



Human Rights

PETRONAS Chemicals Group Berhad (PCG)

Released Date

August 2025

The PETRONAS Group adopts zero tolerance against all forms of bribery and corruption. We abide by the PETRONAS Code of Conduct and Business Ethics (CoBE) & Anti-Bribery and Corruption (ABC) Manual, guided by our Shared Values and Statement of Purpose.

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Human Rights Policy

We adhere to [PETRONAS Human Rights Policy](#), we are committed to respecting internationally recognised human rights standards and complying with all applicable laws in the countries where we operate. This commitment is guided by the United Nations Guiding Principles on Business and Human Rights (UNGP BHR) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

It is applicable to own operations (employees, direct activities, products or services), contractors and any third party within our premises or performing work on behalf of PCG, in line with PETRONAS Contractors Code of Conduct on Human Rights.



The image shows the cover of the PETRONAS Human Rights Policy document. It features a teal and blue patterned border. At the top right is the PETRONAS logo. The title "PETRONAS Human Rights Policy" is prominently displayed in teal. Below the title, there are two columns of text. The left column contains sections: "Policy statement", "Delivery", and "Adoption of a risk-based approach to human rights due diligence". The right column contains sections: "Access to effective grievance mechanisms and remedies" and "Governance & Implementation". At the bottom left, there is a signature of Tan Sri Tengku Muhammad Taufik, President and Group Chief Executive Officer of PETRONAS, dated 1 April 2024.


PETRONAS

PETRONAS Human Rights Policy

This policy contains our overarching commitment to respect human rights, which is also reflected in other policies, frameworks, guidelines and processes throughout our business.

Policy statement

PETRONAS is committed to respecting all internationally recognised human rights, as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, being guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, complying with all applicable laws in the countries in which we operate.

Delivery

Respect and acknowledgement of internationally recognised human rights

We are committed to respecting the human rights of all people who are impacted by our activities, as well as respecting diversity and inclusion, elimination of all forms of discrimination as defined by applicable laws, modern slavery, child labour and human trafficking.

Adoption of a risk-based approach to human rights due diligence

Areas of material importance include labour and working conditions, supply chain, responsible security, communities' well-being and how they are impacted by, among other things, climate change, environmental issues and energy transition.

We apply a risk-based due diligence approach to identify, prevent, mitigate and address actual and potential adverse human rights impacts arising from activities performed across the organisation, and resulting directly from our operations, products or services, with a focus on significant risks and priority areas, and with input from engagement with relevant stakeholders.

Access to effective grievance mechanisms and remedies

We are committed to providing for and cooperating in the remediation of adverse human rights impacts that we identify we have caused or contributed to. Our grievance mechanisms are designed to be confidential, reasonably prompt, non-retaliatory and fair. We seek to ensure that our grievance mechanisms are accessible to all stakeholders, including within and outside our organisation.

Governance & Implementation

This policy is approved by the Board of Directors, and its implementation is overseen by the leadership team. Human rights management in PETRONAS is guided by supporting documents, including our Code of Conduct and Business Ethics (CoBE) and our Contractors Code of Conduct on Human Rights (CoCHR).

This policy applies to every employee, director, and officer of PETRONAS. Third parties that may perform works or services for or on behalf of PETRONAS and joint venture companies in which PETRONAS is not a controlling stakeholder and associate companies of PETRONAS are encouraged to adopt this Policy or similar principles and standards.


Tan Sri Tengku Muhammad Taufik
President and Group Chief Executive Officer
PETRONAS
1 April 2024

PETRONAS Contractor Code of Conduct on Human Rights (CoCHR)

PETRONAS Contractors Code of Conduct on Human Rights

In compliance with PETRONAS Human Rights Policy, we seek to work with contractors who share our values of integrity, are committed to fighting bribery and corruption, and contribute to sustainable development.

PETRONAS requires its contractors to:

1. Respect internationally recognised human rights, complying with PETRONAS' Code of Conduct and Business Ethics (CoBE) and all relevant legal requirements.
2. Take reasonable steps to ensure that policies and guidelines with respect to human rights are in place and adhered to by any party performing work and/or business for or on behalf of PETRONAS. These policies and guidelines shall include labour rights, workplace health and safety, security, and conditions of employment. These policies and guidelines shall be made known to employees, workers, and contract personnel in languages they understand.
3. Sign an attestation confirming compliance with the CoCHR.
4. Identify, mitigate, and address human rights risks, at a minimum on risks relating to forced labour, child labour, labour rights, non-discrimination, freedom of association, and humane treatment ("material risks").
5. Provide human rights awareness training to employees, workers, and contract personnel and ensure that all employees, workers, and contract personnel providing works or services to PETRONAS attend the training.
6. Establish a grievance mechanism for its employees, workers, contract personnel and any party involved in providing works or services to PETRONAS. This grievance mechanism shall be made known to them and in languages they understand. The grievance mechanism shall have appropriate follow-up measures while ensuring that the identity of the complainant is protected.
7. Systematically close actual and potential adverse human rights impacts through time-bound corrective action plans.
8. Provide access to remedy and cooperate in the resolution process of impacted stakeholders where the contractors have caused or contributed to adverse human rights impact.
9. Take reasonable steps to embed safeguards for human rights in supply chain processes; ensure appropriate governance frameworks are applied to non-compliant high-risk contractors and subcontractors.
10. Provide timely feedback to PETRONAS regarding human rights performance as gathered through personnel engagements, questionnaires and other appropriate means as required.

CoCHR material risks:

Forced Labour

Child Labour

Labour Rights

Non-Discrimination

Freedom of Association

Humane Treatment

PCG respect Human Rights throughout our operations in the three pillars framework

Policy

- PETRONAS Human Rights Policy
- PETRONAS Contractors Code of Conduct on Human Rights
- PETRONAS Code of Conduct on Business Ethics

Human Rights Due Diligence

- Human Rights Due Diligence tools to assess Human Rights Risk

Standard/Guideline	Description
Social Risk Assessment (SRA)	<p>Provides a minimum requirement for conducting SRA as part of company's human rights due diligence, aligned with PETRONAS Human Rights Policy.</p> <p>A detailed Human Rights Due Diligence (HRDD) needs to be conducted in certain situations, such as when risk levels are high or there are specific concerns from stakeholders.</p>
Indigenous Peoples Assessment	Guides projects and operations on assessing and managing to Indigenous People
Land Acquisitions & Involuntary Resettlement	Provides good practices for oversight and complementary actions over the land acquisition and resettlement lifecycle
Cultural Heritage Assessment	Guides projects and operations on assessing and managing impacts on cultural heritage

Access to Remedy

- Whistleblowing
- HSE Grievance Mechanism
- HR Grievance Mechanism

Social Risk Assessment

The identification, mitigation and management of potential and actual positive and adverse social impacts, created through its business activities, including through relationships with partners and contractors.

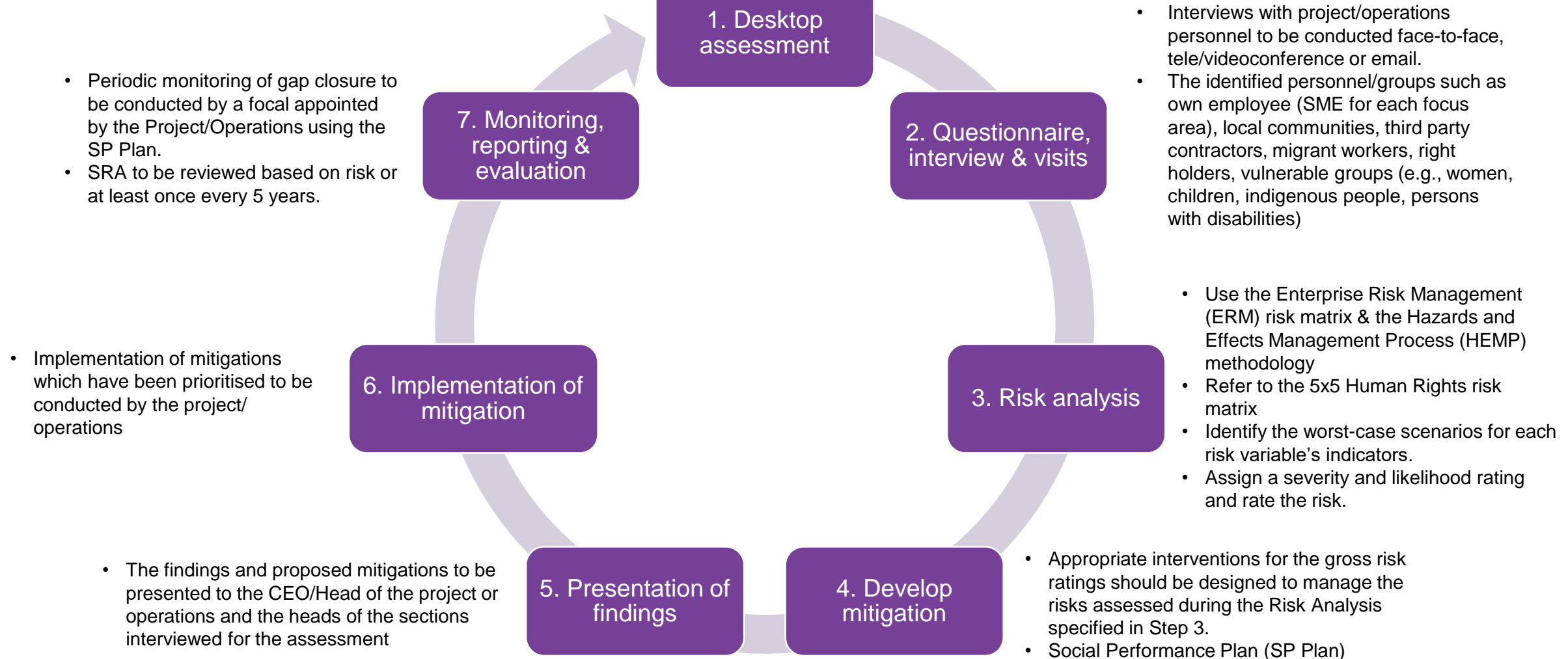
A Social Risk Assessment (SRA) is an internal process used to achieve these objectives. SRA provides a holistic view of social risks and issues across the project lifecycle. This includes mitigation plan for risks identified.

The SRA is applicable to all projects which are likely to generate social impacts and human rights risk. The risk identification process includes area as follows:

- Own operations
- New projects and activities
- Expansion or upgrade of an existing project
- Decommissioning or abandonment of existing facilities
- Merger & acquisition of businesses/ facilities/ equity in assets/ Joint Venture (JV)/ Joint Operating Company (JOC)
- Supply chain (contractors, suppliers)

Social Risk Assessment Process

- Gather basic information as social baseline before site visit/interview session



Scope of Social Risk Assessment

The SRA focuses on the assessment of social risk variables under the Human Rights elements in accordance to PETRONAS Human Rights Policy:

Elements	Focus Area
Working Condition	<ul style="list-style-type: none">a. Forced & trafficked labourb. Child labour and young workersc. Non-discriminationd. Freedom of association/ right to collective bargaininge. Workplace/ accommodation health and safetyf. Conditions of employment and work (equal remuneration, working hours, privacy rights)
Responsible Security	<ul style="list-style-type: none">a. Conduct of third-party securityb. Human Rights trainingc. Mechanism to report on security personnel
Community Well-being	<ul style="list-style-type: none">a. Land management (right of way, compensation, access to natural resources)b. Indigenous peoplesc. Cultural heritaged. Community health and safetye. In-migration of workersf. Grievance mechanism
Supply Chain management	<ul style="list-style-type: none">a. Contractor/Supplier performance related to labour and working conditions, responsible security and community well-beingb. Corruption and briberyc. Contractors' compliance to PETRONAS Contractors Code of Conduct on Human Rights (CoCHR)

Human Rights Risk Matrix

Consequence		Severity	1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Catastrophic
			Insignificant effect on human rights	Minor effect on human rights	Moderate effect on human rights	Major effect on human rights	Severe effect on human rights
Likelihood	E Almost Certain	Expected to occur; has occurred several times in the company	E1	E2	E3	E4	E5
	D Likely	Probably to occur; has occurred a few times in the company	D1	D2	D3	D4	D5
	C Possible	Might occur at some time; has occurred once in the company	C1	C2	C3	C4	C5
	B Unlikely	Could occur in the company; has occurred in the industry	B1	B2	B3	B4	B5
	A Remotely likely to happen	May occur only in exceptional circumstances; has never occurred in the industry	A1	A2	A3	A4	A5

VERY HIGH

HIGH

MEDIUM

LOW

Human Rights Assessment

Coverage	Issues (Low and Medium Risks)	Proactive Mitigations and Remediation
Own Operations (including Joint Ventures where the company has management control)	<ul style="list-style-type: none"> Supply Chain Management (Contractor's Management) 	<ul style="list-style-type: none"> Enhancement of implementation of CoCHR through communication and monitoring of compliance
<p>Contractors and Tier I Suppliers</p> <p>Note: Selection contractors based on criteria below:</p> <ul style="list-style-type: none"> Value of contract awarded (>RM 1million) High risk activity (high HSSE risks, involvement of subcontractors) Remoteness of services rendered (pipeline/offshore) Foreign & migrant workers participation in business 	<ul style="list-style-type: none"> Effective implementation of contractor grievance mechanisms (GM) Overall awareness trainings on human rights. 	<ul style="list-style-type: none"> Develop GM procedure for employees, contractors and community. Conduct sharing session among employees, included CoCHR in new staff induction and contractor briefing

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