and strengthening human capital management to fostering strong economic growth and reinforcing robust governance practices.

These efforts are outlined in our Sustainability Roadmap 2025-2029, which shapes our strategic commitments and interim targets for short-, medium- and long-term initiatives. Through this roadmap, Deleum is well positioned to address today’s challenges while building a legacy of responsible stewardship for future generations.

Our Sustainability Performance

Deleum’s strong legacy and expertise as an integrated solutions provider in the oil and gas industry form a solid foundation for sustained growth, reinforcing each of our core business areas. We are committed to maintaining sustainable practices while ensuring data governance and accuracy across our operations.

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Climate change management and mitigation continue to be a focal point of the Group's sustainability agenda with the establishment of climate strategy and roadmap for transitioning towards a low carbon future. We have continuously enhanced our approach to consolidating energy and emissions data, as disclosed in this Statement, while aligning with key reporting frameworks such as TCFD/IFRS S2 recommendations.

Deleum has adopted the Operational Control approach for consolidating its emissions data, which will be applied consistently across all entities level and reporting scopes (Scope 1 and Scope 2). This approach means that Deleum will account for 100% of the GHG emissions from entities which Deleum has direct operational control. Demonstrating our commitment to data accountability, BSI has issued a Verification Opinion Statement for Deleum's FY2024 Scope 1 and Scope 2 GHG emissions, confirming its accuracy and alignment with ISO 14064 and its principles.

The Group also remains steadfast in its commitment to social sustainability and integrity in governance, upholding the human rights of its people, fostering transparent and accountable leadership, as well as supporting community development programmes that uplift local communities in the long term.

We are proud of our collective dedication to advancing Deleum's progress towards important sustainability milestones. To learn more about our ongoing initiatives and performance, we invite readers to explore our Sustainability Statement in the sections that follow.

Recognition for Positive Impact

The Group's commitment to upholding the highest standards of sustainability and quality has been recognised through numerous prestigious national awards and international certifications over the years.

In FY2024, we received the Gold Award for the Energy Sector and the Silver Award for Most Consistent ESG Performance Over Five Years at The Edge ESG Award 2024. Deleum also earned a notable position among the Top 50 public-listed companies in exemplifying corporate governance and sustainability practices at the prestigious National Corporate Governance & Sustainability Awards ("NACGSA") 2024.

We are also pleased to have received from The Edge Malaysia Centurion Club the Highest Growth in Profit After Tax Over Three Years, Highest Return on Equity Over Three Years and Highest Returns to Shareholders Over Three Years in the Energy Sector. These accolades are a testament to Deleum's continued dedication to economic and business excellence.

Notably, we maintained our position in the top 25th percentile among FBM EMAS PLCs, earning a 4-star rating in the FTSE4Good Index Series. This consistency in rating and ranking reflects Deleum's ongoing efforts to strengthen our ESG commitments in all relevant aspects of our ESG agenda.

We also reinforced our partnership in the CEO Action Network, a membership we connected with in FY2023, further cultivating positive change and development within the industry and the wider corporate landscape.

Outlook

To strengthen our business, we aim to capitalise on market opportunities through cross-selling and upselling across various business segments. Deleum remains focused on strengthening its order book, expanding its geographical presence, and driving technological innovation to stay competitive while minimising our environmental impact.

Sustainability reporting in Malaysia reached a milestone in September 2024 with the launch of the National Sustainability Reporting Framework ("NSRF") by the Securities Commission of Malaysia. With the strong groundwork laid by our sustainability reporting on climate-related and sustainability-related risk and opportunities ("CRRO" and "SRRO"), we are prepared to align with these new disclosure requirements, ensuring compliance with all reporting requirements and global EESG standards. We also reaffirm our commitment to continuously improve data governance and accuracy, as reliable information is pivotal for navigating market dynamics and making well-informed decisions. We also seek to strengthen our climate action initiatives and to consider investments in low-carbon technology and renewable energy to align with our sustainable objectives.

Acknowledgements

Our unwavering dedication to sustainability continues to grow at Deleum, and recognition received underscores our progress in the right direction. Deleum is well-positioned to enhance stakeholder value while aligning our operations with globally-recognised ESG standards.

As we continue championing positive changes in sustainability across all business divisions, we recognise that the lifeblood of Deleum, our people, ultimately remains the driving force for the Group's sustainable future.