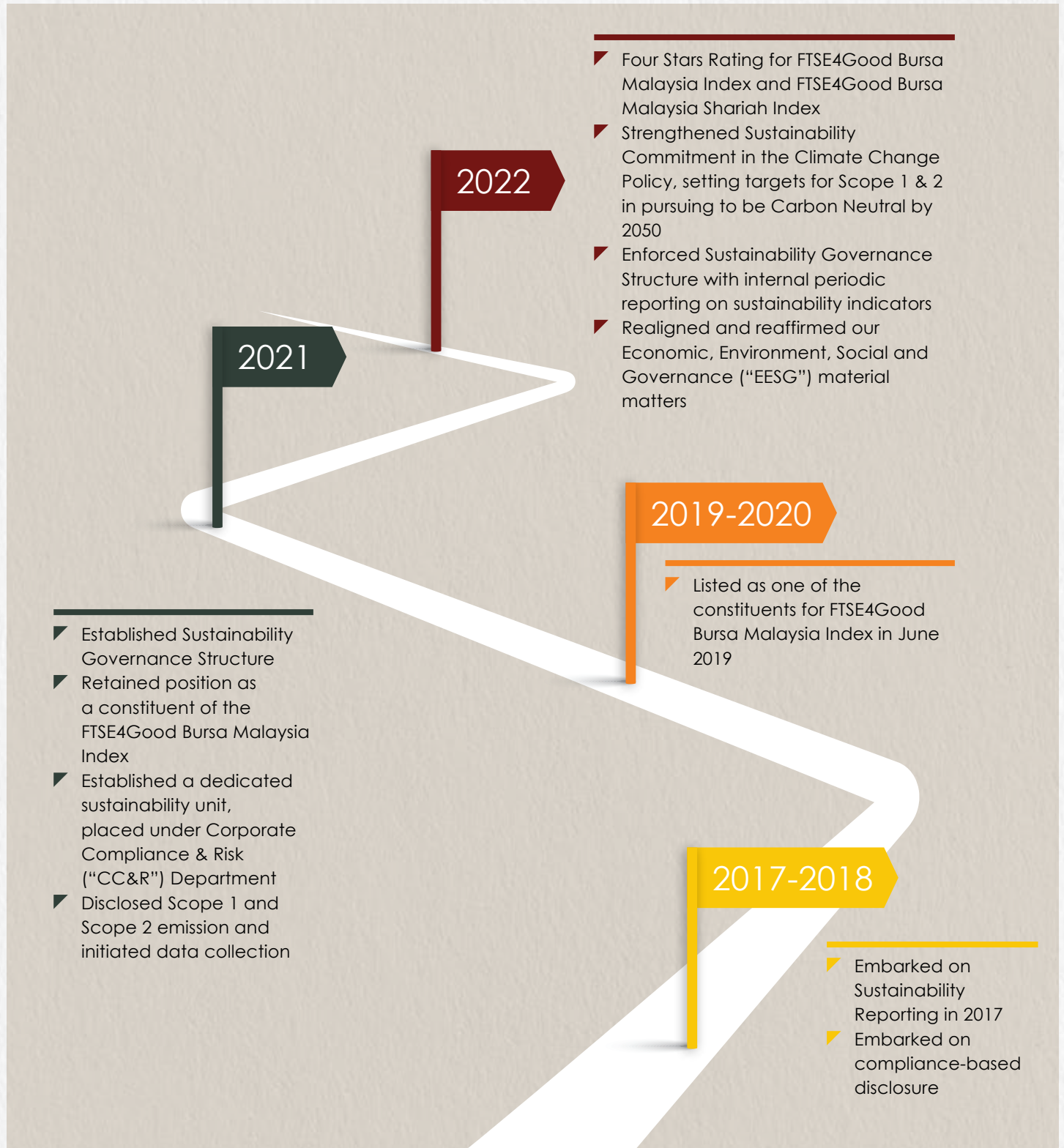


# SUSTAINABILITY STATEMENT

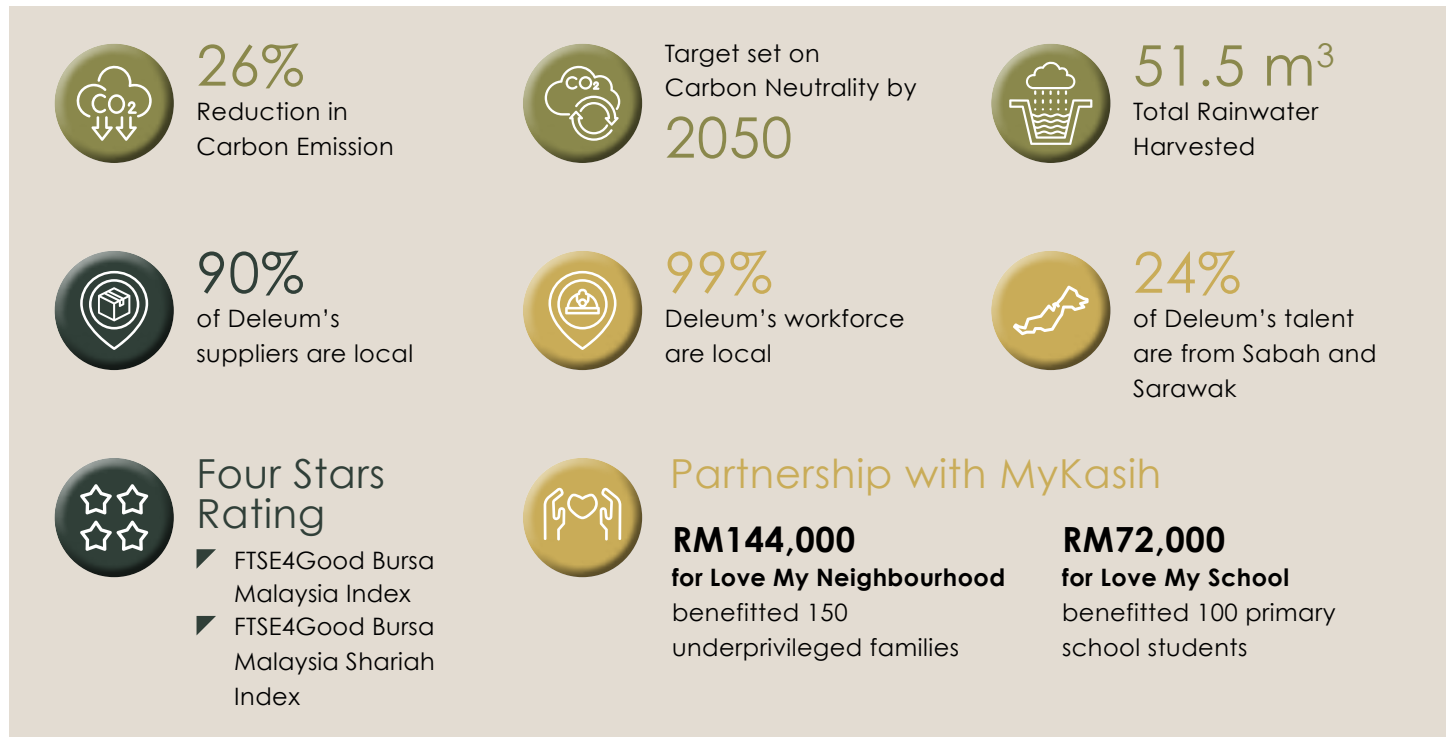
## SUSTAINABILITY MILESTONES



## SUSTAINABILITY STATEMENT

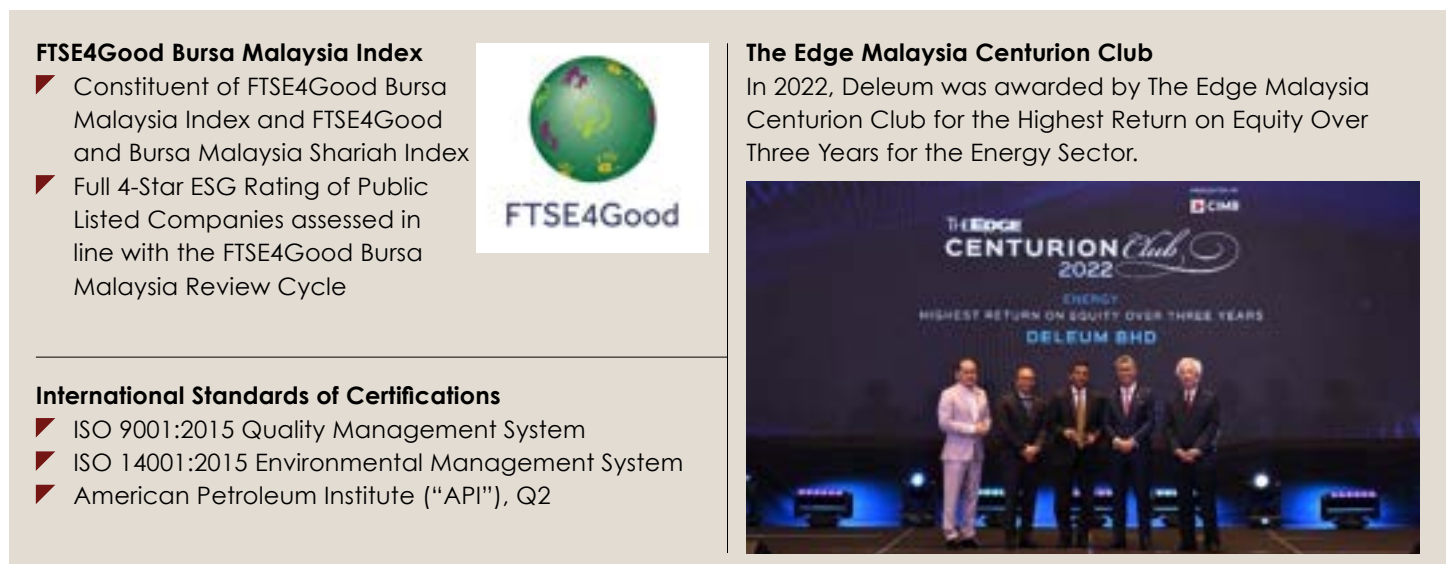
### SUSTAINABILITY AT A GLANCE

In financial year ended 2022 ("FY2022"), Deleum achieved commendable progress in the sustainability journey as presented in the snapshot below:



### AWARDS AND RECOGNITION

Deleum's endeavours in sustainability have achieved recognitions in FY2022 as follows:



# SUSTAINABILITY STATEMENT



## ABOUT THIS STATEMENT

### Introduction

Deleum Berhad (“Deleum” or “the Group”) is committed to strengthening its EESG disclosures through the preparation of this Sustainability Statement for FY2022.

This Statement will provide a detailed account of the Group's sustainability strategies and initiatives to address relevant material topics for FY2022. Through these strategies, the Group aims to create financial and non-financial values for its key stakeholders whilst supporting environmental stewardship and socio-economic development.

For a more comprehensive perspective of Deleum's sustainability initiatives, it is recommended that this Statement be read together with the Message from the Chairman, Management Discussion and Analysis, Statement on Risk Management and Internal Control (“SORMIC”) and Corporate Governance Overview Statement within this Annual Report.

This Statement showcases Deleum's reinforced motivation in strengthening the Group's sustainability direction. The Group's collective sustainability goals and achievements for the period between 1 January and 31 December 2022 are highlighted herein.

### Reporting Framework Applied

This Sustainability Statement has been prepared in accordance with the following frameworks and guidelines:

- Bursa Malaysia's Sustainability Reporting Guide Third Edition and Toolkits
- United Nations Sustainable Development Goals (“UNSDGs”)
- Global Reporting Initiative (“GRI”) Standards
- Task Force on Climate-Related Financial Disclosures (“TCFD”)
- FTSE4Good Bursa Malaysia Index

The above is collectively known as the reporting framework.

## SUSTAINABILITY STATEMENT

### Reporting Period And Cycle

This Sustainability Statement contains information for FY2022, from 1 January to 31 December 2022. The Group has provided data over three years (FY2020-FY2022) wherever applicable. This allows for the presentation of trendlines that indicate general performance trends for key material topics.

### Statement of Use

This Statement is made following the Board's approval on 16 March 2023.

### Membership in Associations

As Deleum advocates for more sustainable practices in its industry, the Group holds memberships in multiple industry associations. This allows Deleum to discuss and implement sustainability best practices and spread awareness of material sustainability matters across the Group's value chain. Deleum's membership in associations and professional bodies are as follows:

- Malaysia South-South Association ("MASSA")
- Federation of Malaysian Manufacturers ("FMM")
- Malaysia Gas Association ("MGA")
- Malaysian International Chamber of Commerce and Industry ("MICCI")
- Federation of Public Listed Companies Berhad ("FPLC")
- American Malaysian Chamber of Commerce ("AMCHAM")
- Malaysian Oil & Gas Services Council ("MOGSC")

### Reporting Scope and Boundary

The boundary of this Statement is set to Deleum's operations in Malaysia and specifically over which Deleum has controlling interests/management control. This includes all subsidiaries and its joint venture entity and excludes associate company. The scope is limited to all principal operating activities of Deleum, which is in the oil and gas industry.

### Limitations

Data and information provided in this Statement are based on the Group's ability to collect and present meaningful data (quantitative and qualitative), which have been sourced from the Group's internal sources and records. The same reporting frameworks have also been applied to collect relevant and accurate data from the Group's value chain.

The Group acknowledges gaps in data availability for some indicators and endeavours to enhance data tracking and gathering mechanisms to ensure rectification and resolution moving forward.

Our aim is to have an independent review to be performed in year 2023.

### Forward-Looking Statements

Any forward-looking statements, including targets, plans, operations, and forecasts, are made from reasonable assumptions based on current business trajectories. As Deleum's business model is subjected to unforeseen risks, readers are advised to practise discretion and not rely on such statements.

### Report Availability

Readers are welcome to download a copy of this Sustainability Statement at the Group's corporate website.

### Distribution and Feedback

To constantly improve our sustainability approaches, Deleum welcomes constructive feedback from its valued stakeholders. Please direct any queries, feedback, or suggestions to the following:

#### Sonia Lim

General Manager

Corporate Compliance and Risk

DeleumSustainability@deleum.com



## SUSTAINABILITY STATEMENT

### OUR APPROACH TO SUSTAINABILITY

#### Sustainability at Deleum

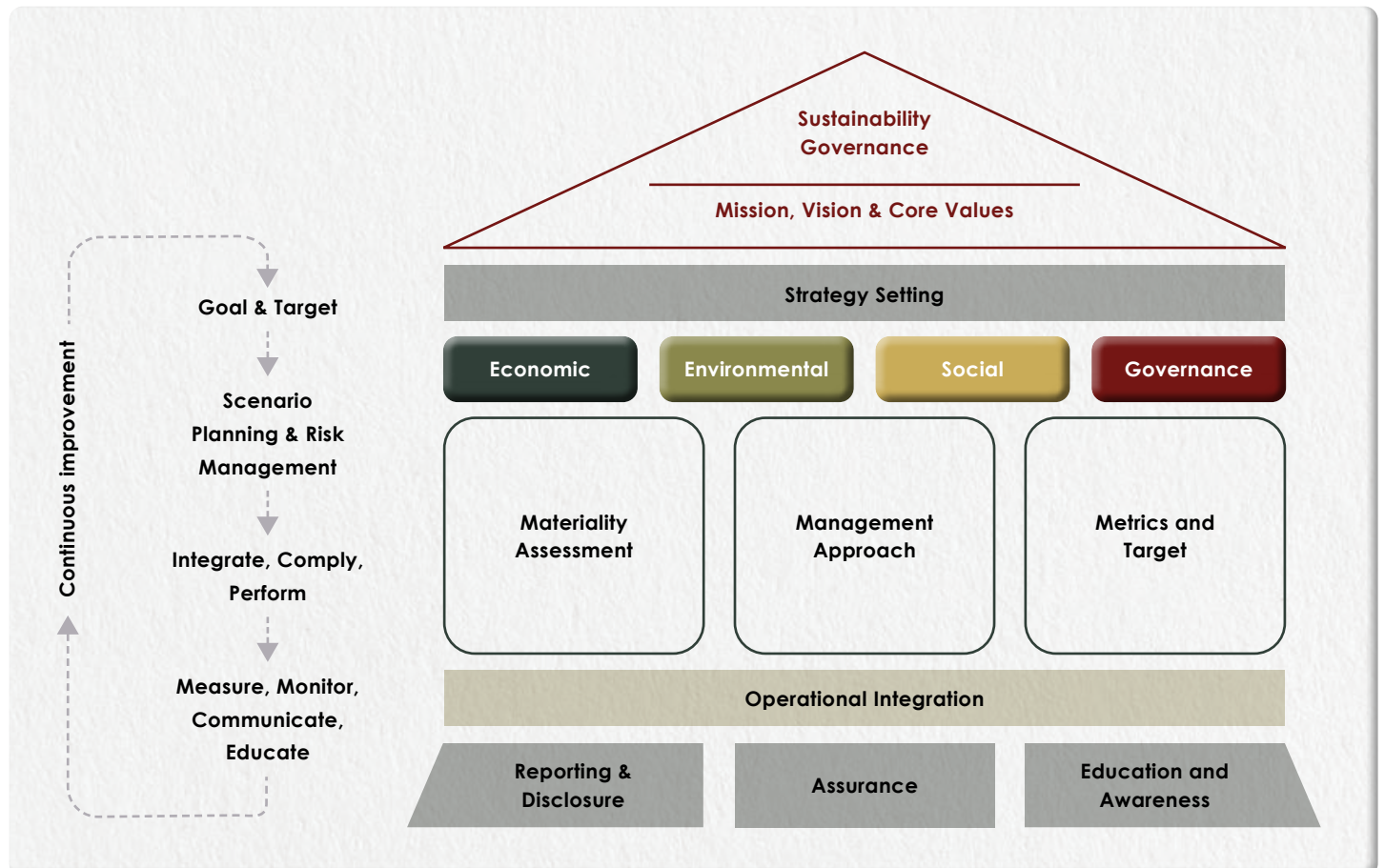
As a responsible oil and gas service provider, Deleum is committed to incorporate sustainability throughout the Group's business operations. This is a direct response to climate change, as well as other material topics such as strategy and financial resilience, pollution and resources, biodiversity, health and safety, labour standards, human rights, community investment, anti-bribery and corruption, and more.

Our sustainability commitment is underpinned by Economic, Environmental, Social and Governance ("EESG") pillars:



## SUSTAINABILITY STATEMENT

Addressing sustainability is a continuous process that necessitates the alignment of all components with Deleum's mission, vision, and core values. Deleum promotes best practices for managing sustainability performance, as illustrated below:

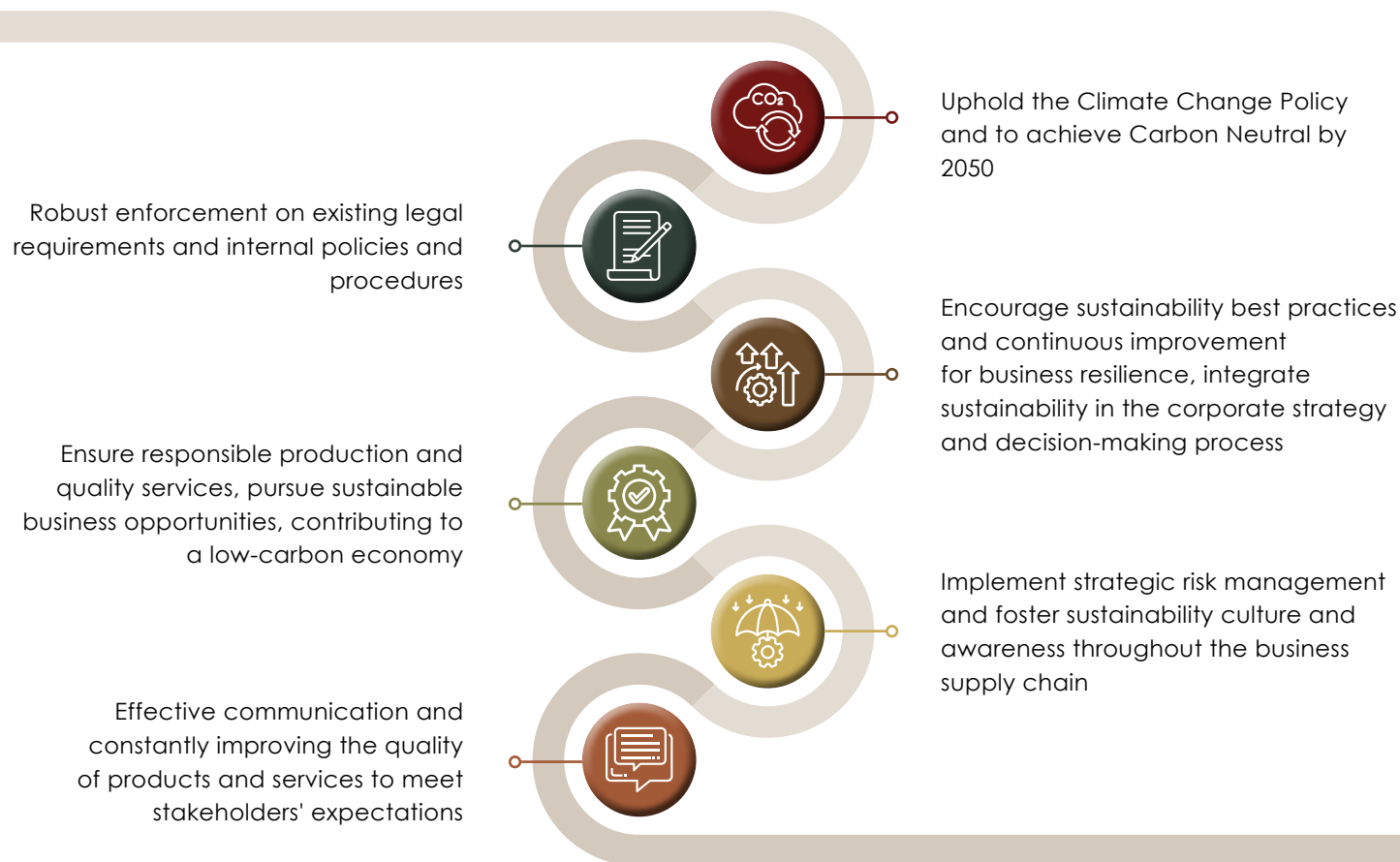


This Sustainability Framework provides the overarching principles of our sustainability practices within the Group. This framework provides foundation, guidance, and organisational arrangement to internalise sustainability considerations in business strategies, and operations and to drive sustainability performance, striving for focus beyond compliance, as follows:

- Sustainability governance to ensure stewardship and accountability concerning sustainability management.
- Strategy setting as a guide on how to set a sustainability strategy for the Group.
- Materiality assessment to set our threshold where sustainability matters become sufficiently important for focused management and reporting.
- Management approach in managing and addressing sustainability matters including climate change-related matters.
- Metrics and targets to ensure the robustness of performance tracking and monitoring.
- Reporting and disclosure requirements.
- Assurance to be undertaken to ensure the quality of the data, performance and its disclosures.
- Education and awareness on the importance of training and awareness propagation for embedding sustainability in the Group.

## SUSTAINABILITY STATEMENT

We adopted the Sustainability Policy, which is committed to ensuring that EESG topics are instilled in the Group's sustainability approach, summarised below:



Deleum has developed a set of comprehensive policies to address the EESG material topics as follows:

- Code of Business Conduct ("COBC")
- Sustainability Framework and Policy
- Environmental Policy
- Climate Change Policy
- Health, Safety and Environment ("HSE") Policy
- Dividend Policy
- Anti-Bribery and Corruption Policy
- Substance Misuse Policy
- Whistleblowing Policy and Procedure
- Policy Statement on Human Rights and Labour Standards
- Enterprise Risk Management Framework
- Cybersecurity Policy
- Personal Data Policy
- Equal Opportunity Policy
- Quality Policy
- Learning and Development Policy
- Group Procurement Policy

To inculcate the sustainability, risk management and compliance culture within the Group, we have established a Group-wide Champions Programme. The Champions are the liaison representatives from the respective Business Units and Corporate Resources in fostering and empowering the drive for instilling risk management, compliance, and sustainability culture within their functions.

## SUSTAINABILITY STATEMENT



### Our Sustainability Governance Structure

The Sustainability Governance Structure establishes a clear tone from the top approach to drive sustainability across the Group in line with our mission, vision, and core values. Ultimately, it allows effective oversight on sustainability

topics including climate change-related matters, and business and operational risks that enables the integration of the sustainability agenda into daily business operations.

We streamlined and integrated the Sustainability Governance Structure with the Compliance and Risk Governance Structure by embedding the sustainability agenda in a quarterly reporting to Management Compliance and Risk Committee ("MCRC"), Board Risk Committee ("BRC") and Board of Directors ("Board").

We have also established a dedicated sustainability unit that is responsible to drive sustainability development and implementation under the purview of Corporate Compliance and Risk department, for seamless integration with the risk and compliance practices thus avoiding silo mindset culture.



#### BOARD OF DIRECTORS

Overseeing the inculcation of a strong sustainability culture, taking into consideration the economic, environmental, social and governance topics including climate change-related matters



#### BOARD RISK COMMITTEE

Provides oversight and leadership guidance on the Group's sustainability strategies, priorities, goals, targets and initiatives including climate change-related matters (as delegated by the Board)



#### GROUP CHIEF EXECUTIVE OFFICER

- Chairman of MCRC
- Responsible for overall implementation of sustainability strategies, priorities, goals, targets and initiatives including climate change-related matters



#### MANAGEMENT COMPLIANCE AND RISK COMMITTEE

- A sustainability committee at management level that is responsible for overall implementation of sustainability strategies, priorities, goals, targets and initiatives including climate change-related matters
- Evaluates overall sustainability risks and opportunities including climate change-related matters
- Oversees Business Units and Corporate Resources in ensuring the robust sustainability management programme and implementation
- CC&R is the MCRC's Secretariat



#### BUSINESS UNITS & CORPORATE RESOURCES

- Responsible for overall implementation of sustainability strategies, priorities, goals, targets and initiatives including climate change-related matters
- Reports on sustainability performance against target
- Responsible to develop plan and timeline for disclosure
- Head of Business Units and Corporate Resources supported by respective Sustainability Champion



## SUSTAINABILITY STATEMENT

### Assessing Materiality

Materiality assessments are vital for our value-creation journey as we identify the sustainability issues that matter most to our business and stakeholders. Conducting a materiality assessment allows us to identify opportunities and mitigate risks to ensure sustainable business growth.

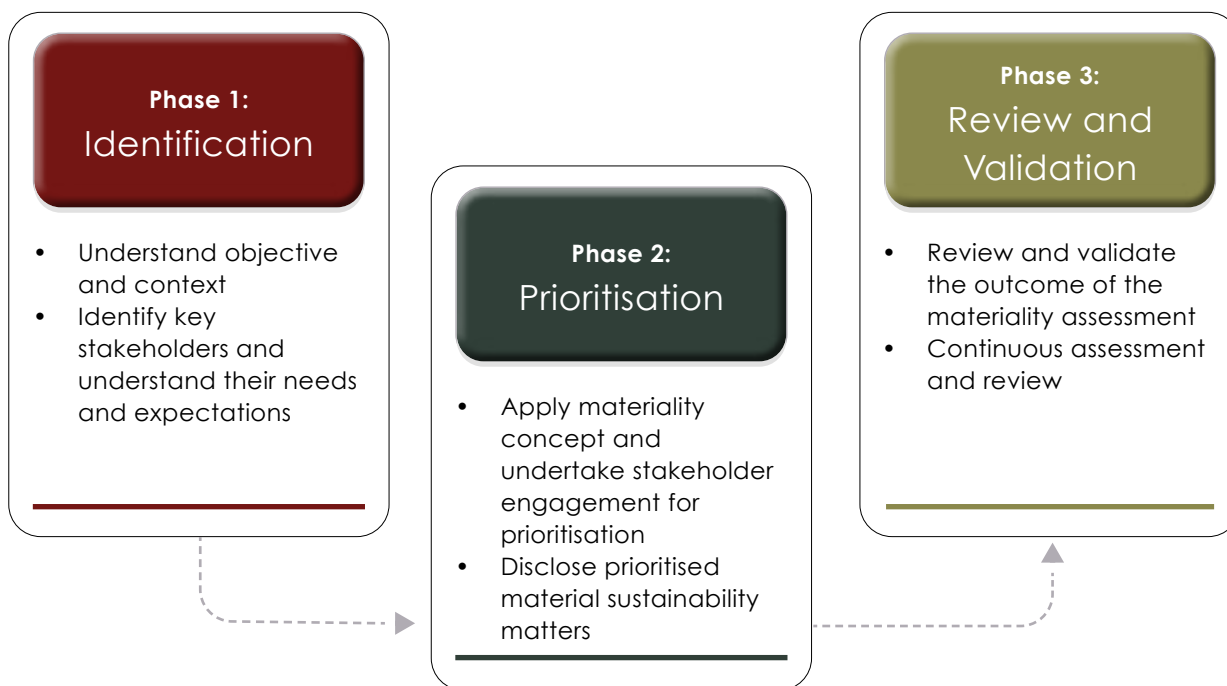
Our methodology for materiality assessment is guided by our Sustainability Framework and Enterprise Risk Management Framework, underpinned by Bursa Malaysia's Sustainability Reporting Guide Third Edition and Toolkits, TCFD, GRI Standards, and FTSE4Good criteria.

In FY2022, we performed reviews based on the changing sustainability landscape. Our reviews analyse internal and external factors such as the business operating environment, emerging trends, climate change impact, risks and opportunities, regulatory requirements, peer benchmarking, analyst reports, and insightful internal and external stakeholder feedback.

We identify the material topics whilst the stakeholders' perspectives support the prioritisation of material topics, which will be referenced for the Group's decision-making, including the allocation of resources.

The inclusion of multiple stakeholders' perspectives served to provide the Group with material topics that are relevant to the business landscape.

The following matrix illustrates the outcome of the materiality assessment and the significance of each sustainability material matter from the perspective of Deleum and its stakeholders.


















# SUSTAINABILITY STATEMENT

Deleum Sustainability Materiality Matrix



Economic    
 Environmental    
 Social    
 Governance

## SUSTAINABILITY STATEMENT

EESG Material Topics	What's important	Linkage to SDGs
<b>Economic</b> 	<p><b>Strategy and Financial Resilience</b> Meeting financial and sustainability goals and balancing stakeholders' needs for future growth by optimising cost management by ensuring financial returns to shareholders.</p> <p><b>Good Procurement Practices</b> Strong procurement management is key to operational efficiency to maintain reliable products and services from our suppliers.</p> <p><b>Customer and Product Responsibility</b> Meeting the demands of customer and societal needs with innovative product solutions adds a competitive edge. Delivering high-performance products safely and responsibly whilst ensuring proper product usage helps customers to maximise value.</p>	 
<b>Environmental</b> 	<p><b>Climate Change and Emissions</b> Climate change, directly and indirectly, affects Deleum's profitability and sustainable growth. It is crucial to protect these by mitigating and adapting to climate-related risks.</p> <p><b>Pollution and Resources Use</b> Responsible environmental management in energy, handling hazardous and non-hazardous waste, water consumption and use of material resources.</p> <p><b>Biodiversity</b> Any potential impact and protection of biodiversity on local flora and fauna in the areas where our business is operated.</p>	   
<b>Social</b> 	<p><b>Fair Employment and Human Rights</b> Foster human rights and fair employment practices by embracing diversity and inclusion in the workforce and offering employees fair compensation and benefits.</p> <p><b>Talent Management</b> Promote development and improve competencies of our people to respond to the rapidly changing and complex business environment.</p> <p><b>Health and Safety</b> Anticipate, recognise, evaluate, and control of hazards arising in or from the workplace that could impair the health and well-being of employees, including mental health.</p> <p><b>Community Outreach</b> Financial and non-financial contributions to support local communities, and underprivileged groups.</p>	   
<b>Governance</b> 	<p><b>Anti-Corruption</b> Enhance business integrity compliance within the ambit of Malaysian and international laws on bribery and corruption.</p> <p><b>Corporate Governance</b> A robust governance system protects the best interests of both business and stakeholders for sustainable growth.</p> <p><b>Cyber and Information Security</b> Protection of all data, information, and intellectual property against cybersecurity breaches.</p>	




## SUSTAINABILITY STATEMENT

### Stakeholder Engagement

We define stakeholders as parties impacted by our business decisions and activities and whose actions and decisions will influence our business, where we strive to actively engage with stakeholders regularly and maintain open and transparent dialogues to gain insights into their expectations of sustainability matters that are related to our business.






Effective stakeholder engagement helps us set our business priorities whilst responding to their needs more effectively and, ultimately, enables us to deliver long-term value to stakeholders. Thus, we have mapped our stakeholders' concerns with responses against our sustainability material matters, which allowed us to identify any associated risks and opportunities arising from these concerns.

(P) Periodically
(R) As Required
(D) Daily
(W) Weekly
(M) Monthly
(Q) Quarterly
(B) Bi-annually
(A) Annually

Stakeholder Group	Engagement Channel	Key Concern	Our Response	Frequency
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Employee engagement and appreciation sessions</li> <li>Town hall meetings</li> <li>Digital communication</li> <li>Speak-Up and Listen-Up Programme</li> <li>Sustainability &amp; Compliance campaigns</li> <li>HSE campaigns</li> <li>Human Resource updates</li> <li>Departmental meetings</li> </ul>	<ul style="list-style-type: none"> <li>Health, safety, and environment</li> <li>Anti-bribery and corruption</li> <li>Well-being and mental health</li> <li>Work-life balance</li> <li>Human rights</li> <li>Employee Welfare</li> </ul>	<ul style="list-style-type: none"> <li>Provide a safe working environment for our employees</li> <li>Implement initiatives on employees' well-being</li> <li>Flexible working arrangements</li> <li>Promote health and safety programmes</li> </ul>	(P) (R) (D) (W) (M) (Q) (A)
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Customer satisfaction surveys</li> <li>Networking events</li> <li>Feedback management system</li> <li>Company website</li> <li>Industry conference and networking events</li> </ul>	<ul style="list-style-type: none"> <li>Health, safety, and environment</li> <li>Anti-bribery and corruption</li> <li>Ethical business</li> <li>Product quality and delivery</li> <li>Product pricing and credit terms</li> </ul>	<ul style="list-style-type: none"> <li>Design distinct value propositions for each customer segment</li> <li>Collaborate with strategic partners to deliver high-quality and competitive products</li> <li>Participate in conferences covering a broad range of sustainability and industry-related topics such as renewable energy</li> <li>Conduct anti-bribery and corruption sharing sessions</li> </ul>	(P) (R) (D) (W) (M) (Q) (B) (A)
<b>Partners &amp; Principals</b> 	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Day-to-day interactions</li> <li>Site visits</li> </ul>	<ul style="list-style-type: none"> <li>Health, safety and environment</li> <li>Anti-bribery and corruption</li> <li>Ethical business practices</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Implement stringent policies</li> <li>Strengthen health, safety and environmental standards in our procurement process</li> <li>Conduct assessments</li> <li>Conduct anti-bribery and corruption sharing sessions</li> <li>Provide grievance mechanisms for suppliers</li> </ul>	(P) (R) (D) (M) (Q)



## SUSTAINABILITY STATEMENT

Stakeholder Group	Engagement Channel	Key Concern	Our Response	Frequency
<b>Suppliers &amp; Contractors</b> 	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Day-to-day interactions</li> <li>Dialogues</li> <li>Site visits</li> <li>Supplier performance reviews</li> <li>Workshops and training sessions</li> </ul>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Continuous value creation</li> <li>Health, safety, and environment</li> <li>Anti-bribery and corruption</li> <li>Ethical business practices</li> <li>Product pricing and credit terms</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen partnership benefits</li> <li>Strengthen good HSE practices leveraging on each governance practice</li> <li>Business performance, planning and other commercial matters</li> <li>Conduct anti-bribery and corruption sharing sessions</li> </ul>	(P) (R) (W) (D) (M) (Q) (A)
<b>Shareholders &amp; Investors</b> 	<ul style="list-style-type: none"> <li>Company website</li> <li>Announcements via Bursa Malaysia</li> <li>Analysts Briefings</li> <li>Press releases</li> <li>Meetings and conferences</li> <li>Annual reports</li> <li>Annual general meetings</li> </ul>	<ul style="list-style-type: none"> <li>Operational, commercial and financial performance</li> <li>Growth project progress and deliverables</li> <li>Sustainable value creation</li> </ul>	<ul style="list-style-type: none"> <li>Access to the Board members and management team</li> <li>Strengthen communication frequency and disclosures</li> <li>Improve disclosure materials with clarification of messages</li> <li>Timely disclosure on key topics</li> </ul>	(R) (Q) (B) (A)
<b>Financial institutions</b> 	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Engagement sessions</li> </ul>	<ul style="list-style-type: none"> <li>Operational, commercial and financial performance</li> <li>Growth project progress and deliverables</li> </ul>	<ul style="list-style-type: none"> <li>Engage with relevant financial institutions with common objectives</li> </ul>	(P) (R)
<b>Local communities</b> 	<ul style="list-style-type: none"> <li>Community engagement sessions</li> <li>Corporate social responsibility events</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Safety of our operations</li> <li>Quality of land, air and water surrounding our base operations</li> </ul>	<ul style="list-style-type: none"> <li>Adopt stringent HSE best practices</li> <li>Invest in community development programmes such as the Plogging Days programme, and partner with local non-profit MyKasih Foundation to aid 250 families and school students through the latter's charitable programmes</li> </ul>	(P) (R) (A)
<b>Government and regulators</b> 	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Engagement sessions</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Health, safety and environment</li> <li>Anti-bribery and corruption</li> <li>Ethical business practices</li> <li>Compliance and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery and corruption awareness and training</li> <li>Keep abreast of any changes of laws and regulations</li> <li>Collaborate with relevant agencies with common objectives</li> <li>Strengthen transparent communication with relevant bodies</li> </ul>	(P) (R) (A)

## SUSTAINABILITY STATEMENT

### Embedding Sustainability within the Enterprise Risk Management Approach

Deleum is guided by a resilient Enterprise Risk Management ("ERM") Framework that integrates risk management into key business activities, initiatives, and processes to assess and mitigate risks that may impact our stakeholders and the organisation. Our framework was developed in line with the Committee of Sponsoring Organisations of the Treadway Commission Framework.

As delegated by the Board, the BRC is chaired by an Independent Non-Executive Director. They will meet quarterly to provide oversight on risk management activities that cover the sustainability risks, including climate change and, health and safety risks. At the management level, MCRC ensures proper implementation of Group-wide risk management practices.

To integrate sustainability into the risk management framework and practices, proactive approaches were made in FY2022:

- Review and assess sustainability material matters and its impact including climate change-risks with reference to ERM Framework
- Broaden our risk taxonomy and inventory by including sustainability-related risks. The risks' identified indicators include transition, physical, carbon emissions and, health and safety, are monitored and periodically reviewed
- Among the sustainability risks under review is climate change impact assessment, carbon emissions, talent succession management, anti-bribery and corruption, cyber and information security, and health and safety matters
- Consolidate and integrate the sustainability risks into a multi-disciplinary risk heat map at enterprise-wide level. The risk heat map is reviewed and assessed on a quarterly basis by MCRC, BRC and Board
- Embed sustainability risks in respective business units' risk profile
- Mandatory structural meeting with a unified sustainability, risk, and compliance governance committee to uphold sustainability agenda for a seamless reporting
- Integrate and synchronise responsibilities towards sustainability and governance under the purview of a dedicated sustainability unit within the CC&R department

The appointed Champions are empowered to perform the review and assessment of their respective functions related to risk profile, project and tender assessment, investment assessment, Risk Control Self-Assessment, Business Impact Assessment, Business Continuity Plan, and Gift, Hospitality, Donation & Sponsorship ("GHDS") transactions. The review ensures adequacy, completeness, accuracy, relevance and timeliness of assessment, reporting, escalation, and communication.

Details of Deleum's risk management activities for FY2022 are provided in the Statement on Risk Management and Internal Control in this Annual Report.

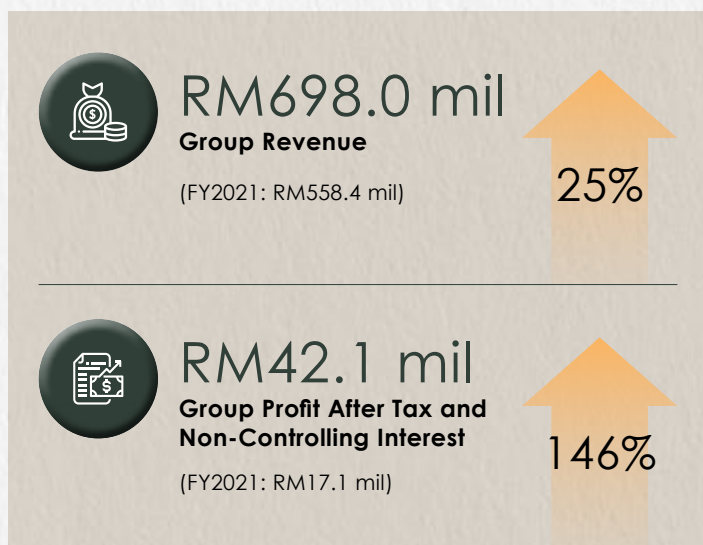
## SUSTAINABILITY STATEMENT



### STRATEGIC AND FINANCIAL RESILIENCE

Robust financial performance is vital for generating various indirect economic values for stakeholders. Through improving financial and business performance, the organisation could provide shareholders' returns, repay financiers, make tax payments which support socioeconomic factors including job creation and infrastructure development and also make donations and contributions to the community.

The Group's financial snapshot in FY2022 is presented below:



## 50%

of annual net profit paid as dividend to our shareholders

## 5.25 sen

per share, amounting to RM21.1 mil

The Financial Highlights section provides details of Deleum's financial and business performance for FY2022. Narratives discussing the results achieved are provided in this Annual Report's Management Discussion and Analysis section.

### GOOD PROCUREMENT PRACTICES

Deleum's procurement practices are guided by the Group Procurement Policy and Procedure and COBC.

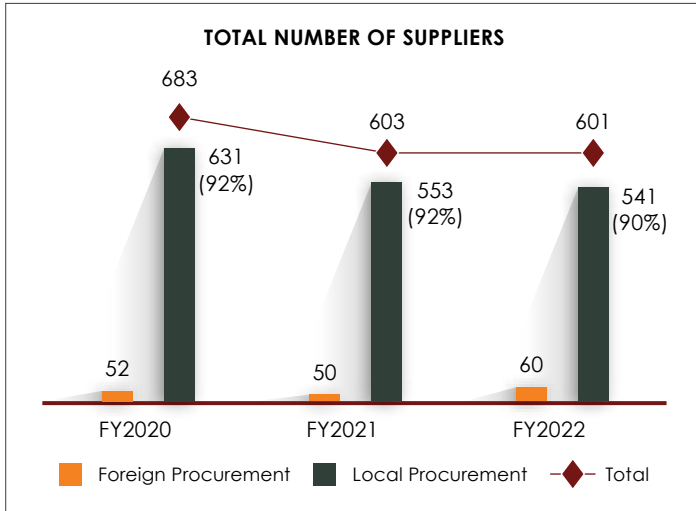
### SUPPORTING LOCAL SUPPLIERS

The Group strives to prioritise local suppliers, provided the goods and services are available in the areas that we operate in.

Local procurement enables knowledge and skills transfer and reduces environmental footprint (when compared to importing goods or services from abroad). In addition, local procurement typically has shorter supply lines and lesser resources consumed to produce and supply the goods or services.

Akin to the preceding financial year, we created jobs for about 90% of Deleum's local suppliers in FY2022. Nevertheless, the spending stood at 22% of the Group's total procurement due to relatively higher prices upon conversion from the applicable foreign currency exchange rates and specialised products and services sourced abroad.

# SUSTAINABILITY STATEMENT



## CUSTOMER SERVICE AND PRODUCT RESPONSIBILITY

Good customer services and high-quality products can help build brand loyalty and customer trust. The responsibility for customer satisfaction and service quality performance is under the purview of respective business units, which are systematically tracked, monitored, and reported as follows:

- Operational tracking and monitoring by respective business units on a quarterly basis
- Management Review Meeting for Quality and Environmental Management System, chaired by GCEO
- Management Offsite Strategy and Budget Meeting for long-term planning and decision-making, chaired by GCEO

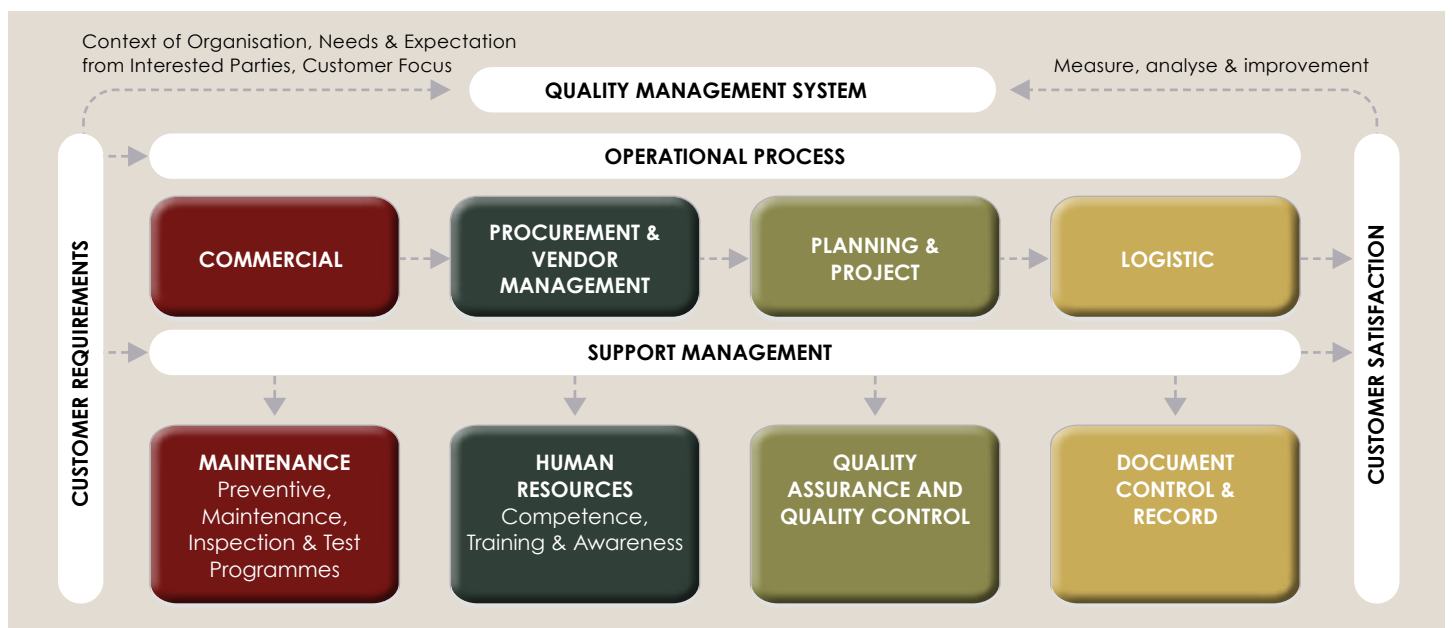
## QUALITY MANAGEMENT APPROACH

We manage our quality of products and services by adopting the Quality Policy which echoes our following commitments:

- Provide total customer satisfaction by maintaining and continuously improving on Quality Management
- Review and continually improving the Quality Management System in compliance with international standards and customers' requirements
- Ensure that Management and employees effectively implement and comply with the Quality Management requirements at all levels
- Inculcate an effective communication culture throughout our business, operations, and relevant parties

FY2022	
<b>Total Procurement Spending</b>	<b>Total Foreign Procurement Spending</b>
RM483.81	RM377.31 (78%)
<b>Total Local Procurement Spending</b>	
RM106.50 (22%)	

Note: Please refer to Our Performance Data in this Sustainability Statement for the three years comparison data.





## SUSTAINABILITY STATEMENT

### QUALITY SERVICE TO CUSTOMERS

We have adopted the Service Quality Plan to ensure project details are defined and communicated to all stakeholders, including customers to minimise risks, eliminate operational downtimes, and continuously improve quality and business standards.

In FY2022, we focused on delivering high-quality products and services with customer-focused initiatives as follows:

Initiatives	What's important
<b>Operational Excellence</b>	Enhance and improve our operational excellence through process re-structuring and re-engineering
<b>Equipment</b>	Enhance the reliability, compatibility, and adequacy of our equipment delivery with the required scopes, quality, and performance
<b>Manpower</b>	Continuous review of the adequacy and competency of our manpower to ensure the general and technical support are delivered with highest quality
<b>Service Quality Feedback</b>	Interactions with our customers on a regular basis for their feedback, among others, on: <ul style="list-style-type: none"> <li>• Health, safety, and environmental concerns</li> <li>• Product quality and delivery</li> <li>• Product pricing and credit terms</li> <li>• Anti-bribery and corruption</li> <li>• Ethical business</li> <li>• Customer ratings</li> </ul>
<b>Communication</b>	Enhance communication swiftness between customer and our people through dedicated customer-focused programmes, conference, meetings, interactions, omnichannel presence, etc.

To ensure we understand the customer needs and requirements for proactive measures, we implemented the Customer Feedback Log, a systematic and structured recording system of our customer compliments and complaints. In FY2022, the following compliments and complaints received were addressed:



*Note: Customer compliments and complaints were received through meetings, digital and verbal communications, customer satisfaction survey forms and Non-Compliance Report, including customer health and safety compliance. Please refer to Our Performance Data in this Sustainability Statement for the three years comparison data.*

## SUSTAINABILITY STATEMENT



### Protecting and Preserving The Environment

We are aware of the growing impact of climate change on the environment, communities, and business operations. These include physical, transitional, legal, and reputational risks associated with climate change.

We incorporated sustainability strategies into all aspects of the Group's operations, including reducing our environmental footprint. These strategies are a direct response to climate change and other material topics like water consumption, waste management, pollution prevention, biodiversity protection, and more.

Our Sustainability Governance Structure prioritises environmental performance, including climate change, with the Board and BRC maintaining oversight on the aforementioned topics.

We continue to implement best practices in accordance with regulatory and customer requirements, as well as the ISO 14001:2015 Environmental Management System, under which all of the Group's operations are conducted.

In addition, we have successfully complied with the regulatory requirement that we subscribed to with no major non-conformance. In FY2022, we reported zero environmental fines and penalties:



**FY2022: 0**  
Incidents Reported

FY2021: 1  
FY2020: 0

### CLIMATE CHANGE AND EMISSIONS

Deleum recognises anthropogenic climate change as a defining global issue that poses immediate and long-term threats to the environment, the economy and society. Therefore, we seek to minimise our carbon and greenhouse gases ("GHG") footprints and commit to operating responsibly.

We recognise the physical, transitional, legal, and reputational risks posed by climate change that may have material impacts on returns and long-term value to our business. Our aspiration is to deliver values for our employees, shareholders, customers, and wider society, and integrate our long-standing commitment to contribute to sustainable development through a climate resilient and environmentally friendly business model.

By upholding our commitment towards reducing the impact of climate change, we developed and implemented the Sustainability Policy, Environmental Policy, and Climate Change Policy. The policies are the testament of tone from the top of the Board and BRC as well as Senior Management on our ethical climate that is embodied throughout the Group. The policies are communicated to our stakeholders through our company website, intranet, and other various digital and conventional communication channels.



Deleum aims to operate sustainably for a greener future.

## SUSTAINABILITY STATEMENT

In committing to carbon neutrality by 2050, we have outlined the targets for carbon or GHG emission reduction, underpinned by the following initiatives:

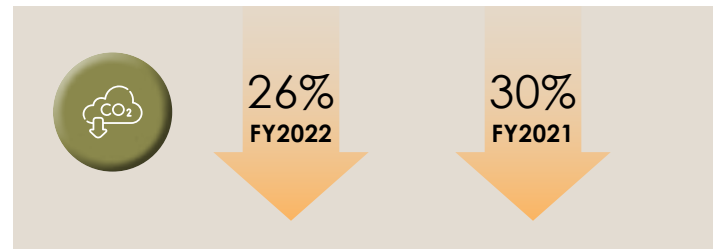
Goals & Targets	Indicator	Initiatives
<p><b>Short-term Target:</b> 15% reduction by 2026 (Scope 1 &amp; 2)</p> <p><b>Mid-term Target:</b> 30% reduction by 2035 (Scope 1 &amp; 2)</p> <p><b>Long-term Target:</b> Carbon Neutral by 2050</p>	Scope 1 & 2 GHG Emission	<ul style="list-style-type: none"> <li>• Replace conventional bulbs with installation of LED at our offices and facilities in FY2022.</li> <li>• To explore innovative ways in offsetting our electric utility bills with renewable solar energy, such as installation solar panels at our facilities.</li> <li>• To explore innovative ways in offsetting our electricity consumption such as enrolling in the Green Electricity Tariff.</li> <li>• To explore innovative ways in reducing the fossil fuel usage in our mobile combustion with the utilisation of electric forklifts as well as hybrid genset and powerpack.</li> <li>• To broaden our digitalisation innovations in our operations such as through cloud computing, virtual meetings, and telecommuting, thus reducing energy consumption, the amount of paper and other materials used.</li> <li>• To continue pursuing operational excellence initiatives through various smart ways such as light sensors, efficient water pump, power down electronic initiatives, paperless initiatives, flexible working arrangements, etc.</li> <li>• To expand our rainwater harvesting programme as part of efforts to reduce the effects of climate change by capturing and storing rainwater for later use.</li> </ul>

### CARBON EMISSIONS

Our carbon emissions produced comprise both direct and indirect emissions. The focus on energy efficiency enables reduction in energy consumption, which consequently reduces emissions. Given that carbon emissions that contribute to climate change primarily are derived from energy consumption, we continue to pursue efficiency in consumption of direct and indirect energy sources.

We remain committed to continuously adopting best practices to progressively reduce emissions across business operations. At present, we have reduced total emissions due to lower business operation activities brought by the closure of two (2) facilities. We comply with the basis of

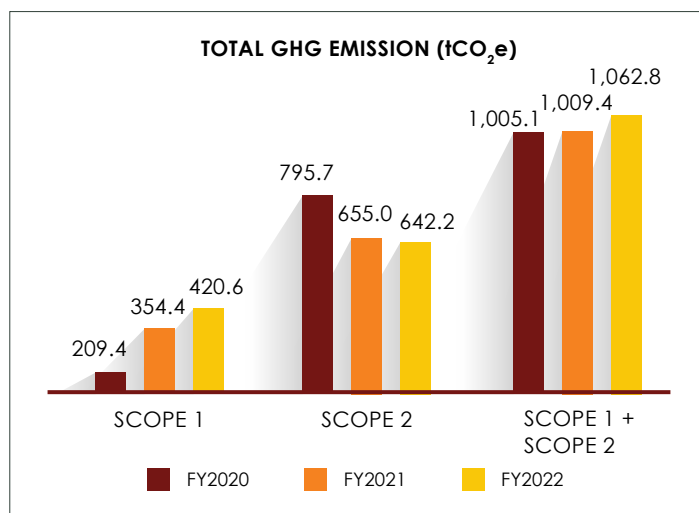
calculation as prescribed by TCFD, Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"), GRI and Energy Commission's National Energy Balance 2016.



*Note: Reduction trend is based on baseline year 2019 with total Scope 1 and 2 emissions of 1,442.9 tCO<sub>2</sub>e (Scope 1: 443.1 tCO<sub>2</sub>e and Scope 2: 999.8 tCO<sub>2</sub>e).*

## SUSTAINABILITY STATEMENT

At Deleum, Scope 1 energy typically comprises diesel and petrol. Diesel and petrol are used to power machinery and generator sets as well as vehicles. Scope 2 energy comprises mainly electricity sourced from the local grid. Following are the Group's total emissions based on Scope 1 and 2 sources in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) in reference to GHG Protocol, as presented below:

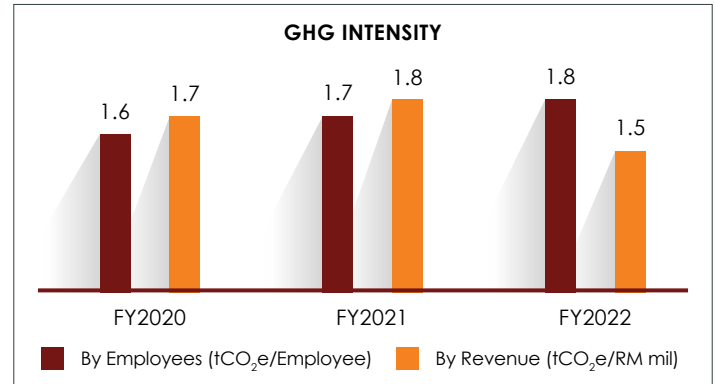


Note: The reduction has taken into consideration the closure of facilities in Kajang and Bintulu in FY2021 that reflected lower Scope 2 emissions in FY2022.

### GHG INTENSITY

GHG intensity refers to the amount of greenhouse gas (GHG) emissions that are produced per unit of activity, such as per unit of energy consumed or per unit of product manufactured.

By measuring GHG intensity, it is possible to identify opportunities for reducing emissions and improving the sustainability of various industries and processes.

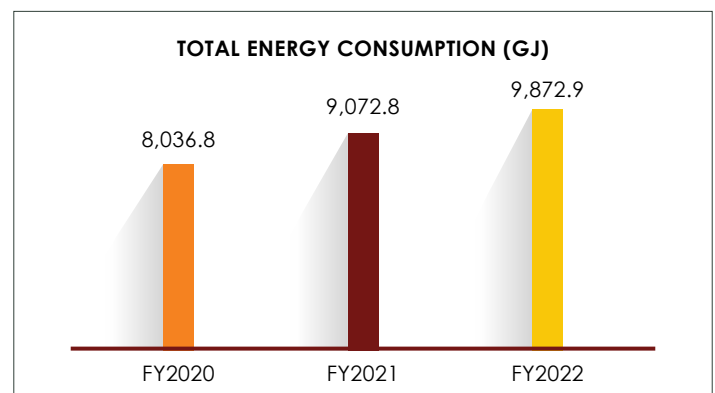


Note: GHG intensity is quantified by dividing the total GHG emission with the Group's total revenue and total number of permanent employees.

### ENERGY EFFICIENCY

Our energy efficiency endeavour is driven by both commercial and sustainability aspirations. We committed to reduce our emissions by the reduction of the energy used in our operations in innovative and efficient ways. The commitment to this convention is reflected in our Climate Change Policy.

The Group continues to adopt best practices in managing and reducing emissions where possible. Deleum strives to pursue efficiency in consumption of Scope 1 and Scope 2 energy sources, whilst also exploring greater use of renewable energy.



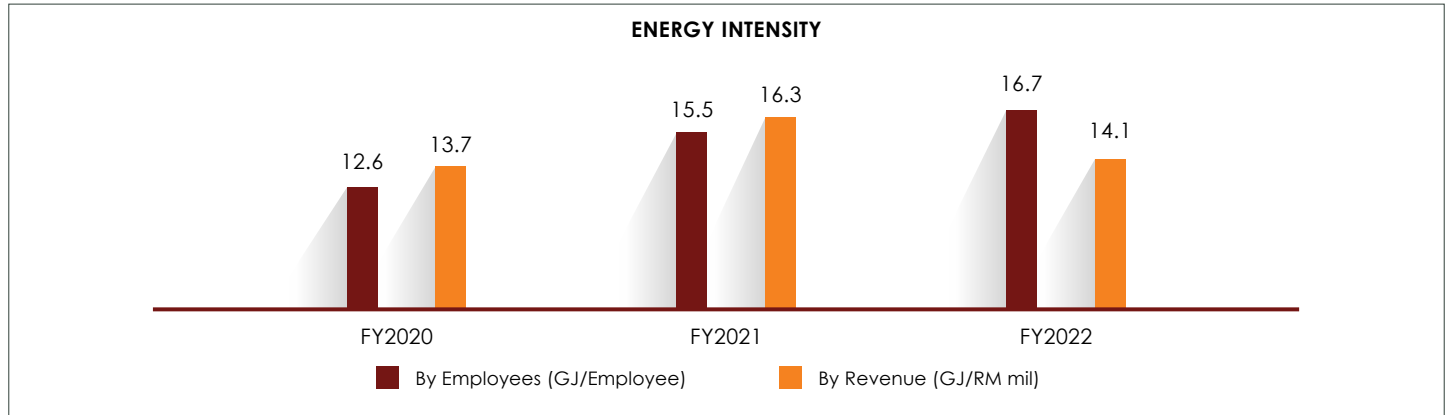
Note: Three years' energy consumption data have been updated to include both Scope 1 energy sources (Diesel and Petrol) and Scope 2 (Electricity).



## SUSTAINABILITY STATEMENT

### ENERGY INTENSITY

Energy intensity measures the efficiency of energy use in an economy, and it has several important implications. We have initiated steps to improve our energy efficiency to uphold our commitment for more strategic climate change and planning.



Note: Energy intensity is quantified by dividing the total energy consumption with the Group's total revenue and total number of permanent employees.

### PRACTISING CLIMATE CHANGE RISK MANAGEMENT

We have established and integrated the climate related risk management process and practice into the Sustainability Framework that includes the principal guidelines to manage the climate change-related matters.

The principal guidelines make reference to the TCFD recommendations, where the process and procedures implemented are for climate risk management. We intend to build this initial work with a more detailed assessment and analysis as well as disclosures in the coming year. In FY2022, we integrated the climate related risk management process and practice with the enterprise risk management, as well as identified climate change associated risks that may impact the Group's business value chain in both short, medium and long term.

Principal guides	Practice and process in climate-related risk management
<b>Identify and assess climate change-related risks</b>	<ul style="list-style-type: none"> <li>Identify and assess climate change risks over the short, medium, and long term for physical and transition risks</li> <li>Report to MCRC, BRC and Board</li> </ul>
<b>Manage climate change-related risks</b>	<ul style="list-style-type: none"> <li>Monitor performance against targets set</li> <li>Monitor and report the indicators of Scope 1 and 2 on a regular basis</li> <li>Identify actions to reduce carbon emissions</li> </ul>
<b>Integrate into enterprise risk management</b>	<ul style="list-style-type: none"> <li>Streamline and integrate into a single risk reporting structure to MCRC, BRC and Board on a quarterly basis</li> <li>Consolidate and integrate the climate change risk into the multi-disciplinary risk heat map at enterprise-wide level</li> <li>Include climate change risk as part of our risk taxonomy and inventory</li> <li>Climate change risk assessment process is governed by the risk related framework policy and procedures, i.e. the ERM Framework</li> </ul>

## SUSTAINABILITY STATEMENT

### Deleum's Potential Physical and Transition Risks

Risk Category	Type	Potential Risk	Estimated Time Horizon		
			Short	Medium	Long
Physical	<b>Acute</b> Increased severity of extreme weather events	Strong winds and floods may affect our people and assets	●	●	●
	<b>Chronic</b> Changes in precipitation patterns and extreme variability in weather patterns	Rising sea levels and extreme heat	●	●	●
Transition	<b>Policy and Legal</b>	Increasing disclosure requirements	●		
		Potential of carbon pricing (e.g. carbon market, emissions trading system and carbon tax)	●	●	
	<b>Technology</b>	Costs to adopt low emissions technologies (i.e. digitalisation, light emitting diode lighting installation, electrify the operations to reduce fuel, etc.)	●	●	
	<b>Market</b>	Increasing customer preferences for low-carbon products and services	●	●	
	<b>Reputation</b>	Increasing stakeholder scrutinisation, concern and feedback	●		

Note: Short term is <5 years; Medium term is 5–10 years; and Long term is >10 years.

Given the impact of global temperature increase at 1.5 to 2.0 degree Celsius, we took proactive steps by performing simulation of test scenarios to help in our planning and adaptation:

- Review and implement the Group's Business Continuity Management system involving the simulation of test scenarios at operational facilities. The simulation is performed to validate the effectiveness of the response system, recovery strategies, level of competency and readiness as guided by Business Continuity Plan.
- Risk travel alert and awareness to our operations guided by the Adverse Weather Safety Campaign guidelines. The guideline, amongst others, alerts on the possibility of hazards scenarios e.g., sea swell, boat rocking and rolling motion due to strong winds.

- Monitor the weather through precipitation monitoring based on rainfall and Met Malaysia's weather forecasting.
- Mobilise our Emergency Response Team to help flood victims.

### ENABLING CUSTOMERS TO IMPROVE THEIR CLIMATE CHANGE PERFORMANCE

We look to reducing environmental impacts across the supply chain. One of our subsidiaries, DOSSB has entered into an agency agreement as LatConnect 60's agent to promote, market and sell LatConnect 60's monitoring system within the oil and gas industry in Malaysia, Indonesia, Thailand, and Australia. This enables our customers to monitor their GHG footprint such as methane emissions through the high-resolution satellite imagery data via EONET capability as well as analytic solutions.

## SUSTAINABILITY STATEMENT

### POLLUTION AND RESOURCES USES

Deleum recognises our operations may generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment.

We committed to sustainable environmental protection, minimising the potential pollution impact on the environment and to protect the environment by prevention of pollution, reduction of waste and water, and minimisation of consumption resources. We strive to explore best solutions in advancing the reduction of the pollution and resources used in our operations with efficient and innovations of operational excellence. The commitment to these conventions is reflected in our Sustainability Policy, Climate Change Policy, and Environmental Policy.

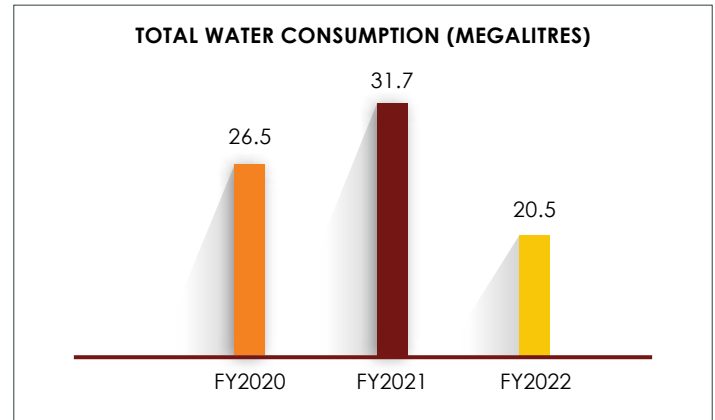
These policies are a testament from the top of our commitment to a sustainable environment, protecting and minimising the potential impact resulting from the pollution and resources used. The policies are communicated to our stakeholders through our company website, intranet, and various digital and conventional communication channels.

To reduce the impact of pollution and resources used management and to improve efficiency, we stay committed to operating in a structured Environmental Management Systems and to promote the sustainable use of resources including waste and water. Such initiatives emphasise our roles and responsibilities to fight climate change, conserve and promote the efficient use of natural resources and to protect the ecosystem, as summarised below:

- Training, learning and awareness (i.e. Course for Certified Environmental Professional in Scheduled Waste Management and regular chemical handling awareness)
- Responsible Scheduled Waste Management
- Periodical assurance of Environmental Management System
- Routine Noise Boundary Programme
- Rainwater Harvesting Programme
- Recycling programmes and practices 6R (Reuse, Reduce, Refuse, Repurpose, Recycle, Rethink)

### WATER MANAGEMENT

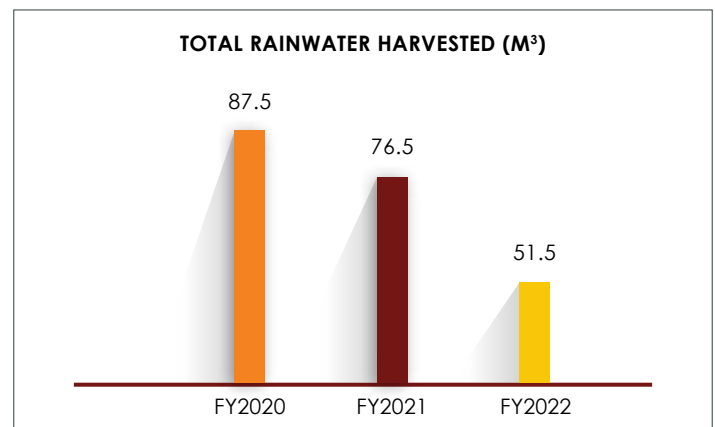
Deleum does not operate in any water stressed areas nor does it face water supply challenges. The Group's total water consumption, is presented below:



Note: The reduction has also taken into consideration the closure of facilities in Kajang and Bintulu in FY2021. In FY2022, no consumption was recorded in these facilities.

Water consumption is scoped to water used in operations. Water consumed is mainly treated freshwater from municipal sources, as well as rainwater, harvested at the Teluk Kalong Facility.

Deleum's plan is to progressively implement rainwater harvesting systems at other operating sites as part of its continuing efforts.



Note: Decreased rainwater harvesting in FY2022 was due to lower rainfall as compared to preceding years.

## SUSTAINABILITY STATEMENT

In promoting water management efficiency, we have taken the following initiatives to control the amount of water used:

- Minimise water pressure and outflows for toilets, washbasins and pantries
- Reduce water leakage through regular maintenance

### WASTE MANAGEMENT

Efficient waste management continues to be a key area in our environmental management. We strongly believe in waste prevention where possible, as we strive to reduce

our waste to disposal across our operations. We remain guided by a waste management hierarchy, and we comply with the Environmental Quality Act 1974, allowing us to manage waste based on potential benefits.

We are committed to promote efficient use of resources in our facilities, including the reduction of hazardous and non-hazardous materials and products as well as the reduction of waste through an effective waste management programme.

We are also committed to managing our waste efficiently to reduce the impact with the following principles:

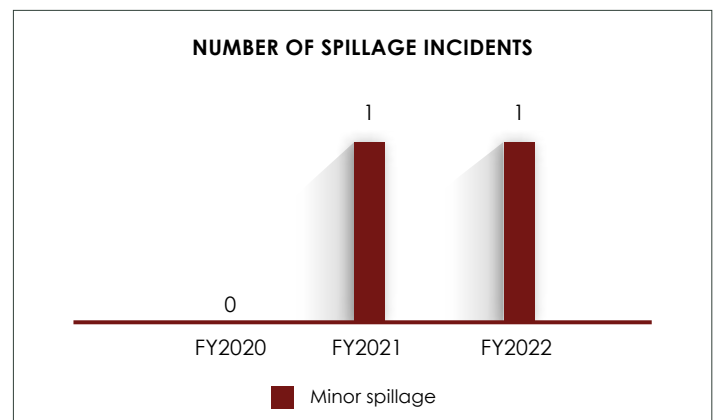


Our hazardous and non-hazardous waste are managed according to the First Schedule of the Environmental Quality Act 1974. Our waste inventory is in line with the Environmental Quality (Scheduled Wastes) Regulations set by the Department of Environment.

In FY2022, Deleum set the zero spillage target as we strive for a safe workplace. Nevertheless, despite our efforts to reduce, prevent or reduce the possibility of spillage, one minor spillage was reported in FY2022.

We immediately took action to collect and contain the residual, control spread of liquid and dispose the waste in conformance with regulations and, our policies and procedures. We continued our efforts by intensifying

our inspections and supervision, raising awareness, and tightening our processes.



## SUSTAINABILITY STATEMENT

In continuing to promote zero spillage to avoid pollution, we have outlined the targets and initiatives, underpinned by the following initiatives:

<b>Goals &amp; Targets</b>	<b>Zero spillage in FY2023</b>
<b>Indicator</b>	Number of incidents
<b>Initiatives</b>	<ul style="list-style-type: none"> <li>• Continuous training and awareness</li> <li>• Periodic inspections and audits</li> <li>• Periodic reviews and assessments of environmental aspects and impacts</li> <li>• Structured tracking, monitoring, and reporting</li> <li>• Practise "6R" – Reuse, Reduce, Refuse, Repurpose, Recycle, and Rethink</li> <li>• Scheduled waste management</li> </ul>

In FY2022, we generated a total 41.6 metric tonnes of wastes, as follows:

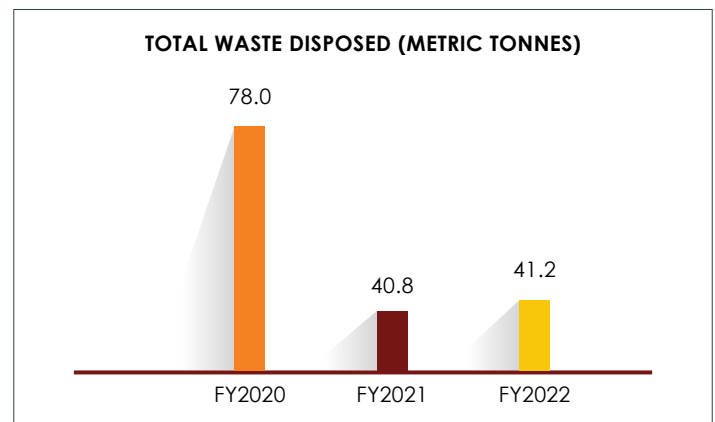
Wastes Data	FY2020	FY2021	FY2022
	Metric Tonnes		
Non-recyclable wastes directed to disposal	78.0	40.8	41.2
Recycled wastes diverted from disposal	-	-	0.4
<b>Total wastes generated</b>	<b>78.0</b>	<b>40.8</b>	<b>41.6</b>

*Note: The reduction took into consideration the closure of facilities in Kajang and Bintulu in FY2021.*



### DISPOSING OUR WASTE

We promote efficient use of resources in all our facilities by reducing usage of hazardous materials and products whilst practising effective waste management and recycling initiatives. The total non-recyclable waste directed to disposal is as follows:



*Note: The sources of waste directed to disposal (non-recyclable) are from operations, supply bases and services facilities. All waste directed to disposal (non-recyclable) are categorised as hazardous waste.*

All hazardous wastes are managed by our in-house Certified Schedule Waste Competent Person registered and recognised by the Department of Environment, in conformance with Environmental Quality Act 1974 and ISO 14001: 2015 Environmental Management System.



### RECYCLING OUR WASTE

To minimise impact on the surrounding communities and environment, waste generated from our operations are being managed responsibly through recycling. We have kickstarted our recycling waste "6R" programme through Plogging Day.

Recycling is practised within our premises, where recyclable items such as paper, cardboard boxes, plastic, e-waste, aluminium waste, bottles, and cans are collected by recycling contractors.



## SUSTAINABILITY STATEMENT

In FY2022, total recycled wastes diverted from disposal recorded, is as follows:



*Note: Recycled waste diverted from disposal was only collected from FY2022 onwards.*

Our organisation strives to reduce paper usage by moving our conventional filing system to online platforms, transforming manual forms to electronic forms and practising sustainable hybrid working model.



### ► WASTE LIFE-CYCLE

We have implemented a structured programme for the storage and collection of waste and recyclables. The initiative includes providing dedicated areas and storage for the collection and recycling of non-hazardous material such as recycled drums and recycled paper stations.

#### Waste Generation

All hazardous waste are managed by our own Certified Schedule Waste Competent Person registered and recognised by the Department of Environment (DOE).

#### Waste Collection & Disposal

Licensed third-party contractors are used for waste disposal. All contractors are approved by the DOE. Our plan is to work with the contractor on GHG emission during the transportation activity.

#### Waste Treatment

We collect and identify the type of waste produced in tonne. For each waste type, we use the average data method to calculate the mass of waste emissions based on their specific waste treatment method applied.

We continuously seek innovative ways for our waste management. We have an in-house chemical professional that is able to provide advice and facilitation to our operations team. Regular reviews, briefings, site visits as and when required takes place for the best solutions in managing our waste efficiently.



### ► IMPROVING SUPPLY CHAINS' ENVIRONMENTAL PERFORMANCE

Over the course of our supply chain, we are increasingly focused on reducing environmental impacts. This includes enabling customers to reduce their environmental impact footprint.

Since 2012, our subsidiary, Deleum Technology Solutions Sdn. Bhd. ("DTSSB") (formerly known as Deleum Primera Sdn. Bhd.) has been providing its customers a low pollution approach in surface preparation with the use of sponge media abrasive technology.

The result is an eco-friendly and safer approach that employs dustless blasting. Dustless blasting reduces air emissions and is thus safer as workers are not exposed to dust particles.

Deleum continues to combine Sponge-Jet technology and, rust and paint removal technology for our tank cleaning services.



## SUSTAINABILITY STATEMENT

### BIODIVERSITY

Though biodiversity may not be directly material to the Group's operations, we believe we can and should contribute to biodiversity conservation and preservation to reduce the impact on biodiversity.

To the best of our knowledge, the Group does not operate in locations or locations adjacent to sites deemed to be high in biodiversity value, or sites which contain flora and fauna species deemed to be on the International Union for Conservation of Nature ("IUCN") Red List. We do not encroach into areas that provide critical refuge to known vulnerable or endangered species.

Deleum aspires to explore possibilities working with non-governmental organisations ("NGOs") and other bodies towards providing support for their environmental related activities. Since 2019, Deleum has collaborated with Malaysian Natural Society to support its mangrove rehabilitation project at the ecoCare Environmental Education Centre ("EEC"), Kerteh, Terengganu.

In our endeavour to protect and preserve biodiversity, we have carried out initiatives with our employees volunteering for the following projects:

- Mangrove Education Talk for students of SMK Kampung Baru Kerteh
- Mangrove Trekking
- Mangrove Seeding Mangrove Planting
- Plogging Day



Contributing to the environment, one tree at a time.



Promoting a healthy lifestyle whilst keeping our environment clean.

The Plogging Day, organised with the active participation and volunteering of employees, aimed to promote a healthy lifestyle, and instil a culture of waste recycling within the organisation. As a result, we have collected 0.4 metric tonnes of recyclable waste from multiple operational sites.



In upholding our commitment to net positive biodiversity impact, we continue to monitor the environmental impact of our business presence and operations.

## SUSTAINABILITY STATEMENT



Deleum places equal emphasis on social and environmental concerns. As a responsible employer in the oil and gas sector, our primary social impact is on our employees, casual workers, customers, principal, business partners, suppliers and the local communities in where we operate in.

Therefore, the key social topics relevant to our Group include fair employment, labour standards, human rights, talent management, occupational health and safety, and community development.

### FAIR EMPLOYMENT AND HUMAN RIGHTS

We strive to nurture an open, efficient, and inclusive workplace enabling our employees to be the best version of

themselves. We believe diversity of ideas and perspectives enhances business innovation and productivity. High calibre and professional talent are essential in driving higher productivity and ensuring operational excellence across the organisation.

We are guided by the United Nations Universal Declaration of Human Rights, the International Labour Organisation standards, the Malaysian Employment Act (Amendment) 2022 as well as the labour laws of other countries in which we operate.

We continue to uphold our track record of zero incidents or substantiated complaints received of infringement of labour standards and human rights, women's rights, children's rights, indigenous people's rights, as well as non-discrimination and harassment.

0

**Incidents or substantiated complaints received concerning labour standards, human rights, women's rights, child rights and indigenous people's rights violation as well as non-discrimination and harassment since FY2020**

### OUR COMMITMENT AND VALUES

<b>UN Universal Declaration of Human Rights</b>	Deleum upholds fundamental human rights in accordance with the UN Universal Declaration of Human Rights. In all that we do, we strive to protect the rights of our people, suppliers, and the communities in which we operate.
<b>Policy Statement on Human Rights and Labour Standards</b>	<p>We will continue to uphold our commitment to human rights conventions, as reflected in our Policy Statement on Human Rights and Labour Standards, which was reviewed and updated in FY2022.</p> <p>The policy is available in English and Bahasa Malaysia and has been communicated to our employees. The policy applies to our employees as well as our suppliers and contractors.</p> <p>The full policy can be found at <a href="http://www.deleum.com">www.deleum.com</a>.</p>
<b>Board and Management Oversight</b>	The Board and Management provides oversight, leadership and advice on strategic human capital matters, people development, organisational culture, and employee well-being.

## SUSTAINABILITY STATEMENT

<b>Minimum Wages</b>	Our business operations meet the standards of national labour regulations, including the Employment Act (Amendment) 2022 and the Minimum Wages Order 2022 that came into force on 1 May 2022. The commitment to these conventions is reflected in the Policy Statement on Human Rights and Labour Standards.
<b>Non-Discrimination and Uphold Diversity</b>	<p>We have zero tolerance for any form of discrimination against race, religion, gender, age, ethnicity, marital status, sexual orientation, disabilities, nationality or other social characteristics unrelated to job performance and any form of discrimination or prejudice in the workplace.</p> <p>We are also committed to gender pay parity and equal employment, and ensuring our workplace is free from any form of harassment, whether by internal or external parties, as stated in our COBC and Policy Statement on Human Rights and Labour Standards.</p>
<b>Right to Freedom of Association</b>	<p>We support and respect the right to freedom of expression for our employees and encourage them to raise, in good faith work-related feedback, concerns, inquiries, and thoughts via all available communication channels, including the whistleblowing channel, without fear of any retaliation.</p> <p>Our employees are also free to associate themselves with any organisation as long as they are compliant with the Federal Constitution, other applicable laws, our COBC and relevant internal policies. We respect those rights and are committed to treating all employees with dignity and respect.</p>
<b>Rights to Collective Bargaining</b>	<p>Deleum is in compliance with local labour laws pertaining to rights to collective bargaining. We are not a unionised organisation but we respect the legal rights of employees to become members of a labour union in accordance with governing laws and regulations.</p> <p>We continuously engage with our employees and casual worker representatives on various feedback for improvement of their welfare and well-being. Amongst the mechanisms in place are having representatives of employees to be part of the HSE Committee to manage health and safety issues at the workplace.</p>
<b>Working Conditions, Forced Labour And Child Labour</b>	<p>We continue to monitor the labour conditions of all employees working in our business locations as per labour regulations, including work hours, overtime, safe workplace. We continuously engage with our employees and casual worker representatives on various feedback for improvement on their welfare and well-being.</p> <p>We have zero tolerance for forced labour and we do not employ illegal workers or those working under forced labour or modern slavery conditions. We acknowledge that all employees have the right to enter employment with Deleum on a voluntary basis and will not make use of forced labour in any of our areas of operations.</p> <p>We have zero tolerance for child labour and comply with child labour laws in the countries we operate.</p>



## SUSTAINABILITY STATEMENT

<b>Promote Young Talent</b>	<p>Deleum supports temporary workplace internship programmes for fresh graduates to support employment and development of young talent. The commitment to these conventions is reflected in our Policy Statement on Human Rights and Labour Standards.</p> <p>We have in place an internship programme where fresh graduates are provided with on-the-job training and soft skills, and their performance are supervised and monitored for development for their career progression.</p> <p>In FY2022 we demonstrated our interest in young talent as follows:</p> <ul style="list-style-type: none"> <li>• Employed 10 interns (aged 21-24 years old). As part of the internship programme, there were regular engagements with our senior leadership, for instance a lunch and dialogue session hosted by the GCEO on 7 September 2022.</li> <li>• Collaboration with a local university sponsoring young talent in the petroleum engineering field.</li> </ul>
<b>Bullying and Harassment</b>	<p>We view bullying and harassment including sexual harassment as a serious misconduct that undermines the dignity and respect of our employees.</p> <p>To raise awareness on sexual harassment, we have exhibited conspicuous notices on sexual harassment at the place of employment.</p> <p>Any reported bullying and harassment including sexual harassment will be thoroughly investigated and will be treated as serious misconduct.</p>
<b>Equal Pay and Equal Work</b>	<p>In line with our Equal Pay for Equal Work Policy, employees in identical positions receive similar remuneration regardless of their gender, ethnicity, and other social identities.</p>
<b>Compliance with Working Hours and Claim</b>	<p>We operate in full compliance to applicable laws and regulations in relation to wages, work hours, overtime, claims and benefits.</p> <p>Based on the stipulated Employment Act (Amendment) 2022 and our principle of promoting well-being to our employees, we are committed to offer flexible working arrangements, as well as overtime claims for eligible employees whose wages fall below RM4,000 a month.</p>

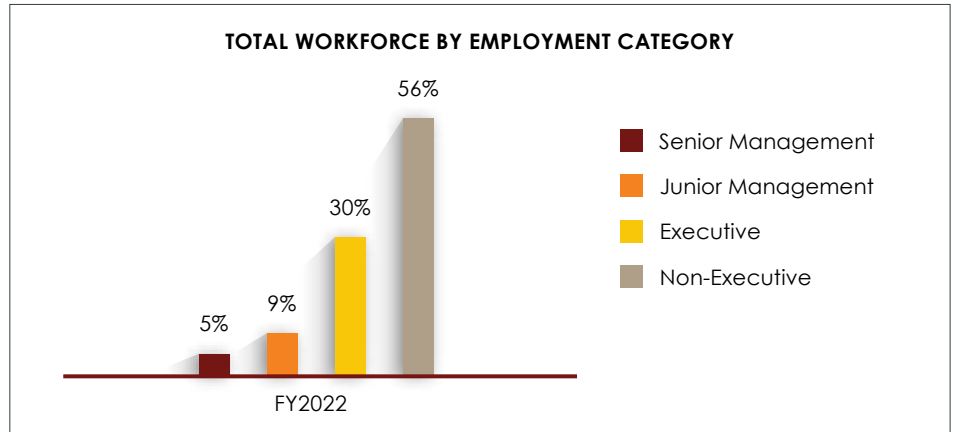
## OUR PEOPLE PROFILE

<b>Total number of workforce*</b> 781	<b>Number of permanent employees</b> 592	<b>Number of contract employees</b> 88	<b>Number of casual workers</b> 101
<b>Percentage of permanent employees</b> 76%	<b>Percentage of contract employees</b> 11%	<b>Percentage of casual workers</b> 13%	<b>Percentage of workforce with a disability</b> 0%

\*Note: Total number of workforce refers to permanent, contract and temporary (casual workers).



# SUSTAINABILITY STATEMENT



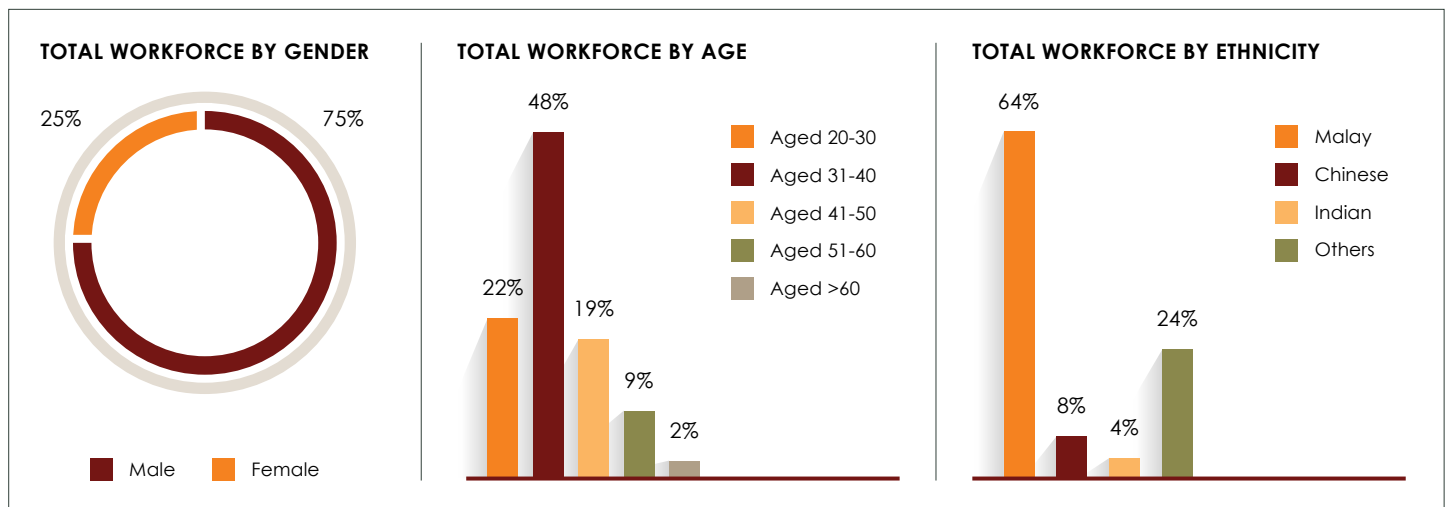
Note: Senior Management profile comprises Senior Managers, General Managers, C-Suites, and Group Chief Executive Officer positions. Meanwhile, Junior Management profile comprises Assistant Manager and Manager positions.

## FOCUS ON LOCAL TALENT

We support local talent and are committed to local employment. Local employments made up 99% of our total workforce in FY2022 and this includes 97% of local talent for Senior Management. We hire and promote our people based on meritocracy across our operations in Malaysia, Indonesia and Thailand.

We also celebrate local talents in our Sabah and Sarawak operations, with the composition of 24% of our total workforce in FY2022. We strive to carry on with balancing our needs with that of the communities where we serve, remain steadfast with our commitment to employ, and develop local talents to enrich the local economy.

## CELEBRATING DIVERSITY IN OUR PEOPLE

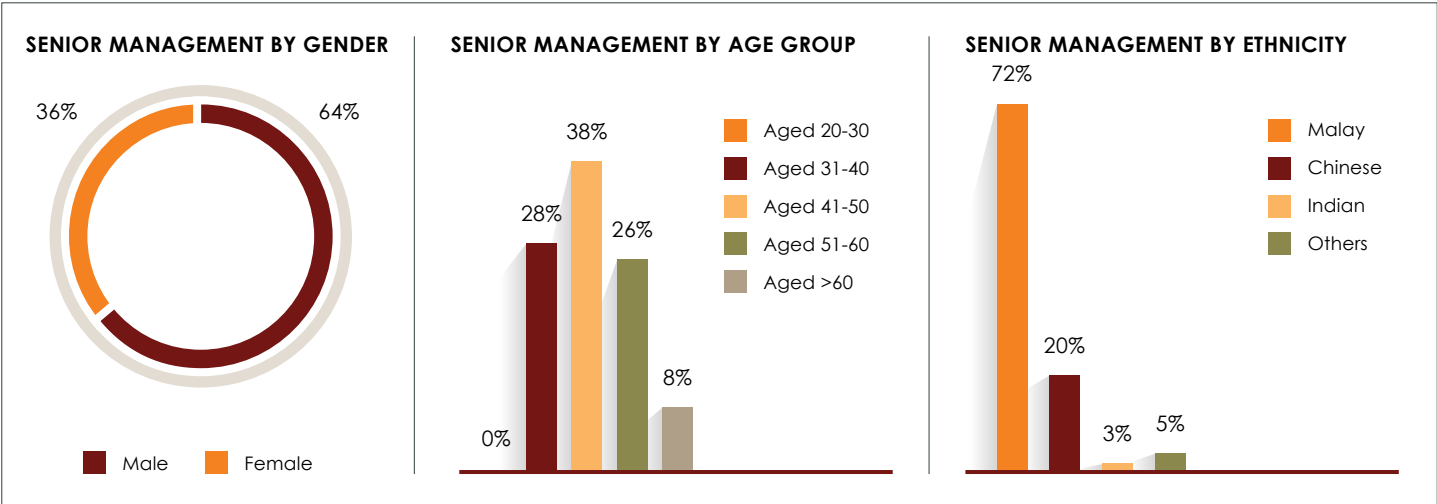


Note: Others represent ethnic groups for Bumiputera Sabah and Sarawak, such as Iban, Dayak, Kadazan, Bidayuh and more. Please refer to Our Performance Data in this Sustainability Statement for the three years comparison data.

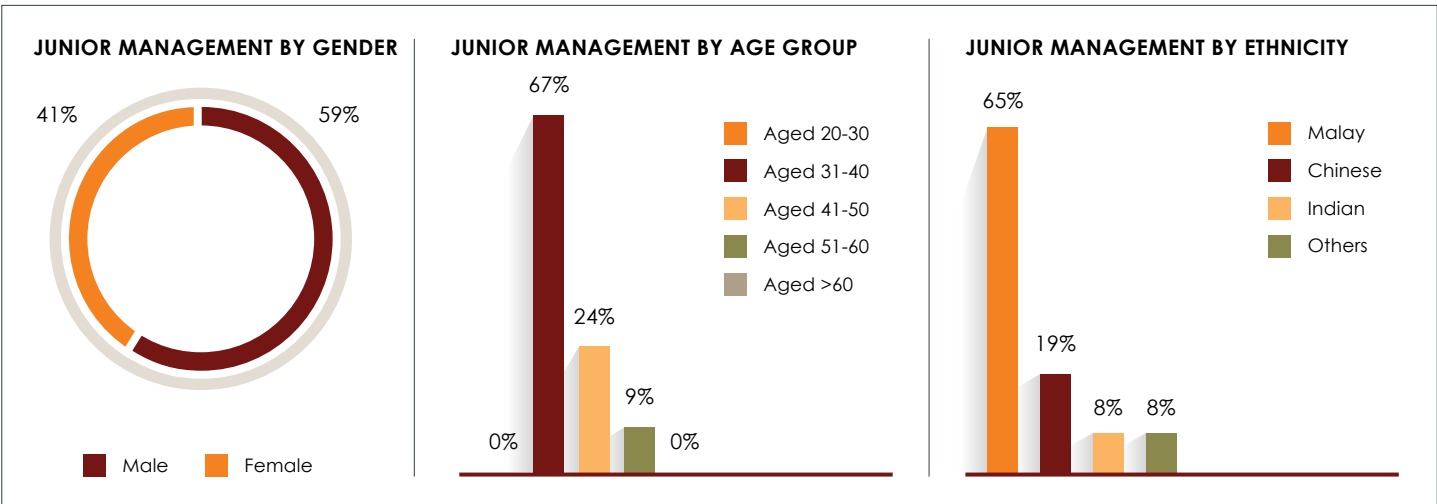
# SUSTAINABILITY STATEMENT



## ► SENIOR MANAGEMENT PROFILE



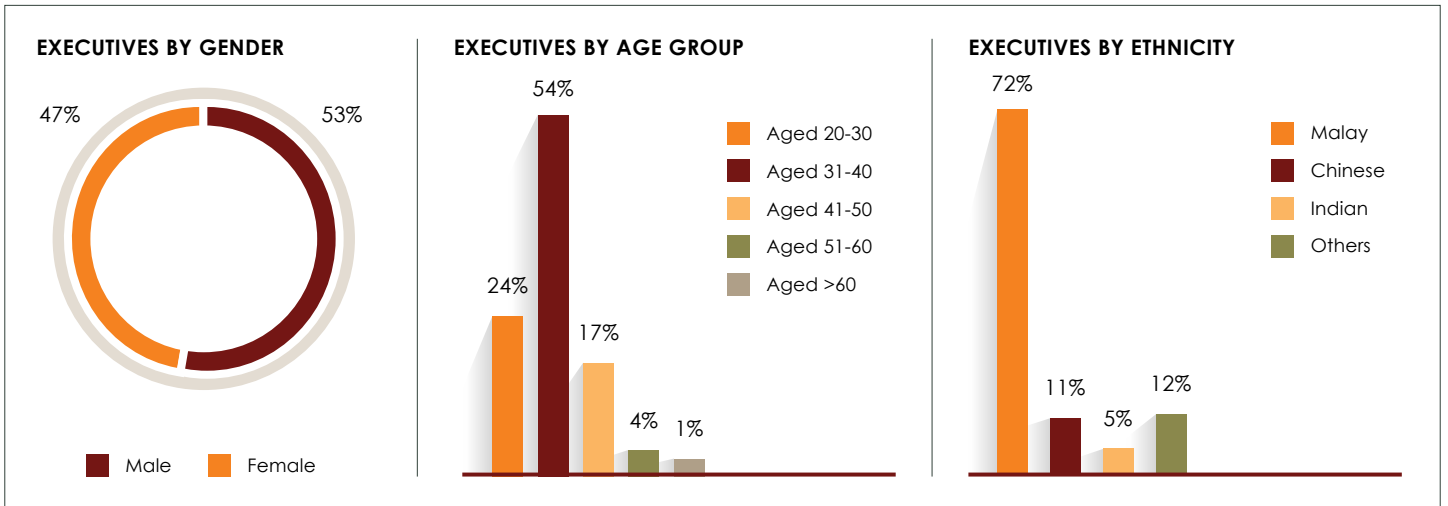
## ► JUNIOR MANAGEMENT PROFILE



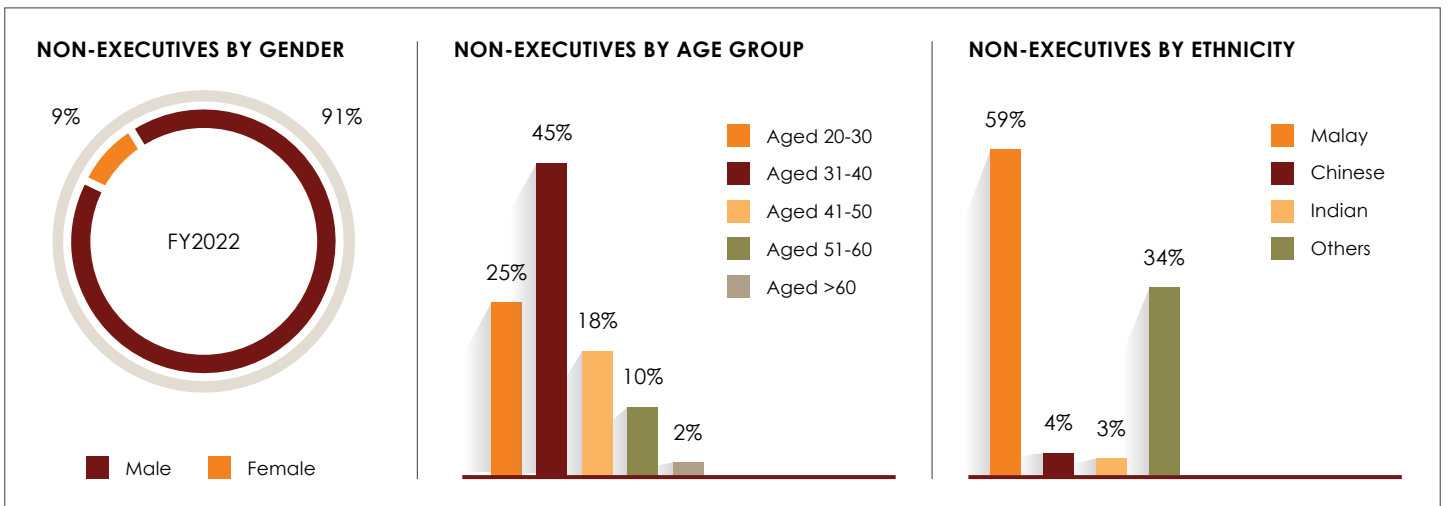
# SUSTAINABILITY STATEMENT



## EXECUTIVES PROFILE



## NON-EXECUTIVES PROFILE



## SUSTAINABILITY STATEMENT



## ▶ TURNOVER DATA

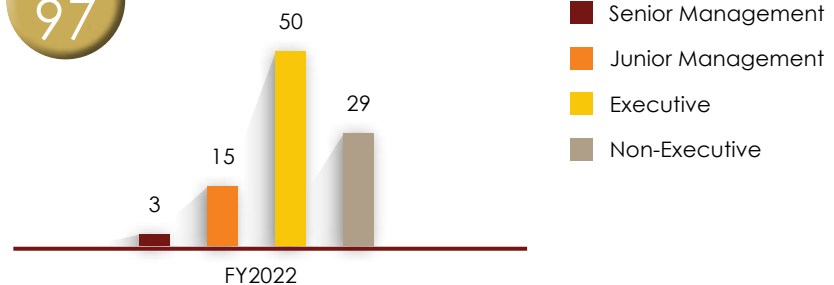


Total  
Turnover Rate

16%

## TOTAL TURNOVER BY EMPLOYMENT CATEGORY

Total  
97



Note: Please refer to Our Performance Data in this Sustainability Statement for the three years' comparison data.

## REMUNERATION AND REWARDS

We continuously drive a high-performance culture by nurturing our talent and investing in their professional growth. To retain and attract the best talent, we ensure:

- The total remuneration remains competitive by benchmarking against market data from time to time
- Our performance management strategy includes a balance between performance-linked bonuses, increments with competitive benefits and welfare
- Factors including professional qualifications, sector experience, seniority, competencies and job responsibilities are considered to provide fair compensation packages for individual talents
- Rewarding high performance talent with recognition awards (i.e. Most Valuable Person)
- Honouring our loyal employees with long service awards

The following are the employees' salaries, bonuses, benefits, EPF and SOCSO contribution:

## Total Payments Made for Employee Benefits



Salaries and  
Bonuses

RM84.78 mil

**FY2022**

FY2021: RM84.36 mil

FY2020: RM93.71 mil



Employees'  
Retirement  
Benefits (EPF)

RM9.31 mil

**FY2022**

FY2021: RM9.24 mil

FY2020: RM10.13 mil



Social and  
Security  
Protection

RM0.78 mil

**FY2022**

FY2021: RM0.78 mil

FY2020: RM0.90 mil

## SUSTAINABILITY STATEMENT

### WELFARE FOR OUR EMPLOYEES

Our permanent employees are entitled to the following benefits:

 <p><b>Leave</b></p> <ul style="list-style-type: none"> <li>• Annual Leave</li> <li>• Medical Leave</li> <li>• Hospitalisation Leave</li> <li>• Prolonged Illness</li> <li>• Marriage Leave</li> <li>• Paternity Leave</li> <li>• Maternity Leave</li> <li>• Study and Examination Leave</li> <li>• Special Leave</li> <li>• Replacement Leave</li> <li>• Public Holiday Leave</li> </ul>	 <p><b>Medical</b></p> <ul style="list-style-type: none"> <li>• Group Personal Accident</li> <li>• Group Term Life Insurance</li> <li>• Group Hospitalisation &amp; Surgical</li> <li>• Outpatient</li> <li>• Dental and Optical</li> <li>• Maternity</li> <li>• Preventive Health Screening</li> </ul>	 <p><b>Other Benefits</b></p> <ul style="list-style-type: none"> <li>• Overtime</li> <li>• Business Travel Benefits</li> <li>• Compassionate Financial Assistance</li> <li>• Emergency Loan</li> <li>• Professional Membership</li> </ul>
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All female employees at Deleum are entitled to 98 consecutive days of maternity leave and male employees are eligible for 7 days of paternity leave, in line with the Employment Act (Amendment) 2022.

In the year under review, we offered financial assistance to our underprivileged employees, promoting their career progression by encouraging and providing support to reskill and upskill their competency through training and certification courses. We also provided compassionate financial assistance to employees who were affected by unfortunate events such as floods and other calamities.

Breastfeeding employees are supported with amenities at our office.

 <p><b>FY2022: 32</b> <b>Paternity Leave</b></p> <p>FY2021: 28 FY2020: 27</p>	 <p><b>FY2022: 14</b> <b>Maternity Leave</b></p> <p>FY2021: 14 FY2020: 14</p>
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Return to Work		FY2020	FY2021	FY2022
<b>Return to Work Rates</b> (return to work after parental leave period)	Male	100%	100%	100%
	Female	100%	100%	100%
<b>Retention Rates</b> (remain with the organisation for 12 months or more post parental leave)	Male	85%	96%	94%
	Female	71%	79%	86%



## SUSTAINABILITY STATEMENT

### HONOURING CULTURAL AND RELIGIOUS DIVERSITY

We make every effort to enhance the quality of life of our employees and are aware of our role as a responsible employer.

We provide prayer rooms for our Muslim colleagues to perform their daily prayers.

Beyond public holidays, Deleum employees are entitled to a half-day leave on the eve of a major cultural and/or religious occasions such as Hari Raya Aidilfitri, Chinese New Year, Deepavali, Christmas and more.

### EMPLOYEE GRIEVANCE MECHANISM

We provide multiple avenues for our employees to air and settle grievances as quickly, amicably, and fairly as possible. The Group acknowledges all forms of grievances including in relation to labour standards non-compliances, and investigate them with care, compassion, sensitivity, and confidentiality.

Among the avenues that we provide are:

- Any employee who has specific concerns about the working conditions, terms of employment, and/or any labour standards issues shall report directly to their supervisor or Group Human Resources Department. The process is governed by the Grievance Policy and is communicated to all employees.
- The Speak-Up and Listen-Up Programme where employees can anonymously provide their general complaint or suggestions by communicating digitally via Quick Response code, placed in offices of our locations.

### PRACTISING SOCIAL RISK ASSESSMENT AND DUE DILIGENCE

Risk assessment and due diligence reviews are performed, among others, by completing prescribed due diligence questionnaires in accordance with the labour standards related procedures.

In FY2022, among the actions taken to address labour risks and issues are as follows:

- Reduced excessive hours by introducing flexible working hours and work from home arrangements;
- Undertook salary benchmarking against market data and applicable laws;
- Revised insurance benefits to accommodate rising costs of global medical expenses and health benefits;
- Provided compassionate financial assistance for employees, regardless of gender, sex, age, nationality, disabilities, religion and race;
- Harmonised leave provision for employees for special needs;
- Introduced additional platform, Speak-Up and Listen-Up Programme for employees to provide feedback and suggestions; and
- Internalised paternity and maternity leave provision to all employees in accordance with revised Employment Act (Amendment) 2022.

### TALENT MANAGEMENT

Our people are key pillars of the Group, as their efforts ensure that we strive to retain our position in the oil and gas industry. To cultivate a high-performance culture, we equip our employees with essential tools and training to facilitate their growth and development.

### TALENT DEVELOPMENT

We are committed to provide opportunities for promotion on a fair and equal basis. Our commitment to developing our employees is reflected in our COBC, Policy Statement on Human Rights and Labour Standards, Learning and Development Policy and Equal Opportunity Policy.

Employees are appraised annually, during which they are provided with constructive feedback and rewarded for their excellence with appropriate adjustments to their compensation packages. We monitor and measure our employee's performance through digitalised Employee Performance Management evaluations based on Objectives and Key Results, a collaborative goal-setting methodology, which include conversational sessions between managers and employees allowing employees to give and receive feedback.

## SUSTAINABILITY STATEMENT



# 100%

of Deleum's employees were appraised annually

### TRAINING AND LEARNING

Mindful that learning is a life-long endeavour, we support our employees as they progress along their individual paths through talent development initiatives. These continuous learning programmes enable our people to enhance their skills to achieve greater outcomes, both within the workplace and on a personal level. Ultimately, the development of our employees contribute to the Group's overall growth.

The commitment to these conventions is reflected in our COBC, Learning and Development Policy and Equal Opportunity Policy. We ensure our employees are well-equipped with the latest knowledge and skills to meet customers' expectations.

The training we offer across the organisation to all levels includes technical competencies, professional education, soft skills development, leadership skills and any other areas Management deems necessary. We contribute to the Malaysian government's Human Resource Development Fund to support employees' training as well.

Training is based on the individual employee's training plan which outlines gaps in skills, which the employee, with the support of his/her superior and Management, is required to address. Training can also be requested by employees on an as and when basis.

In FY2022, most trainings were conducted in person as Malaysia entered the endemic phase of the COVID-19 beginning 1 April 2022. In comparison, our employees attended virtual trainings in FY2021. The increase in training expenditure from FY2021 to FY2022 can be attributed to the shift from online to in person trainings.

**Total Training Hours Group-wide**

15,667

**Total Training Spend Group-wide**

RM1.65 mil

**Average Training Hours Per Entity**

1,741

**Average Training Spend Per Entity**

RM183,578

**Average Training Days Per Employee**

2.5

**Average Training Spend Per Employee**

RM2,116

**Average Training Hours Per Employee**

20

*Note: Average training hours and training spend refers to total training hours and training spend divided by total workforce. Meanwhile, the average hours and training spend per entity is divided by nine (9) entities.*



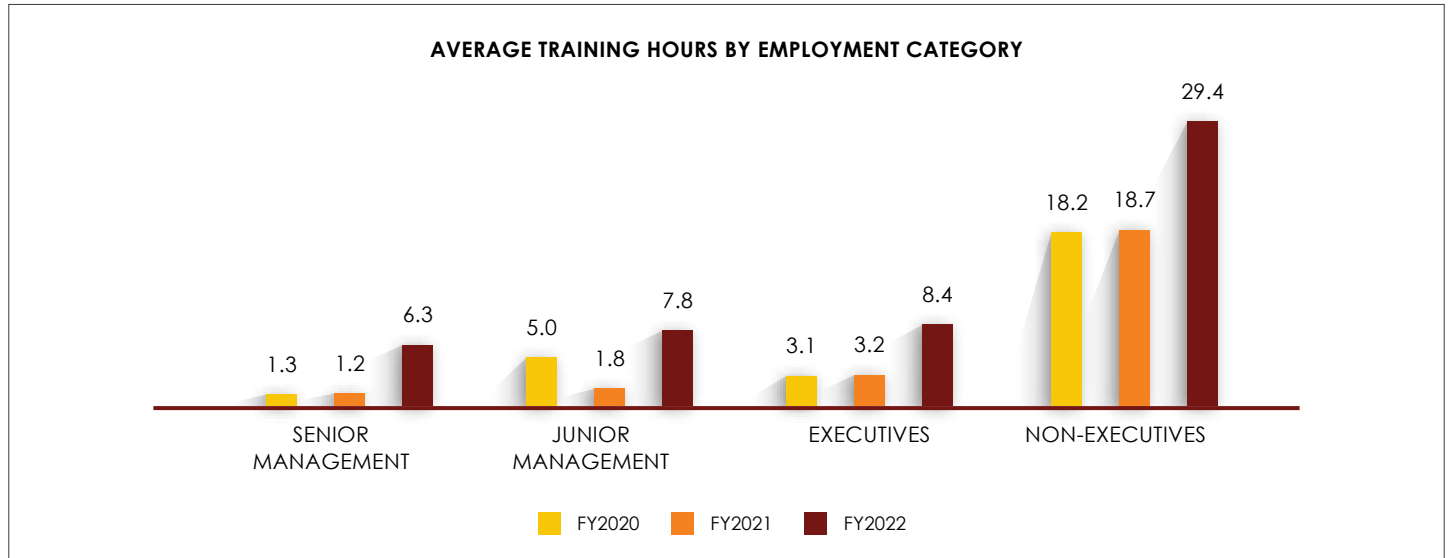
Empowering our leadership with ESG training.

## SUSTAINABILITY STATEMENT

Leveraging the expertise of both internal and external providers, we deliver a wide range of purposeful training and learning programmes to empower our employees through upskilling and competency building:

<b>On-Boarding of New Hires</b>	New recruits are welcomed with an orientation programme to integrate them into the Deleum family and familiarise them with the working culture.
<b>Talent Development Programmes</b>	We strive to strengthen our talent pipeline through succession management and mentoring programmes, identifying, and assessing readiness and redefining talent categories for more targeted and focused development interventions.
<b>Soft Skills Programmes</b>	We introduce and offer a range of soft skills programmes and courses yearly to our employees.
<b>Functional and Technical Training Programmes</b>	<p>Training programmes are provided to upskill and reskill employees, including function-specific training to adjust to new guidelines and operations.</p> <p>Core Functional and Technical Training Programmes:</p> <ul style="list-style-type: none"> <li>• Standard Operating Procedure ("SOP")</li> <li>• Safety &amp; Health Training</li> <li>• ISO / Quality Assurance</li> <li>• Microsoft Training</li> <li>• Functional Specific Training</li> </ul>
<b>Compulsory Training</b>	<p>All employees are required to attend mandatory training on Health, Safety and Environmental, COBC, Conflict of Interest ("COI") and Anti-Bribery and Corruption.</p> <p>Among the topics covered for the employees are:</p> <ul style="list-style-type: none"> <li>• Health, safety and environment topics</li> <li>• Wrongdoing reporting procedures (including bullying or harassment awareness) and its channel, and business ethics</li> <li>• Anti-bribery and corruption topics</li> </ul>
<b>Introduction To ESG</b>	<p>In FY2022, we started rolling out sustainability training for our Board members, Senior Management, and employees by organising two sessions:</p> <ul style="list-style-type: none"> <li>• Sustainability Awareness Session: Introduction of FTSE4Good Bursa Malaysia Index by Bursa Malaysia</li> <li>• Sustainability ESG training with the Board members</li> </ul> <p>The primary objective is to pursue increased awareness of sustainability, UNSDGs, FTSE4Good Bursa Malaysia Index, environmental impacts, health and safety, and business ethics.</p>

## SUSTAINABILITY STATEMENT



### HEALTH AND SAFETY

Deleum is committed to the highest health and safety standards to ensure our employees, casual workers and contractors always make it home safely. Health and safety are the utmost priority to the Group as we put strong emphasis in the execution of health and safety practices and inculcating a strong safety culture in our operations. We reflect the convention in our COBC, HSE Policy and other related policies and procedures.

In nurturing a self-accountability culture, we developed and communicated the 10 Life Saving Rules, a set of guidelines which remind employees, suppliers and contractors of the measures they need to take to protect their safety. We also diligently practise the corporate slogan "*Collective Responsibility Towards HSE Excellence*" as part of the health and safety culture transformation.

To uphold the quality in our health and safety conducts, we performed periodic audits and inspections as part of the health and safety annual plan. Regular reviews, revisions and updates of policies and procedures to ensure the health and safety practice are in conformance with the highest international standards such as ISO 45001:2018 Occupational Health and Safety Management System.

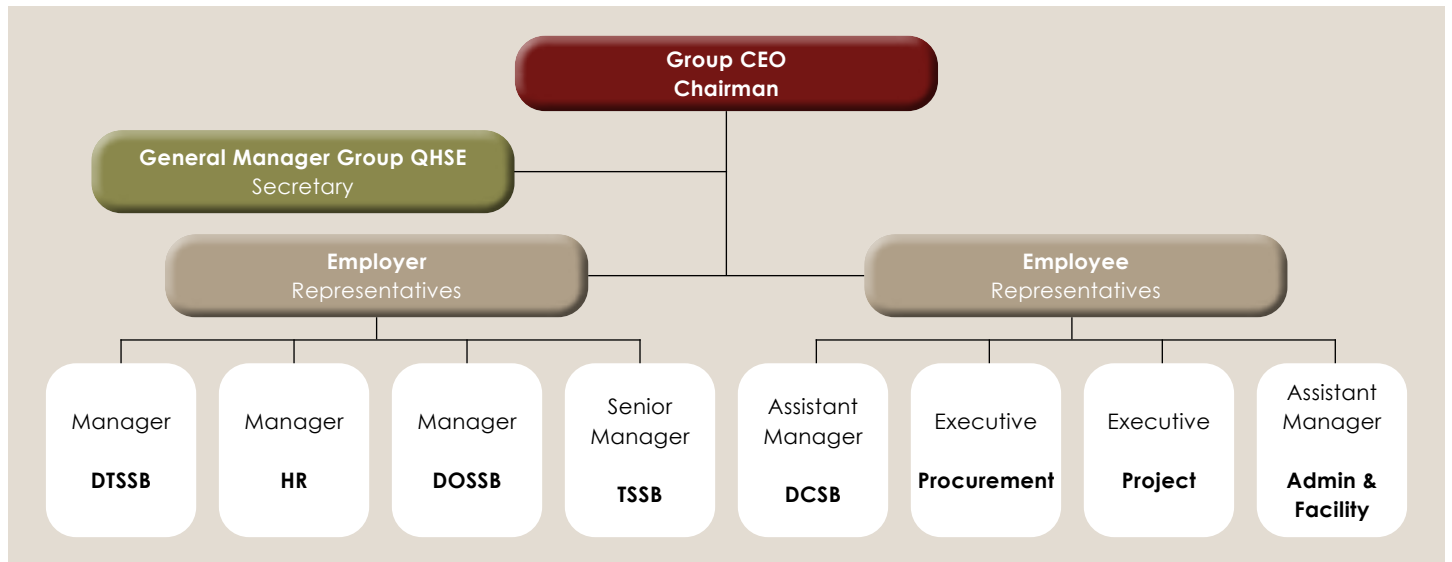
Beyond ensuring our health and safety conducts are in conformance with the standards set, we also maintain the confidentiality of our workers' health and safety data to protect workers' privacy and comply with applicable laws and regulations.

### HEALTH AND SAFETY MANAGEMENT

Our health and safety practices are centred on the Group-wide HSE Management System which makes reference to ISO 45001:2018 Occupational Health and Safety Management System. It provides a structured management approach to control and reduce safety and health risks in the workplace.

The HSE Committee is responsible for the management of health and safety at operational level. The committee, chaired by GCEO, meets every quarter to review and monitor the HSE policies and procedures, plans, performance, commission incident investigations and propagate awareness to employees, casual workers and contractors. The periodic meetings include the participation of both employees/casual workers and management representatives. Amongst the matters and actions under their purview is employee's and customer's feedback on the health and safety measures and process improvement, as well as the investigation process and policies and procedures review.

## SUSTAINABILITY STATEMENT



At management level, MCRC is responsible to ensure a sound implementation of the Group-wide health and safety related matters with oversight from BRC which is chaired by an Independent Non-Executive Director as delegated by the Board. The review is conducted on a quarterly basis.

Our health and safety practices are based on the principle of Plan-Do-Check-Act ("PDPA"), and we are continually ensuring that we are progressing and improving our safety standards. We communicate health and safety standards requirements and its roles and responsibilities to all our employees, as it is important that everyone is responsible and accountable in creating a safe work environment.

### PRACTISING RISK ASSESSMENT AND DUE DILIGENCE ON HEALTH AND SAFETY

At Deleum, we take a proactive approach to identifying and assessing health and safety risks. Risk assessments are undertaken across all our business units before the commencement of routine and non-routine activities. The risk assessment includes identifying ways to avoid or reduce risks, and mitigation measures.

Among other assessments conducted are the health and safety impact analysis in relation to personal protective equipment, communication, compliance with laws and regulations and training. The Job Hazard Analysis, Chemical Health Risk Assessment and Noise Monitoring are also used to identify any work-related hazards that have the potential to result in high-consequence injuries, ill health and/or fatalities.

In FY2022, we performed risk assessment and due diligence reviews on health and safety for existing and potential projects and before the appointment of new suppliers and contractors. Risk assessment and due diligence reviews were performed, among others, by completing a prescribed due diligence questionnaire in accordance with the related procedures.

Our contractors are briefed on the health and safety requirements when working within the perimeter of our workplace. It is mandatory for them to do a risk assessment prior to the commencement of work to identify any potential risks and implement the necessary mitigation measures to mitigate or reduce the risk. Contractors are supervised closely through the use of work permits and inspections by the safety and security employees at the respective sites.



## SUSTAINABILITY STATEMENT

We also conducted a mental health survey to identify, analyse and understand our employee's mental health state, as a proactive measure to ensure they are provided with the necessary support.

### REPORTING PROTOCOL FOR INCIDENTS OR ACCIDENTS

The protocol for investigating and taking action on reported incidents or accidents, including those leading to injuries and fatalities, are governed by the Incident Investigation and Reporting Procedure. If there is any incident or accident reported, the following actions shall be taken:

- Safety stand-down
- Escalation to relevant management echelon and customer
- Incident investigation
- Incident communication and/or report to customer and management echelon
- Health and safety alert for internal circulation

The results and actions will be communicated and reported to the HSE Committee, MCRC, BRC and Board.

### HEALTH AND SAFETY PERFORMANCE

We always strive for a safe culture at Deleum as stipulated in our COBC and HSE Policy and endeavour for zero fatality and lost time injury target.

However, there was one fatality incident reported involving a casual worker (contractor) and one lost time incident

recorded in FY2022. Immediate action was undertaken which included lodgement reports to the authorities and investigations initiated involving the Department of Occupational Safety and Health ("DOSH").

We performed the investigation process that involved the relevant customer, casual worker, and employee representatives in ascertaining the root causes of the incident. Insights and learnings have been tapped to strengthen the safety culture and processes at all operational levels, such as:

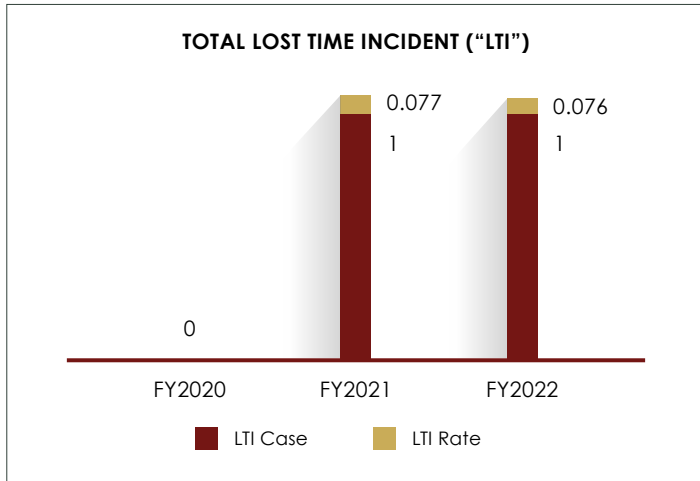
- Reinforce the "4 Re" Programmes (Review, Reverify, Revalidate and Repeat) in ensuring all requirements are followed before any commencement of work at all worksites
- Review and strengthen the practice of Job Hazard Analysis
- Review the safety programme to enhance our safety process

The lessons learnt have been shared with all levels of stakeholders through various platforms, such as HSE Committee meetings, morning meetings, toolbox talk meetings and pre-mobilisation meetings which conformed to ISO 45001:2018 Occupational Health and Safety Management System.

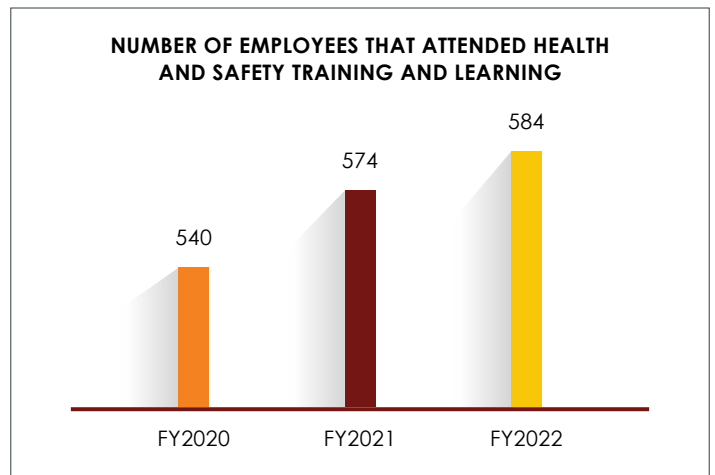
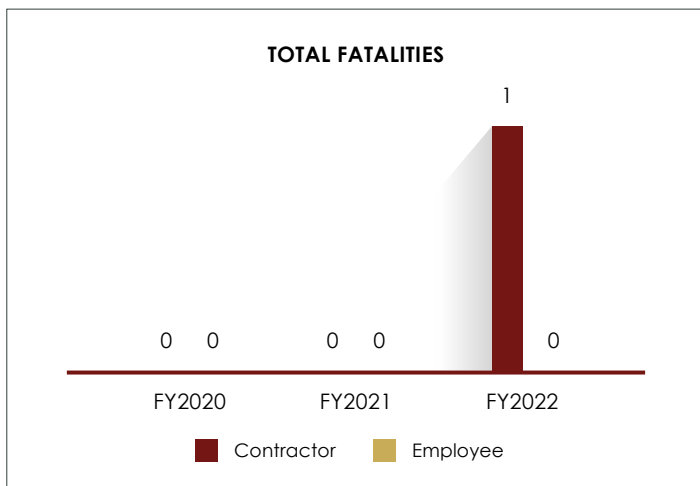
To inculcate health and safety culture at workplace, we continued to uphold our HSE policy and focused on the targets for health and safety, underpinned by the following initiatives:

Goals & Targets	Indicator	Initiatives
<b>Zero fatality in FY2023</b>	Number of fatalities	<ul style="list-style-type: none"> <li>• "4 Re" Programmes</li> <li>• Continuous training and awareness programme</li> <li>• Periodic inspection and audit</li> <li>• Strengthen the Job Hazard Analysis process and compliance</li> <li>• Strengthen safety processes and procedures</li> <li>• Structured tracking, monitoring, and reporting</li> </ul>
<b>Zero Loss Time Injury in FY2023</b>	Loss Time Injury Rate	

# SUSTAINABILITY STATEMENT



- Induction training for new employees and casual workers
- Safety Training Observation Programmes (“STOP”)
- Toolbox meetings
- Regular safety meetings
- Regular technical health and safety trainings
- Health and safety briefings
- Health and safety bulletin, which also covers the mental health learning awareness



Note: The fatality case reported refer to a casual worker.

## HEALTH AND SAFETY TRAINING AND LEARNING

Training and learning are the foundation of our health and safety programme, where all employees, suppliers, contractors, and casual workers are made aware of the risks and hazards and its reporting procedures.

The training and learning sessions conducted during FY2022 were as follows:



## SUSTAINABILITY STATEMENT

### COMMUNITY OUTREACH

Deleum continues to support a range of societal causes as part of the Group's approach in creating positive community impacts as a responsible corporate citizen. We firmly believe in giving back to the community and managing our social footprint in the areas we operate.

In FY2022, we invested a total of RM365,000 for various initiatives that benefitted approximately 500 individuals.

We continued the on-going community outreach efforts by partnering with a registered local non-profit organisation, MyKasih Foundation ("MyKasih"). We are honoured to support an organisation that is making a difference in the community with the targeted beneficiaries.

#### MyKasih's "Love My Neighbourhood"

- Invested RM144,000 in financial value
- Benefitted 150 underprivileged families in Sarawak, Sabah, Terengganu and Labuan for 12 consecutive months to purchase essential household items

#### MyKasih's "Love My School"

- Invested RM72,000 in financial value
- Benefitted 100 selected primary school students in Terengganu and Sabah, to purchase schoolbooks, stationeries, food and drink in schools



Making a difference in the community. Mock cheque presentation to MyKasih.

Throughout the year, we carried out numerous community outreach programmes, which included:

- Gotong-royong at Pusat Transit Gelendangan, Kuala Lumpur
- Softball and netball sponsorship for students of SK Kampung Bakam, Miri Sarawak
- Blood Donation Drive across various locations
- Clothes Donation

In FY2023, we aim to collaborate with relevant authorities to combat corruption in our community and aspire to make a positive impact. We believe that by working together, we can create a more transparent and fair society.

### EMPLOYEE VOLUNTEERISM

We provide many opportunities through WeCare Programme for employees to participate in a wide range of social activities to help our people. Since the inception of the WeCare Programme, there has been encouraging numbers of employee participating and/or volunteering.

Going forward, we strive to expand the WeCare Programme to reach out to our surrounding communities.

## SUSTAINABILITY STATEMENT



## Embracing Good Governance

We believe that a high standard of governance forms a strong basis for safeguarding stakeholders' interests. By being responsive and transparent in our business practices, we can demonstrate our accountability and ensure long-term business growth.

### CORPORATE GOVERNANCE

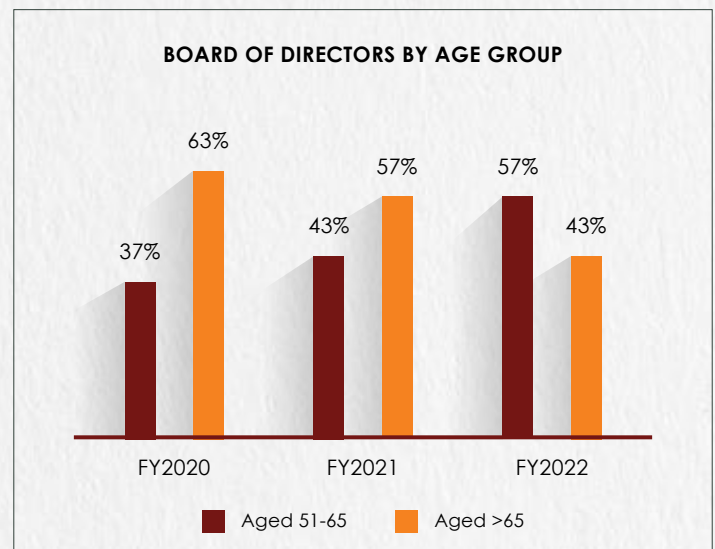
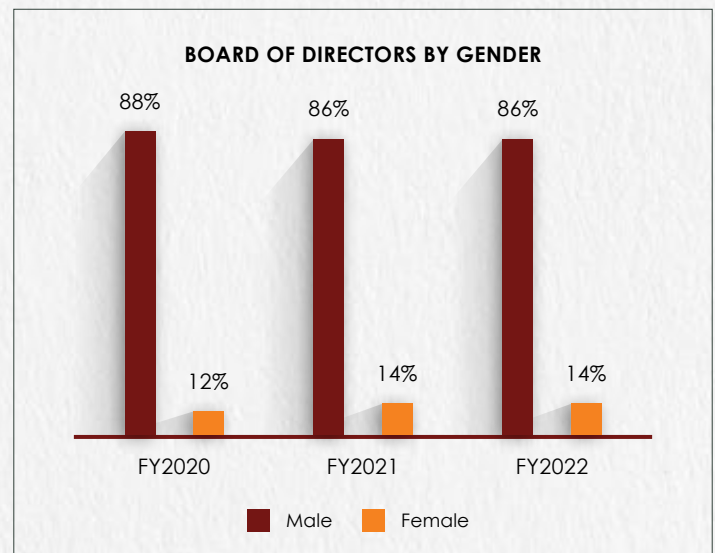
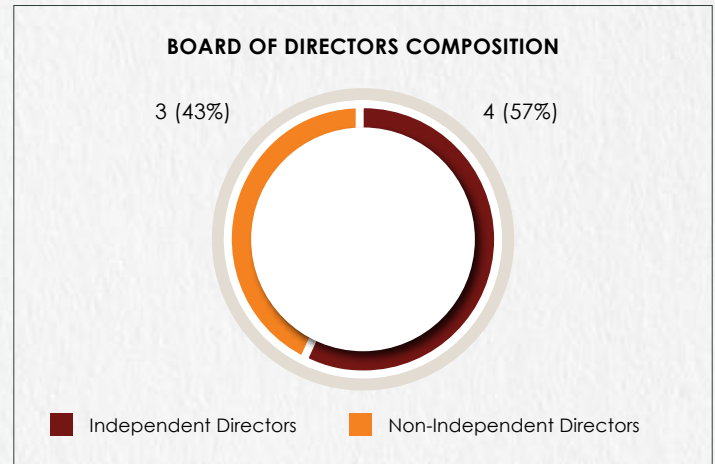
Good corporate governance fosters trust and provides structured practices and processes in managing our business activities.

The Board is responsible for the leadership of the Group and has collective responsibility for the achievement of its objectives and goals. It formulates and reviews the Group's strategic direction, core values and management to ensure that we operate with integrity in line with a good corporate governance culture and in compliance with all applicable laws, rules, and regulations.

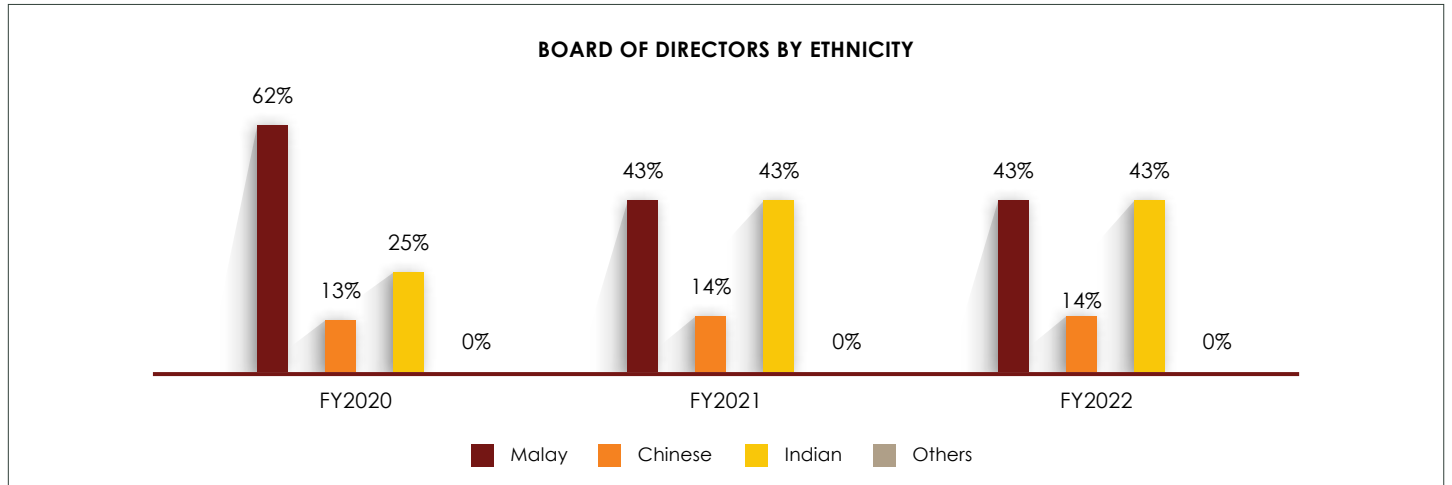
### BOARD DIVERSITY

The Board has a well-balanced composition with an effective mix, ensuring that there is fair representation, as well as a balance of power and authority on the Board. The members of the Board are selected based on objective criteria of proven skills, merit, and capabilities in their particular field of endeavour with due regard for diversity in expertise, experience, age, cultural background, gender and outlook which benefits the operations of the Board as a custodian of the business.

It provides an effective blend of entrepreneurship, business, and professional expertise.



## SUSTAINABILITY STATEMENT



Details of Deleum's corporate governance for FY2022 are provided in the Corporate Governance Overview Statement in this Annual Report.

### ANTI-CORRUPTION

Ethics, honesty, and integrity are cornerstones of our approach in conducting business. We are committed to upholding the highest ethical standards in our workplace, across all business dealings and relationships, wherever we operate. The Board sets high commitment and strict practices towards prohibition of bribery and corruption.

#### ZERO TOLERANCE STANCE ON CORRUPTION

Deleum has zero-tolerance for any form of bribery and will not participate in any acts of corruption. Raising concerns and reporting wrongdoings are encouraged without fear of any retribution or any potential adverse impact on Deleum's business.

Pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 on Corporate Liability, Deleum has established the following:

- ▣ COBC
- ▣ Anti-Bribery and Corruption Policy
- ▣ GHDS Procedure
- ▣ COI Guidelines
- ▣ Third Party Anti-Bribery and Corruption Management Guidelines
- ▣ Anti-Money Laundering and Counter Financing of Terrorism Guidelines



## SUSTAINABILITY STATEMENT

The policies and procedures are embodied in our commitment conventions which is referenced to the SORMIC and applies to the Board, all employees and third parties in performing works or services for or on behalf of Deleum. The commitments are as follows:

<b>ZERO TOLERANCE FOR ANY KIND OF CORRUPTION</b>	We adopt zero tolerance for any form of bribery or corruption, including offering or taking bribes, double-dealing, illegal transactions, tampering with elections, kickbacks, money laundering, and investor's fraud.
<b>APOLITICAL COMPANY</b>	Deleum is nonpartisan, and all donations to political parties, organisations, or their representatives are prohibited. No contribution was given to any political parties, organisations, or their representatives in FY2022.
<b>ANTI-MONEY LAUNDERING AND ANTI-TERRORISM</b>	Committed to combating money laundering and terrorism financing by complying with the Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Act 2001.
<b>ZERO TOLERANCE ON FRAUD</b>	Deleum does not engage in any scheme to defraud anyone of money, property, or honest services.
<b>GOVERNING GIFT AND HOSPITALITY</b>	<p>In the course of business transactions, we recognise the importance of promoting goodwill and building cordial relationships through gifts and hospitality. Whilst such practices are allowed, restrictions have been imposed through the GHDS Procedure to prevent the practices from being disguised or give rise to the perception or suspicion of any corrupt conduct or the attempt thereof.</p> <p>Under no circumstances shall an employee or director of Deleum offer, give, receive, or solicit any gift or hospitality from any third party that has or may have business interest with Deleum.</p>

To further uphold our commitment on zero tolerance on corruption, we are in the midst of securing the certification of ISO 37001: Anti-Bribery Management System.

### STRENGTHENING ETHICS AND INTEGRITY

The Board provides oversight on the establishment and implementation of COBC. In FY2022, we reviewed and revised our COBC and it was approved by the Board on 23 February 2022.

The COBC embodied the behavioural standards where we expect our directors, employees and all external parties that have an active commercial relationship with the Group to adhere and comply with.

To ensure that our ethical business practice is understood by our employees, the COBC document is available in English and Bahasa Malaysia where the full document can be found at [www.deleum.com](http://www.deleum.com).

Please refer to the SORMIC in this Annual Report for more information on COBC related matters.



## SUSTAINABILITY STATEMENT

### WHISTLEBLOWING POLICY AND REPORTING CHANNEL

Deleum had updated its Whistleblowing Policy and Procedure, which was approved by the Board on 23 February 2022. We encourage our employees, suppliers and public to report unethical conduct such as any attempted, suspected or actual bribery or corruption activities and/or violations of policies, or applicable laws.

Any person may lodge a report if he/she is aware of any instances of improper conduct or wrongdoing, including but not limited to the following:

- Any form of financial crime, including fraud
- Harassment
- Misappropriation of assets
- Criminal breach of trust
- Illicit and corrupt practices
- Questionable and improper accounting
- Misuse of confidential information
- Acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies;
- Giving false or misleading information including suppression of any material facts or information
- Danger to health and safety or to the environment
- Breaches of Deleum's policies
- Deliberate concealment of any of the above matter or other acts of wrongdoing

Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation, as outlined in Deleum's Whistleblowing Policy.

Whistle blowers, whose identities are kept confidential, can reach the Whistleblowing Committee Chairman at [whistle@deleum.com](mailto:whistle@deleum.com) and/or via sealed letters.

Please refer to the SORMIC in this Annual Report for more information on whistleblowing related matters.

### PRACTISING RISK ASSESSMENT AND DUE DILIGENCE ON ANTI-BRIBERY AND CORRUPTION

We evaluated the risks associated with existing and potential projects, as well as before appointing new suppliers and contractors. This assessment involved completing a prescribed questionnaire in accordance with our Third-Party Anti-Bribery and Corruption Management Guidelines Conflict of interest, political relationship and contributions, government relationships, potential corruption, money laundering and financing of terrorism, etc., and among other assessments were conducted prior to the appointment.

To reduce the Group's exposure to risks, we also take proactive measures as follows:

- Identify and implement continuous improvement in enhancing the anti-bribery and corruption and related policies and procedures by performing a gap analysis and risk assessment.
- Compliance monitoring on GHDS transactions. We empower our Compliance Champions to conduct the review and assessment on GHDS related practices, to ensure their respective functions fully comply with the GHDS Procedure, with facilitation and advisory provided by the Corporate Compliance and Risk team. The matters are regularly reported to MCRC, BRC and Board.
- We also constantly train and communicate the Group's goals and targets, as well as policies, to the Board and employees through the corporate website, training sessions and induction programmes.
- Conduct periodic corruption risk assessment of our business activities for the financial year under review, where the process was guided by our ERM Framework. The risk assessment consolidated into the risk heat map enterprise-wide level. The consolidated risk heat map is reviewed and assessed on a regular basis at Group-wide level.

## SUSTAINABILITY STATEMENT

The following are the performance of operations for corruption risk assessment:



Note: Corruption risk assessment was only structured and aligned from FY2022 onwards. The 60% indicates 3 out of 5 business units which have been assessed.

The business areas with significant or high exposures of bribery and corruptions risks:

Business areas	Type of risks
<ul style="list-style-type: none"> <li>Sales and business development</li> <li>Procurement of goods and services</li> <li>Licences</li> <li>Custom clearance</li> <li>Finance and administration</li> <li>Human resources</li> <li>Corporate Social Responsibility activities</li> </ul>	<ul style="list-style-type: none"> <li>Bribery</li> <li>Fraud</li> <li>Money laundering</li> <li>Facilitation of payment</li> <li>Collusion</li> <li>Falsifying documents/ records</li> <li>Insider information</li> </ul>

### INVESTIGATION PROTOCOL

We have in place, investigation processes and procedures, to address significant or high risks in relation to bribery and corruption practices. The investigation shall be conducted by designated investigators with the facilitation of a Legal representative for legal assurance purpose.

The investigation shall be carried out in a fair, objective, unbiased and impartial way on behalf of Deleum with no abuse of discretion, no discrimination, no capricious or arbitrary decision or action. Anyone that has an actual or perceived conflict of interest must not participate in an investigation nor make any judgment call on the corrective action or appeal procedures.

Upon conclusion of the investigation process, the report shall be classified as confidential, and shall be reported to the Whistleblowing Committee, BRC and Board.



### REGULAR TRAINING, LEARNING AND COMMUNICATION

In FY2022, we organised various trainings, learning and communication sessions for our Board, Senior Management and employees that cover our commitments, policies and practices on anti-bribery and corruption, including:

- Integrity Day with collaboration with the authority, Malaysian Anti-Corruption Commission ("MACC") on 25 January 2022 and 8 February 2023.

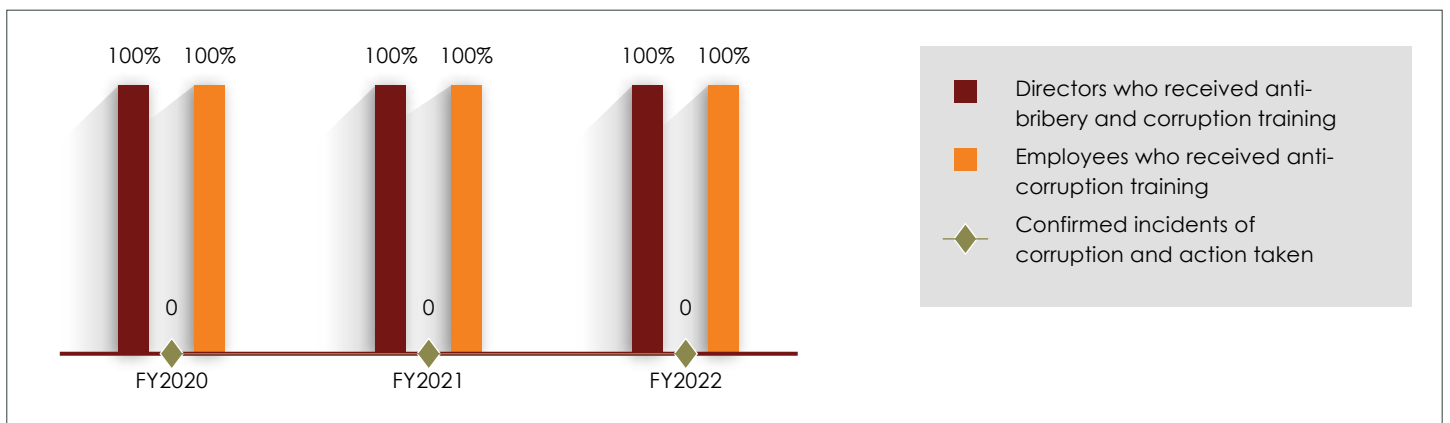
## SUSTAINABILITY STATEMENT

- Training for employees and Compliance Champions in relation to policies and practices, business ethics, code of conduct, conflict of interest, anti-bribery and corruption, gift, hospitality, and donations, etc.
- Corruption Risk Assessment Workshop for Business Units and Corporate Resources.
- Speak-Up and Listen-Up training and learning sessions for Business Units and Corporate Resources was rolled out in March 2022 to inculcate a speak-up culture at work.
- Compulsory training and assessment on COBC, COI and anti-bribery and corruption for employees.
- Induction training for all new employee that covers the general topic of anti-bribery and corruption as well as providing an understand of COBC, COI and anti-bribery and corruption.
- Regular communication via digital communication platforms, such as company website, intranet, and emails.
- International Anti-Corruption Day blast communication.



Taking a stand against corruption.

Following is the anti-bribery and corruption training attendance in relation to policies and practices business ethics, code of business conduct, conflict of interest, anti-bribery and corruption, gift, hospitality, and donations, etc.



## SUSTAINABILITY STATEMENT

	FY2020	FY2021	FY2022
Total amount of political contributions made	RM0	RM0	RM0
Number of staff disciplined or dismissed due to non-compliance with Anti-Bribery and Corruption Policy	0	0	0
Cost of fines, penalties, or settlements in relation to corruption	RM0	RM0	RM0

Going forward, we have outlined the target to increase the awareness to combat corruption across the Group:

Goals & Targets	Indicator	Initiatives
100% employees receive training on Anti-Bribery and Corruption in FY2023	Percentage	<ul style="list-style-type: none"> <li>Continuous training and awareness programme</li> <li>Assessment and declaration for COBC and Anti-bribery and Corruption modules and COI</li> </ul>

### CYBER AND INFORMATION SECURITY

Deleum is committed to protect the integrity and confidentiality of the data provided by its employees, customers and suppliers from all external and internal digital security threats.

We have stringent cybersecurity practices in place as embodied in the Cybersecurity Policy. Internal and external auditors conduct regular security assessments, including the ICT governance. In FY2022, an internal network penetration testing assessment was conducted by an independent third party which resulted in a low vulnerability assessment.

In compliance with Malaysia's PDPA requirements, the PDPA Committee was established to oversee the compliance and implementation of PDPA requirements. A designated PDPA Compliance Officer undertakes the implementation of PDPA compliance and reports to the

PDPA committee on its compliance. Our commitment conventions are reflected in the Personal Data Policy. We expect that all employees shall not process personal data regarding third parties, employees, or others unless the necessary steps for compliance are undertaken.

Throughout the year, we focused on a risk-based approach in identifying and managing localised risk with actions and mitigations. The MCRC and BRC review the implementation of risk management practices in relation to cyber and information security including personal data of employees and third parties, periodically to ensure the Group adheres to best practices across its business operations.

0

**Number of substantiated complaints concerning breaches of customer privacy and losses of customer data since FY2020.**

# SUSTAINABILITY STATEMENT

## OUR PERFORMANCE DATA

### ECONOMIC PERFORMANCE

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>CATALYSING PROSPERITY</b>				
<b>GOOD PROCUREMENT PRACTICES</b>				
Total number of suppliers	Number	683	603	601
Total number of local suppliers	Number	631	553	541
Total number of foreign suppliers	Number	52	50	60
Percentage of local suppliers	%	92	92	90
Percentage of foreign suppliers	%	8	8	10
Total procurement spending	RM' mil	395.39	404.40	483.81
Total spending on local suppliers	RM' mil	178.72	87.56	106.50
Total foreign procurement spending	RM' mil	216.67	316.84	377.31
Percentage of spending on local suppliers	%	45	22	22
Percentage of spending on foreign suppliers	%	55	78	78
<b>CUSTOMER SERVICE AND PRODUCT RESPONSIBILITY</b>				
Total number of complaints received	Number	69	49	51
Total number of compliments received	Number	20	18	19

### ENVIRONMENTAL PERFORMANCE

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>PROTECTING AND PRESERVING ENVIRONMENT</b>				
Environmental fines and penalties incident	Number	0	1	0
Environmental fines and fines amount	RM	0	26,000	0
<b>CLIMATE CHANGE AND EMISSIONS</b>				
<b>Carbon Emissions</b>				
<b>Scope 1</b>		209.4	354.4	420.6
Breakdown:				
Powerpack	CO <sub>2</sub> e Tonnes ("tCO <sub>2</sub> e")	58.1	85.3	121.6
Airpack		14.7	43.8	77.7
Genset		4.2	10.5	19.5
Forklift & base usage		30.1	39.4	83.5

## SUSTAINABILITY STATEMENT

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>PROTECTING AND PRESERVING ENVIRONMENT</b>				
Lorry		11.2	13.0	8.9
4 x 4 truck		39.0	67.9	27.5
Van		14.9	30.7	27.8
Car	tCO <sub>2</sub> e	24.1	28.3	20.7
Machine		13.1	35.5	33.4
<b>Scope 2</b>		795.7	655.0	642.2
<b>Total (Scope 1 + Scope 2)</b>		1,005.1	1,009.4	1,062.8
<b>GHG intensity:</b>				
• By total permanent employees	tCO <sub>2</sub> e/Employee	1.6	1.7	1.8
• By total revenue	tCO <sub>2</sub> e/RM mil	1.8	1.8	1.5
<b>Energy Efficiency</b>				
<b>Total energy consumption</b>	Gigajoules ("GJ")	8,036.8	9,072.8	9,872.9
<b>Energy intensity:</b>				
• By total permanent employees	GJ/Employee	12.6	15.5	16.7
• By total revenue	GJ/RM mil	13.7	16.3	14.1
<b>POLLUTION AND RESOURCE USE</b>				
<b>Water Management</b>				
<b>Total volume of water used</b>	Megalitres	26.5	31.7	20.5
<b>Total rainwater harvested</b>	Cubic meters	87.5	76.5	51.5
<b>Waste Management</b>				
<b>Number of spillage incidents</b>	Number	0	1	1
<b>Total Non-recyclable wastes diverted from disposal</b>		78	40.8	41.2
<b>Total recycled wastes diverted from disposal</b>	Metric tonnes	-	-	0.4
<b>Total waste generated</b>		78	40.8	41.6



## SUSTAINABILITY STATEMENT

## SOCIAL PERFORMANCE

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>HELPING PEOPLE</b>				
<b>FAIR EMPLOYMENT AND HUMAN RIGHTS</b>				
<b>Total workforce</b>	Number	743	795	781
<b>Number of permanent employees</b>	Number	639	585	592
<b>Number of contract employees</b>	Number	54	52	88
<b>Number of casual workers</b>	Number	50	158	101
<b>Percentage of permanent employees</b>	%	86	74	76
<b>Percentage of contract employees</b>	%	7	6	11
<b>Percentage of casual workers</b>	%	7	20	13
<b>Percentage of employees with a disability</b>	%	0	0	0
<b>Total workforce by gender:</b>				
• Male	Number	547	608	587
• Female		196	187	194
<b>Percentage of workforce by gender:</b>				
• Male	%	74	76	75
• Female		26	24	25
<b>Total workforce by age group:</b>				
• Aged 20-30		152	178	168
• Aged 31-40		386	398	378
• Aged 41-50	Number	136	150	150
• Aged 51-60		65	60	72
• Aged > 60		4	9	13
<b>Percentage of workforce by age group:</b>				
• Aged 20-30		20	22	22
• Aged 31-40		52	50	48
• Aged 41-50	%	18	19	19
• Aged 51-60		9	8	9
• Aged > 60		1	1	2

## SUSTAINABILITY STATEMENT

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>HELPING PEOPLE</b>				
<b>Total workforce by ethnicity:</b>				
• Malay	Number	496	551	503
• Chinese		63	63	64
• Indian		35	32	30
• Others		149	149	184
<b>Percentage of workforce by ethnicity:</b>				
• Malay	%	67	69	64
• Chinese		8	8	8
• Indian		5	4	4
• Others		20	19	24
<b>Total workforce by nationality:</b>				
• Malaysia	Number	740	794	774
• Foreign		3	1	7
<b>Percentage of workforce by nationality:</b>				
• Malaysia	%	99.6	99.9	99
• Foreign		0.4	0.1	1
<b>Number of workforce by employment category:</b>				
• Senior Management	Number	39	36	39
• Junior Management		61	68	66
• Executives		246	229	238
• Non-Executives		397	462	438
<b>Percentage of workforce by employment category:</b>				
• Senior Management	%	5	4	5
• Junior Management		8	9	9
• Executives		33	29	30
• Non-Executives		54	58	56
<b>Total number of workforce by gender:</b>				
• Senior Management	Number			
o Male		28	24	25
o Female		11	12	14
• Junior Management				
o Male		33	37	39
o Female		28	31	27
• Executives				
o Male		136	124	125
o Female		110	105	113
• Non-Executives				
o Male		350	423	398
o Female		47	39	40

## SUSTAINABILITY STATEMENT

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>HELPING PEOPLE</b>				
<b>Percentage of workforce by gender:</b>				
• <b>Senior Management</b>				
o Male		72	67	64
o Female		28	33	36
• <b>Junior Management</b>				
o Male		54	54	59
o Female	%	46	46	41
• <b>Executives</b>				
o Male		55	46	47
o Female		45	54	53
• <b>Non-Executives</b>				
o Male		88	92	91
o Female		12	8	9
<b>Total number of workforce by age group:</b>				
• <b>Senior Management</b>				
o Aged 20-30		0	0	0
o Aged 31-40		9	8	11
o Aged 41-50		17	14	15
o Aged 51-60		11	12	10
o Aged > 60		2	2	3
• <b>Junior Management</b>				
o Aged 20-30		2	1	0
o Aged 31-40		40	45	44
o Aged 41-50		14	17	16
o Aged 51-60		5	5	6
o Aged > 60	Number	0	0	0
• <b>Executives</b>				
o Aged 20-30		68	51	57
o Aged 31-40		133	129	128
o Aged 41-50		34	41	40
o Aged 51-60		9	6	11
o Aged > 60		2	2	2
• <b>Non-Executives</b>				
o Aged 20-30		82	126	111
o Aged 31-40		204	216	195
o Aged 41-50		71	78	79
o Aged 51-60		40	37	45
o Aged > 60		0	5	8

## SUSTAINABILITY STATEMENT

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>HELPING PEOPLE</b>				
<b>Percentage of workforce by age group:</b>				
• <b>Senior Management</b>				
o Aged 20-30		0	0	0
o Aged 31-40		23	22	28
o Aged 41-50		44	39	38
o Aged 51-60		28	33	26
o Aged > 60		5	6	8
• <b>Junior Management</b>				
o Aged 20-30		3	2	0
o Aged 31-40		66	66	67
o Aged 41-50		23	25	24
o Aged 51-60		8	7	9
o Aged > 60	%	0	0	0
• <b>Executives</b>				
o Aged 20-30		27	22	24
o Aged 31-40		54	56	54
o Aged 41-50		14	18	17
o Aged 51-60		4	3	4
o Aged > 60		1	1	1
• <b>Non-Executives</b>				
o Aged 20-30		21	27	25
o Aged 31-40		51	47	45
o Aged 41-50		18	17	18
o Aged 51-60		10	8	10
o Aged > 60		0	1	2
<b>Total number of workforce by ethnicity:</b>				
• <b>Senior Management</b>				
o Malay		28	24	28
o Chinese		8	9	8
o Indian		2	2	1
o Others	Number	1	1	2
• <b>Junior Management</b>				
o Malay		43	45	43
o Chinese		12	14	13
o Indian		4	4	5
o Others		2	5	5

## SUSTAINABILITY STATEMENT

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>HELPING PEOPLE</b>				
<b>Total number of workforce by ethnicity:</b>				
• <b>Executives</b>				
o Malay		170	168	172
o Chinese		29	27	25
o Indian		21	17	13
o Others	Number	26	17	28
• <b>Non-Executives</b>				
o Malay		255	314	260
o Chinese		14	13	18
o Indian		8	9	11
o Others		120	126	149
<b>Percentage of workforce by ethnicity:</b>				
• <b>Senior Management</b>				
o Malay		72	67	72
o Chinese		20	25	20
o Indian		5	5	3
o Others		3	3	5
• <b>Junior Management</b>				
o Malay		70	66	65
o Chinese		20	21	19
o Indian		7	6	8
o Others	%	3	7	8
• <b>Executives</b>				
o Malay		69	74	72
o Chinese		12	12	11
o Indian		8	7	5
o Others		11	7	12
• <b>Non-Executives</b>				
o Malay		64	68	59
o Chinese		4	3	4
o Indian		2	2	3
o Others		30	27	34
<b>Total of permanent employees voluntary turnover</b>	Number	55	71	97

## SUSTAINABILITY STATEMENT

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>HELPING PEOPLE</b>				
<b>Number of permanent employees voluntary turnover:</b>				
• Senior Management	Number	2	10	3
• Junior Management		9	12	15
• Executives		24	27	50
• Non-Executives		20	22	29
<b>Total percentage of permanent employees voluntary turnover</b>	%	9	12	16
<b>Percentage of permanent employees voluntary turnover:</b>				
• Senior Management	%	4	14	3
• Junior Management		16	17	15
• Executives		44	38	52
• Non-Executives		36	31	30
<b>Number of employees who took paternity leave</b>	Number	27	28	32
<b>Number of employees who took maternity leave</b>	Number	14	14	14
<b>Percentage of employees who return to work rates</b> (return to work after parental leave period):				
• Male	%	100	100	100
• Female		100	100	100
<b>Percentage of retention rates</b> (remain with the organisation for 12 months or more post parental leave):				
• Male	%	85	96	94
• Female		71	79	86
<b>Total number of employees entitled to employee benefits</b>	Number	743	795	781
<b>Percentage of employees entitled to employee benefits</b>	%	100	100	100
<b>Total salaries and bonuses payment made for employees</b>	RM' mil	93.71	84.78	93.71
<b>Total employees' retirement benefits (EPF) payment made for employees</b>	RM' mil	10.13	9.24	9.31
<b>Total Social and Security Protection payment made for employees</b>	RM' mil	0.90	0.78	0.78
<b>Number of substantiated complaints concerning human rights violations</b>	Number	0	0	0



## SUSTAINABILITY STATEMENT

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>TALENT MANAGEMENT</b>				
<b>Total training hours Group-wide</b>	Hours	8,330	9,523	15,667
<b>Total training spend Group-wide</b>	RM' mil	1.26	0.96	1.65
<b>Average training hours per entity</b>	Hours	926	1,058	1,741
<b>Average training spend per entity</b>	RM	140,277	107,139	183,578
<b>Average training hours per employee</b>	Hours	11	12	20
<b>Average training days per employee</b>	Days	1.4	1.5	2.5
<b>Average training spend per employee</b>	RM	1,699	1,213	2,116
<b>Total training hours by employee category:</b>				
• Senior Management		49	42	247
• Junior Management	Hours	308	119	518
• Executives		756	742	2,006
• Non-Executives		7,217	8,620	12,896
<b>Average training hours by employee category:</b>				
• Senior Management		1.3	1.2	6.3
• Junior Management	Hours	5.0	1.8	7.8
• Executives		3.1	3.2	8.4
• Non-Executives		18.2	18.7	29.4
<b>HEALTH AND SAFETY</b>				
<b>Total Manhours</b>	Manhours	2,600,302	2,594,547	2,647,578
<b>Number of work-related fatalities (Employee)</b>	Number	0	0	0
<b>Number of work-related fatalities (Contractor)</b>	Number	0	0	1
<b>Lost time incident</b>	Number	0	1	1
<b>Lost time incident rate</b>	Rate	0.0	0.077	0.076
<b>Number of employees trained on health and safety standards</b>	Number	540	574	584
<b>Percentage of employees trained on health and safety standards</b>	%	73	72	75
<b>COMMUNITY OUTREACH</b>				
<b>Total amount invested in the community</b>	RM	-	23,000	365,000
<b>Total number of beneficiaries of the community invested</b>	Beneficiaries	-	100	500

## SUSTAINABILITY STATEMENT

## GOVERNANCE PERFORMANCE

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>EMBRACING GOVERNANCE</b>				
<b>CORPORATE GOVERNANCE</b>				
<b>Total number of Directors</b>	Number	8	7	7
<b>Total number of Directors by gender:</b>				
• Male	Number	7	6	6
• Female		1	1	1
<b>Percentage of Directors by gender:</b>				
• Male	%	88	86	86
• Female		12	14	14
<b>Total number of Directors by age group:</b>				
• Aged < 30		0	0	0
• Aged 31-50	Number	0	0	0
• Aged 51-65		3	3	4
• Aged > 65		5	4	3
<b>Percentage of Directors by age group:</b>				
• Aged < 30		0	0	0
• Aged 31-50	%	0	0	0
• Aged 51-65		37	43	57
• Aged > 65		63	57	43
<b>Total number of Directors by ethnicity:</b>				
• Malay		5	3	3
• Chinese	Number	1	1	1
• Indian		2	3	3
• Others		0	0	0
<b>Percentage of Directors by ethnicity:</b>				
• Malay		62	43	43
• Chinese	%	13	14	14
• Indian		25	43	43
• Others		0	0	0

## SUSTAINABILITY STATEMENT

INDICATORS	UNIT	FY2020	FY2021	FY2022
<b>EMBRACING GOVERNANCE</b>				
<b>ANTI-CORRUPTION</b>				
Percentage of operations assessed for corruption-related risks	%	-	-	60
Number of Directors who received anti-bribery and corruption training	Number	8	7	7
Percentage of Directors who received anti-bribery and corruption training	%	100	100	100
Number of employees who received anti-bribery and corruption training	Number	743	795	781
Percentage of employees that received anti-bribery and corruption training	%	100	100	100
Number of confirmed incidents of corruption and action taken	Number	0	0	0
Total amount of political contributions made	RM	0	0	0
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	0	0	0
Cost of fines, penalties or settlements in relation to corruption	RM	0	0	0
<b>CYBER AND INFORMATION SECURITY</b>				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

## SUSTAINABILITY STATEMENT

### GLOBAL REPORTING INITIATIVES INDEX

Note: Data and information provided in this GRI index is based on the Group's best knowledge and its ability to collect and present meaningful data (quantitative and qualitative), which have been sourced from the Group's internal sources and records.

GRI STANDARD	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.
<b>GRI 2: General Disclosures 2021</b>	2-1	Organisational details	5, 6, 274
	2-2	Entities included in the organisation's sustainability reporting	29
	2-3	Reporting period, frequency and contact point	29
	2-4	Restatements of information	45, 55-59, 62, 64, 67. Energy consumption, people profile, turnover data and trainings data has been revised.
	2-5	External assurance	29
	2-6	Activities, value chain and other business relationships	37-38
	2-7	Employees	55-58
	2-8	Workers who are not employees	55
	2-9	Governance structure and composition	97,101
	2-10	Nomination and selection of the highest governance body	107
	2-11	Chair of the highest governance body	101
	2-12	Role of the highest governance body in overseeing the management of impacts	33
	2-13	Delegation of responsibility for managing impacts	33
	2-14	Role of the highest governance body in sustainability reporting	33
	2-15	Conflicts of interest	123
	2-16	Communication of critical concerns	61, 72, 100
	2-17	Collective knowledge of the highest governance body	63, 105-106

## SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.	
	2-18	Evaluation of the performance of the highest governance body	103	-
	2-19	Remuneration policies	108-111	
	2-20	Process to determine remuneration	108-111	
	2-21	Annual total compensation ratio	Information unavailable.	
	2-22	Statement on sustainable development strategy	30-31	
	2-23	Policy commitments	32	
	2-24	Embedding policy commitments	32	
	2-25	Processes to remediate negative impacts	61, 72, 100	
	2-26	Mechanisms for seeking advice and raising concerns	61, 72, 100	
	2-27	Compliance with laws and regulations	43, 53, 75	
	2-28	Membership associations	29	
	2-29	Approach to stakeholder engagement	37-38	
	2-30	Collective bargaining agreements	54	
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	34-35	
	3-2	List of material topics	35-36	
	3-3	Management of material topics	34-75	
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	40-42, 47, 59	11.2.1
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	40-42	11.14.2
	201-2	Financial implications and other risks and opportunities due to climate change	47	11.2.2
	201-3	Defined benefit plan obligations and other retirement plans	59	-
	201-4	Financial assistance received from government	Information unavailable.	11.21.3

## SUSTAINABILITY STATEMENT

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	53-68	11.11.1
<b>GRI 202: Market Presence 2016</b>	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Information unavailable.	11.14.2
	202-2	Proportion of senior management hired from the local community	56	11.11.2 11.14.3
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Information unavailable.	11.14.1
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1	Infrastructure investments and services supported		11.14.4
	203-2	Significant indirect economic impacts		11.14.5
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	40-41	-
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	41	11.14.6
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	70-75	11.20.1
<b>GRI 205: Anti-corruption 2016</b>	205-1	Operations assessed for risks related to corruption	73	11.20.2
	205-2	Communication and training about anti-corruption policies and procedures	72-74, 122-124	11.20.3
	205-3	Confirmed incidents of corruption and actions taken	75	11.20.4
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Information unavailable.	11.19.1
<b>GRI 206: Anti-competitive Behaviour 2016</b>	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Information unavailable.	11.19.2
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	175	11.21.1



## SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE		PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.
<b>GRI 207: Tax 2019</b>	207-1	Approach to tax	175	11.21.4
	207-2	Tax governance, control, and risk management	175	11.21.5
	207-3	Stakeholder engagement and management of concerns related to tax	Information unavailable.	11.21.6
	207-4	Country-by-country reporting	Information unavailable.	11.21.7
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	75	-
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75	-
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Information unavailable.	-
<b>GRI 301: Materials 2016</b>	301-1	Materials used by weight or volume	Information unavailable.	-
	301-2	Recycled input materials used	Information unavailable.	-
	301-3	Reclaimed products and their packaging materials	Information unavailable.	-
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	45	-
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation	45	11.1.2
	302-2	Energy consumption outside of the organisation	Information unavailable.	11.1.3
	302-3	Energy intensity	46	11.1.4
	302-4	Reduction of energy consumption	Information unavailable.	-
	302-5	Reductions in energy requirements of products and services	Information unavailable.	-
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	48	11.6.1

## SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE		PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.
<b>GRI 303: Water and Effluents 2018</b>	303-1	Interactions with water as a shared resource	Information unavailable.	11.6.2
	303-2	Management of water discharge-related impacts	Information unavailable.	11.6.3
	303-3	Water withdrawal	Information unavailable.	11.6.4
	303-4	Water discharge	Information unavailable.	11.6.5
	303-5	Water consumption	48	11.6.6
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	52	11.4.1
<b>GRI 304: Biodiversity 2016</b>	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable. Deleum does not operates at these areas.	11.4.2
	304-2	Significant impacts of activities, products and services on biodiversity	Not applicable. Deleum does not operates at these areas.	11.4.3
	304-3	Habitats protected or restored	52	11.4.4
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable. Deleum does not operates at these areas.	11.4.5
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	43-44	-
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	45	11.1.5
	305-2	Energy indirect (Scope 2) GHG emissions	45	11.1.6
	305-3	Other indirect (Scope 3) GHG emissions	Information unavailable.	11.1.7
	305-4	GHG emissions intensity	45	11.1.8
	305-5	Reduction of GHG emissions	44	11.2.3
	305-6	Emissions of ozone-depleting substances (ODS)	Information unavailable.	-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information unavailable.	11.3.2

## SUSTAINABILITY STATEMENT

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	49-51	11.5.1
<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts	49	11.5.2
	306-2	Management of significant waste-related impacts	49-50	11.5.3
	306-3	Waste generated	50	11.5.4
	306-4	Waste diverted from disposal	51	11.5.5
	306-5	Waste directed to disposal	50-51	11.5.6
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Information unavailable.	-
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria		
	308-2	Negative environmental impacts in the supply chain and actions taken		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	56, 59-60	11.10.1
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	59	11.10.2
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56, 59-60	11.10.3
	401-3	Parental leave	60	11.10.4 11.11.3
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Information unavailable.	-
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1	Minimum notice periods regarding operational changes	Information unavailable.	11.7.2
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	64-67	11.9.1

## SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	Occupational health and safety management system	64-65	11.9.2
	403-2	Hazard identification, risk assessment, and incident investigation	65-66	11.9.3
	403-3	Occupational health services	64	11.9.4
	403-4	Worker participation, consultation, and communication on occupational health and safety	65	11.9.5
	403-5	Worker training on occupational health and safety	67	11.9.6
	403-6	Promotion of worker health	67	11.9.7
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66	11.9.8
	403-8	Workers covered by an occupational health and safety management system	64	11.9.9
	403-9	Work-related injuries	67	11.9.10
	403-10	Work-related ill health	Information unavailable.	11.9.11
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	62-64	11.7.1
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	62, 64	11.10.6
	404-2	Programmes for upgrading employee skills and transition assistance programmes	63	11.7.3 11.10.7
	404-3	Percentage of employees receiving regular performance and career development reviews	62	-
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	56-58, 69-70	11.11.1
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	56-58, 69-70	11.11.5
	405-2	Ratio of basic salary and remuneration of women to men	Information unavailable.	11.11.6

## SUSTAINABILITY STATEMENT

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	53-54	11.11.7
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	53	-
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	54	11.13.1
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information unavailable.	11.13.2
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	54	-
<b>GRI 408: Child Labour 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labour	54	-
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	54	11.12.1
<b>GRI 409: Forced or Compulsory Labour 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	54	11.12.2
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Information unavailable.	11.18.1
<b>GRI 410: Security Practices 2016</b>	410-1	Security personnel trained in human rights policies or procedures	Information unavailable.	11.18.2
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	53	11.17.1
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1	Incidents of violations involving rights of indigenous peoples	53	11.17.2
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	68	11.15.1

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GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS	SECTOR STANDARD REF.NO.
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programmes	68	11.15.2
	413-2	Operations with significant actual and potential negative impacts on local communities	Information unavailable.	11.15.3
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	61	-
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1	New suppliers that were screened using social criteria	Information unavailable.	11.10.8 11.12.3
	414-2	Negative social impacts in the supply chain and actions taken	61	11.10.9
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Not applicable. Deleum does not practise political contributions.	11.22.1
<b>GRI 415: Public Policy 2016</b>	415-1	Political contributions		11.22.2
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	42	11.3.1
<b>GRI 416: Customer Health and Safety 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories	42	11.3.3
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	42	-
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Not applicable. Deleum does not have products and services that involve market labelling.	-
<b>GRI 417: Marketing and Labelling 2016</b>	417-1	Requirements for product and service information and labelling		-
	417-2	Incidents of non-compliance concerning product and service information and labelling		-
	417-3	Incidents of non-compliance concerning marketing communications	-	

## SUSTAINABILITY STATEMENT

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The table below provides a detailed description of Deleum's commitment to aligning its business operations with TCFD themes and recommended disclosures. Wherever necessary, references to specific sections of this report are provided where more detailed explanations can be found.

TCFD RECOMMENDATIONS	RECOMMENDED DISCLOSURES	PAGE REFERENCE / EXPLANATION
<b>Governance</b> Disclose the company's governance around climate-related risks and opportunities	a) Board Oversight	33, 116
	b) Management's Role	33, 117
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy, and financial planning where such information is material	a) Risks and Opportunities	47
	b) Impact on Organisation	47
	c) Resilience of Strategy	47
<b>Risk Management</b> Disclose how the company identifies, assesses, and manages climate-related risks	a) Risk ID and Assessment Processes	46, 118, 119, 120
	b) Risk Management Processes	46, 118, 119, 120
	c) Integration into Overall Risk Management	39, 120
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Climate-Related Metrics	44
	b) Scope 1, 2, 3 GHG Emissions	Refer to Page 45 for Scope 1 and 2 emissions. Information unavailable for Scope 3 emission.
	c) Climate-Related Targets	44