

VALUE CREATING BUSINESS MODEL

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OUR CAPITALS

ENABLE OUR BUSINESS TO CREATE

SUSTAINABILITY AT THE CORE

CAPITAL INPUTS

N NATURAL

- Natural gas:
 - Methane: 119 million mmBtu
 - Ethane: 1,148 million tonne
 - Propane: 704 million tonne
 - Butane: 197 million tonne
 - Heavy Naphtha: 870 million tonne

M MANUFACTURED

- 21 manufacturing sites
- Subsidiaries and representative offices in 27 countries

H HUMAN

- 6,728 total number of employees
- RM41.5 million invested in employee training & development

I INTELLECTUAL

- 7 Research and Development (R&D) laboratories
- 8 patented products
- 12 additional proprietary chemicals for Malaysia

S SOCIAL & RELATIONSHIP

- 5,210 suppliers and vendors*
- RM5.29 million contributed to community

* Excluding BRB

F FINANCIAL

- As at 1 January 2024
- RM40.4 billion in shareholders' equity
- RM9.3 billion in cash and cash equivalents
- RM2.6 billion in free cash flow

OPERATING ENVIRONMENT

For more information, please refer to Operating Environment on pages 42 to 44.

BUSINESS ACTIVITIES

COMMODITIES

BUSINESS SEGMENT

SPECIALTY CHEMICALS

PRINCIPAL RISKS

For more information, please refer to Principal Risks on pages 66 to 72.

Read more on page 6 for Sustaining Value Creation.



MATERIAL MATTERS

ENVIRONMENTAL



Climate Change



Nature & Environment

ECONOMIC



Innovation & Product Stewardship



Business Strategy & Financial Resilience



Circular Economy



Supply Chain Management



Cybersecurity & Digitalisation

SOCIAL



Safety & Health



Talent Management & Well-Being



Human Rights



Community Engagement

GOVERNANCE



Corporate Governance

Read more on page 49 for Material Matters.

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VALUE FOR STAKEHOLDERS

OUTPUTS

Production & Sales

- Plant utilisation
 - **91.2%** - O&D
 - **90.3%** - F&M
- 11.2 million tonnes** production volume
- 10.4¹ million tonnes** sales volume
- 0.9 million tonnes** of strategic sourcing volume

¹ Data includes volume from Pengerang Integrated Complex (PIC)

Innovation & Technology

- 18** new products
- 6** co-created solutions
- 288** technical solutions
- Innovation hub in Malaysia

Environmental Footprint

- 0.71 tonne/CO₂e** GHG emissions intensity
- 5.42 m³/tonne** freshwater withdrawal intensity

OUTCOMES

N NATURAL

- PCML re-certified for ISCC PLUS Trader scope
- 100% completion of Life Cycle Assessment for our key products
- More than 329,000 tCO₂e reduced in 2024
- Achieved EcoVadis medals for PCG (Silver), Perstorp (Platinum), and BRB (Silver)

M MANUFACTURED

- RM29.3 billion worth of property, plant, and equipment

H HUMAN

- One fatality and four Loss Time Injuries (LTI)
- 34 average training man-days per employee
- Diverse talent base^{*}
 - Malaysian: 98.8%
 - Non-Malaysian: 1.2%

^{*} Excluding BRB and Perstorp in compliance with the General Data Protection Regulation (GDPR) and local data protection laws in Sweden and the Netherlands

I INTELLECTUAL

- Roll out of customer portal
- 14 Product Stewardship & Technical seminars
- Plant Facing Analytics (PFA) and Advanced Process Control (APC) expanded for better operational predictability

S SOCIAL & RELATIONSHIP

- 67% total local procurement spending^{*}
- Over 220,000 community members reached
- Media mileage amounting to RM18.6 million

^{*} Excluding BRB

F FINANCIAL

- RM3.5 billion in EBITDA
- RM1.0 billion dividend payout

STAKEHOLDER GROUPS AFFECTED



CAPITAL TRADE-OFFS AND MOVEMENT

N NATURAL



PCG has made significant investments in CO₂ reduction initiatives and energy optimisation projects, such as heat recovery systems. We have also introduced high renewable carbon index products to the market through our Specialty Chemicals business. While these projects are capital-intensive, they support the company's long-term goals of advancing sustainability and ensuring regulatory compliance. Such initiatives not only reduce environmental impact but also future-proof PCG's operations in an increasingly sustainability-focused market.

M MANUFACTURED



PCG prioritises maintenance activities to ensure the reliability and performance of its aging plants, which contributed to improved utilisation rates, such as 91.2% in O&D and 90.3% in F&M. However, these activities required substantial capital investments. Additionally, the construction of new facilities like the Sayakha plant and the melamine production plant diverted financial resources from other potential initiatives. These projects, however, are critical to securing future revenue streams and strengthening PCG's chemicals portfolio.

H HUMAN



Investments in training, safety programmes, and digital upskilling initiatives represented immediate cost implications. Programme such as defensive driving training and digital adoption support for tools like the customer portal demanded dedicated resources. Despite these costs, these efforts have significantly strengthened workforce adaptability and safety culture, ensuring long-term organisational resilience and operational efficiency.

I INTELLECTUAL



The expansion of R&D facilities and the establishment of innovation hubs requires substantial financial commitments. These investments, however, are vital to fostering innovation, enabling the development of cutting-edge solutions and supporting customer-centric product advancements. Initiatives like the construction of the new Technology and Innovation Centre in Bangi, Malaysia and global labs for localised solutions reinforce PCG's position as a key player in specialty chemicals and sustainable product innovation.

S SOCIAL & RELATIONSHIP



Enhanced customer engagement initiatives, including expanded co-creation projects with customers, involved considerable operational costs. These efforts, however, have strengthened customer loyalty, expanded PCG's market share and enhanced its ability to address evolving customer needs. By building closer relationships, PCG has successfully positioned itself as a trusted partner in delivering innovative and sustainable solutions.

F FINANCIAL



We continue to balance financial capital allocation between immediate operational needs and long-term growth. We also prioritise shareholder value through a stable dividend policy. Cost optimisation and efficient working capital management helped navigate rising costs and market volatility, with targeted procurement savings and strategic sourcing strengthening our ability to protect and create value. This disciplined approach ensured operational excellence and readiness to capture emerging opportunities for sustained growth and value creation.

▲ Value Creation ≡ Value Preservation ▼ Value Erosion

SUPPORTED BY STRONG GOVERNANCE

AND EFFECTIVE BOARD LEADERSHIP