

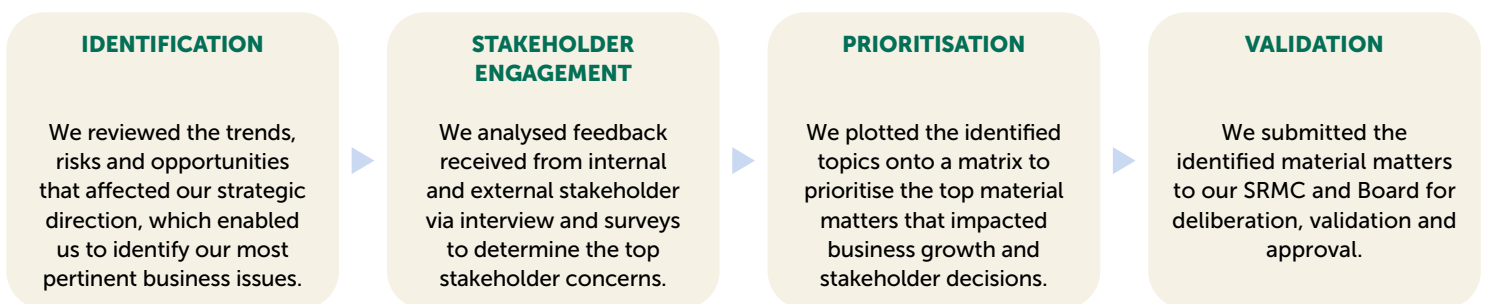
MATERIAL MATTERS

A comprehensive grasp of industry trends, operational challenges, and stakeholder expectations is crucial for us to prioritise our efforts towards long-term value creation. Based on this understanding, we formulate strategies that align with the pivotal aspects of business growth and the demands of our stakeholders. These significant considerations serve as guiding principles for our Board and leadership team, shaping the trajectory of the Company towards sustainable growth.

Materiality assessments are integral to our sustainability journey, as they enable us to identify and prioritise sustainability trends and topics that are significant to our business and stakeholders. By conducting a materiality assessment, we can determine the risks and opportunities of each material matter and ensure that our sustainability priorities remain relevant and timely with current industry trends.

In 2023, we conducted a materiality assessment review, which included a limited stakeholder engagements, to ensure that our sustainability efforts remain relevant and aligned with current needs and landscape. We deferred conducting an in-depth materiality assessment, originally planned for 2023, to 2024 to enable us to better plan for comprehensive stakeholder engagement. This was mainly due to the material change in PCG’s business and operating landscape following the acquisition of Perstorp. Furthermore, the deferment was also aimed to improve alignment in materiality assessment strategy across the group to address EU’s Corporate Sustainability Reporting Directive (CSRD) requirements on double materiality approach.

MATERIALITY REVIEW IN 2023



We ensured comprehensive coverage and relevance for all our material matters by considering relevant factors, such as reporting and expectations for the chemicals industry, sustainability trends and risks as well as industry peer benchmarking, trends and industry peers. This was part of PETRONAS Group’s aim to ensure consistency across broader organisation and the newly acquired entity, Perstorp. The material matters were aligned against national and global reporting frameworks such as the Global Reporting Initiative Standards and the Bursa Main Market Listing Requirement (MMLR). Sustainability trends from World Economic Forum and World Business Council, as well as peer-to-peer comparison were also included in the materiality assessment review.

From the identification exercise, we determined that our material topics remain relevant, requiring only minor adjustments for better context and alignment. We then conducted a stakeholder engagement with internal and external stakeholders comprising representatives from PETRONAS, PCG Management Committee, selected investors and customers to identify key topics of concern and relative importance of the identified material topics.

R Read more about the process of our materiality assessment from pages 18 to 19 in PCG’s Sustainability Report.

PCG’S MATERIAL MATTERS FOR 2023

