

MATERIAL TOPICS SUMMARY

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We strive to enable our stakeholders to make informed decisions by ensuring our disclosures are clearly communicated. The table below provides an overview of how our material matters impact our business and stakeholders. It includes the opportunities for each material matter and how we responded to them. Going forward, we will continue to review our material matters to increase opportunities and mitigate risks, ensuring that we remain agile and relevant to current industry needs.

Key Stakeholder Groups	Employees	Suppliers & Vendors	Shareholders & Investment Community	Communities	Customers	Business Partners	Government & Regulators	Media
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ENVIRONMENTAL

	Impact to PCG	Impact to Stakeholders	Stakeholder Groups	Opportunities	PCG's Response to the Matter	UN SDGs
<h3>Climate Change</h3>	Reducing PCG's carbon footprint and enhancing climate resilience will reduce climate-related risks that could affect our business and financial stability.	Shifting towards low-carbon solutions and managing our carbon footprint will deliver long-term benefits to stakeholders, uncover growth opportunities for low-emission products and services, and protect our environment.		<ul style="list-style-type: none"> Transitioning towards a solutions market to meet future demands Enhancing energy efficiency to boost performance and improve cost savings Building capabilities to deliver products and solutions that have lower impacts on the environment 	<ul style="list-style-type: none"> Implementing climate-related initiatives including, but not limited to, steering greenhouse gas (GHG) emissions reduction in PCG assets by implementing PCG's Net Zero Carbon Emissions (NZCE) Roadmap to ensure climate-related risks and opportunities are well-managed 	
<h3>Nature & Environment</h3>	Minimising PCG's impact on nature and the environment will mitigate financial loss, regulatory fines and disruptions to operations, besides protecting our reputation.	Ensuring that natural resources are sustained and striving to conserve the environment for the communities and future generations.		<ul style="list-style-type: none"> Avoiding and minimising negative effects of our operations on the environment Restoring and conserving ecological systems Minimising waste and optimising resources to lower operational costs and reliance on resources shared with the community Implementing environmental initiatives to attract investors and expand avenues for capital growth 	<ul style="list-style-type: none"> Ensuring responsible water consumption and hazardous waste management by using a circular approach within our operations Conducting a Biodiversity & Ecosystem Service Risk Assessment (BESRA) process to determine and mitigate biodiversity and ecosystem services risks 	

ECONOMIC

	Impact to PCG	Impact to Stakeholders	Stakeholder Groups	Opportunities	PCG's Response to the Matter	UN SDGs
<h3>Innovation & Product Stewardship</h3>	Enabling PCG to maintain competitive advantages and retain customer loyalty through delivering innovative customer-centric solutions, innovation in production and technologically advanced products that add commercial value, sustainable, improve quality of life and fulfil regulatory requirements.	Addressing customer pain points and meeting their needs through offering innovative, safe and more sustainable products that facilitate customers to grow their businesses sustainably.		<ul style="list-style-type: none"> Growing our sustainable product line to allow PCG and its customers to enter new markets, enhance innovation and strengthen business growth Building common-goal alliances with key stakeholders such as customers and vendors Building innovation capacity with a new technology and innovation centre, scheduled for completion in 2025. Together with other innovation labs, this will form a strong network for localised and advanced solutions across key markets 	<ul style="list-style-type: none"> Driving research and development to create innovative and sustainable products Building a global network of innovation labs to collaborate with and customise solutions for customers Embracing extended producer responsibility from product readiness until delivery to customers Incorporating a life-cycle view in development and risk management 	



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	Impact to PCG	Impact to Stakeholders	Stakeholder Groups	Opportunities	PCG's Response to the Matter	UN SDGs
<h3>Business Strategy & Financial Resilience</h3>	<p>Maintaining the strength of our core business through operational excellence, enabling sustainable growth and reinforcing business strategies to achieve financial stability, create sustainable value and future-proof our business.</p>	<p>PCG's Two-Pronged Strategy, backed by Environmental, Economic, Social and Governance (EESG) pillars, ensures long-term benefits and enhances stakeholder confidence through strengthening operational excellence, expanding PCG's specialty chemicals portfolio and improving sustainable investment opportunities to mitigate rising risks and costs.</p>		<ul style="list-style-type: none"> Attaining operational improvements through digitalisation, forming robust partnerships with feedstock, utilities and chemical suppliers and addressing challenges to improve plant reliability Enhancing our strategies and finances to build greater trust among stakeholders Attracting investment and securing funding through strong business fundamentals 	<ul style="list-style-type: none"> Executing the Two-Pronged Strategy via three strategic thrusts and embedding EESG components into our growth initiatives Focusing on projects that deliver both strategic advantages and positive impact while identifying the best available technologies to expand our portfolio of sustainable products Enhancing PCG's Sustainable Portfolio to prioritise value accretive and sustainable growth opportunities Maintaining a healthy cash balance and low financial gearing while pursuing sustainability strategies and initiatives through internal or external funding Establishing a dedicated annual allocation for Technology and Innovation (T&I) and Sustainability funds to drive innovation and ensure continuous pursuit of NZCE and sustainability-focused areas 	
<h3>Circular Economy</h3>	<p>Positioning PCG as a key player in advancing circular economy in Malaysia, enabling cost-effective use of natural resources while reducing waste generation and environmental impacts.</p>	<p>Enabling customers to benefit from enhanced product quality, satisfaction and access to sustainable options. Additionally, by facilitating regulatory compliance, PCG supports stakeholders in achieving their environmental goals. The circular economy generates job opportunities and aligns economic activities with environmental and social objectives.</p>		<ul style="list-style-type: none"> Turning waste into more sustainable feedstock to enhance resources and generate business opportunities Using alternative feedstock such as circular and bio-based feedstock Placing PCG at the forefront of Malaysia's circular economy 	<ul style="list-style-type: none"> Advancing chemically recycled plastic waste to produce circular feedstock for our processes Enhancing functionality and circularity or recycled Polyethylene Terephthalate (rPET) for the food packaging industry Continue partnerships with waste concessionaires and technology providers to transform Malaysia's plastic recycling ecosystem Expanding our circular economy portfolio to other recycled raw materials such as silicone oil and renewable carbon 	
<h3>Supply Chain Management</h3>	<p>Thriving business opportunities and enhancing relationships to build trust and confidence, enabling PCG to elevate supply reliability, boost capabilities and minimise risks.</p>	<p>Embedding EESG principles into procurement, allowing PCG to support stakeholders in managing environmental and social risks, fostering transparency and collaboration, thereby enabling the development of a resilient network that meets stakeholder demands for quality, reliability and sustainability.</p>		<ul style="list-style-type: none"> Developing strong partnerships with suppliers and vendors will further improve downstream supply chain and boost productivity Enabling suppliers and vendors to enhance their EESG capabilities, thereby contributing to PCG's sustainability, including elevating Health, Safety and Environment (HSE) performance 	<ul style="list-style-type: none"> Embedding EESG requirements into supplier screening and selection process Engaging with and assessing suppliers on EESG risks, and compliance Facilitating supplier capability growth and industry partnerships towards building a sustainable supply chain Adopting the PETRONAS Human Rights Policy to reduce risk 	
<h3>Cybersecurity & Digitalisation</h3>	<p>Enhancing business growth and investor confidence while building stakeholder trust, enabling PCG to safeguard its reputation and mitigate cyber risks to avoid legal and financial consequences.</p>	<p>Strengthening stakeholder confidence through PCG's focus on robust integrated digitalisation, resilient cybersecurity and investment in digital and data infrastructure to minimise cyber risks and safeguard PCG's reputation.</p>		<ul style="list-style-type: none"> Ensuring cybersecurity to create a secure and sustainable business environment that fosters stakeholders' trust Enhancing control and management through digitalisation, leading to improved service security, quality and deliverables 	<ul style="list-style-type: none"> Utilising a Secure by Design approach for all digital projects to mitigate implementation risks Ensuring compliance with the Enterprise Cyber Security Governance Framework by raising awareness and conducting audits/tests (Human Firewall) regularly Allowing full utilisation and system-wide assurance by determining the appropriate digital tools via Cybersecurity Business Impact Assessment (BIA) and Legal & Regulatory Assessment (CSBIA-LRA), Third Party Assurance, Cybersecurity Business Risk Assessment (CSBRA) and decommissioning of legacy systems 	



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SOCIAL

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<h3>Safety & Health</h3>	<p>Keeping our people and contractors' workers safe will mitigate regulatory, legal and reputational risks, besides boosting employee morale and productivity, and lowering operational costs due to accidents and injuries at the workplace.</p>	<p>Enhancing investor confidence and maintaining stakeholders' trust by providing a safe and healthy work environment across all operational sites for employees, workers and the local communities surrounding our operations.</p>	 	<ul style="list-style-type: none"> Focusing on safety and health attracts and retains the best talent Demonstrating a profile that reflects high integrity, performance and value Creating a supportive and caring work environment by reducing workplace incidents, ensuring the well-being of our people and fostering a culture of care and respect 	<ul style="list-style-type: none"> Fostering a culture of HSE excellence by implementing a resilient HSE framework Achieving HSE goals with programmes like FELT Leadership, Focused Learning (Learning from Incidents) and Balance of Consequence Enhancing HSE practices through the Mandatory Control Framework 	
<h3>Talent Management & Well-Being</h3>	<p>Uplifting employee morale and productivity while delivering proper staffing levels, robust succession planning and personalised development capabilities.</p>	<p>Developing high-performance operations to deliver long-term value to investors and stakeholders while creating a positive workplace culture for employees.</p>		<ul style="list-style-type: none"> Building a future-ready workforce with innovative capabilities and adaptable mindsets 	<ul style="list-style-type: none"> Implementing robust succession planning and accelerating recruitment of talent with niche competencies to strengthen PCG's operations and drive growth Investing in capability development through integrated technical and soft skills training to deliver business results Engaging employees through comprehensive benefits and regular touchpoints to enhance motivation and connection 	
<h3>Human Rights</h3>	<p>Strengthening PCG's reputation, employees' morale and productivity while managing regulatory, legal and reputational risks.</p>	<p>Upholding human rights to enhance working conditions and livelihoods of people and communities interacting with and dependent on PCG's operations and value chain.</p>	 	<ul style="list-style-type: none"> Implementing strong human rights standards to demonstrate leadership in corporate citizenship Building an inclusive and positive workplace to create a more agile and creative work environment that drives superior outcomes 	<ul style="list-style-type: none"> Integrating the PETRONAS Human Rights Policy throughout our business operations and supply chain, aligned with the UN Guiding Principles on Business and Human Rights Strengthening human rights competencies and awareness across our employee and contractor networks Advancing our Diversity & Inclusion framework with measurable targets to foster workplace and societal equity 	
<h3>Community Engagement</h3>	<p>Engaging with the local community to strengthen our knowledge base and insights, thus enabling informed decision-making that benefits all stakeholders while reinforcing PCG's reputation as a reasonable and caring organisation.</p>	<p>Enabling PCG to address diverse community needs as a corporate duty to contribute to society, nurturing trust and advancing community well-being.</p>	 	<ul style="list-style-type: none"> Building strong relationships with local communities, fostering goodwill and trust to increase brand loyalty Creating positive social impact within communities where we operate 	<ul style="list-style-type: none"> Implementing PCG's Social Impact Strategy that supports communities through environment, education as well as community well-being and development 	

GOVERNANCE

	Impact to PCG	Impact to Stakeholders	Stakeholder Groups	Opportunities	PCG's Response to the Matter	UN SDGs
<h3>Corporate Governance</h3>	<p>Embedding robust corporate governance in operations to build credibility and trust while managing risks to protect stakeholder interests and deliver long-term value creation.</p>	<p>Increased credibility among stakeholders, which will help foster trust with our stakeholders and drive sustained value creation and resilience over the long term.</p>	 	<ul style="list-style-type: none"> Maintaining business transparency to execute plans and strategies efficiently Adopting good governance and disclosure frameworks to build trust, accountability and stakeholder confidence 	<ul style="list-style-type: none"> Maintaining operational alignment with the Malaysian Code on Corporate Governance (MCCG) and relevant market regulations where we operate Strengthening the Board's composition through enhanced diversity and Independent Director representation Upholding the PETRONAS Code of Conduct and Business Ethics (CoBE) through compliance measures and regular trainings 	

