

PETRONAS CHEMICALS GROUP BERHAD

Engagement with Institutional Investors Council Malaysia (IICM)

2nd October 2026

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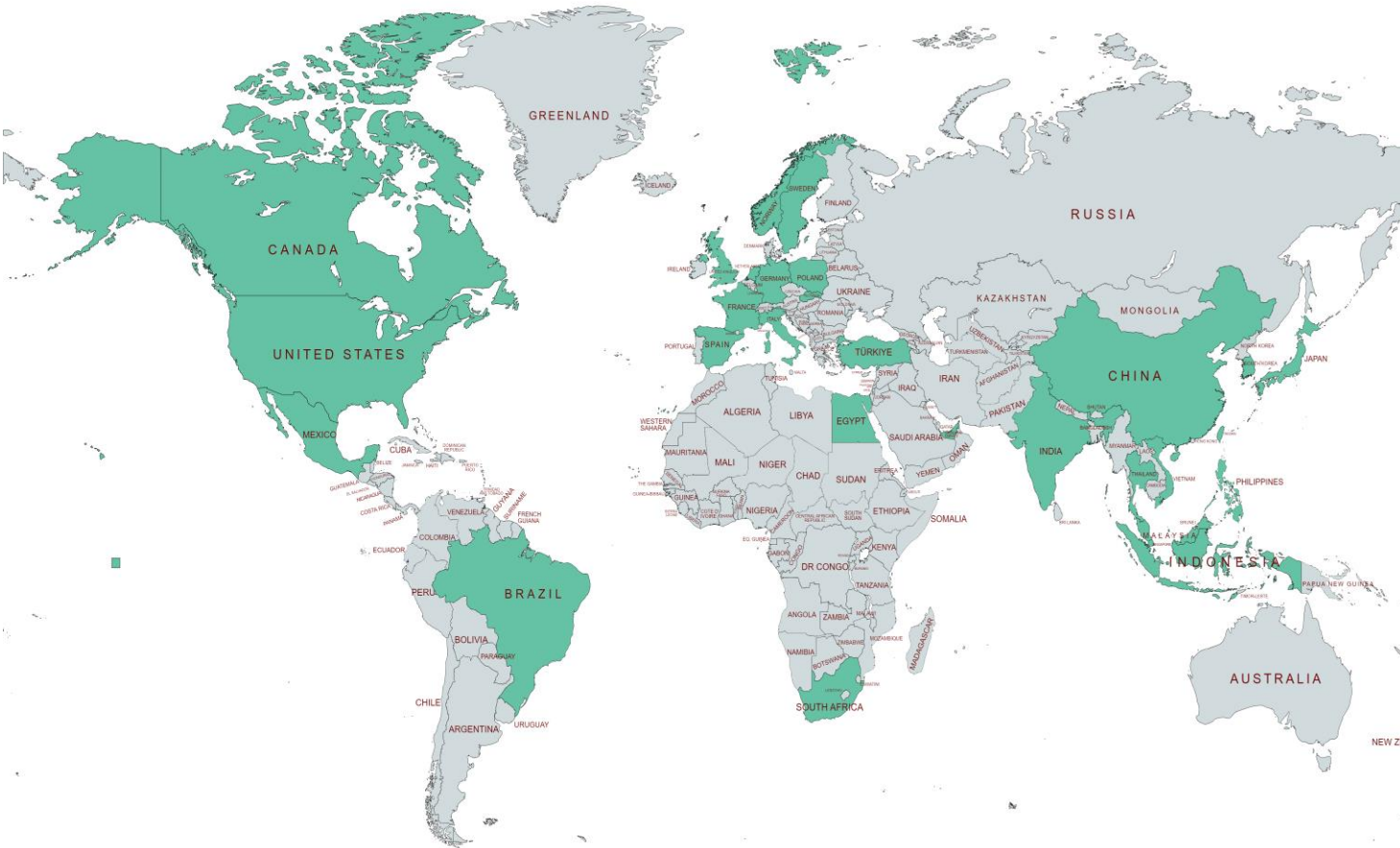
The MATERIALS and related discussions, including but not limited to those regarding the petrochemicals environment, anticipated demand for petrochemicals, plant turnaround activity and costs, investments in safety and operational risk, increase in turnaround activity and impact on production, future capital expenditures in general, generation of future receivables, sales to customers, cash flows, costs, cost savings, debt, demand, disposals, dividends, earnings, efficiency, gearing, growth, strategy, trends, reserves and productivity together with statements that contain words such as "believe", "plan", "expect" and "anticipate" and similar expressions thereof may constitute forward looking statements.

Such forward-looking statements are subject to certain risks and uncertainties, including but not limited to, the economic situation in Malaysia and countries in which we transact business internationally, increases in regulatory burdens in Malaysia and such countries, changes in import control or import duties, levies or taxes in international markets or in Malaysia, and changes in prices or demand for products produced by us, both in Malaysia and in international markets, as a result of competitive actions or economic factors. Such forward looking statements are also subject to the risks of increased costs in related technologies and such technologies producing expected results, and performance by third parties in accordance with contractual terms and specifications.

Should one or more of these uncertainties or risks, among others, materialise, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in capacity or performance may not be fully realised. Although We believe that the expectations of management as reflected by such forward looking statements are reasonable based on information currently available, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward looking statements. We undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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PCG – A world class, integrated and diversified chemical player



A global chemical player with **presence**
in **27 countries** serving **customers** in **> 100 markets**

Southeast Asia's **LARGEST** integrated
gas-based chemicals producer

LARGEST Methanol producer in
Southeast Asia

2nd LARGEST Urea producer in
Southeast Asia

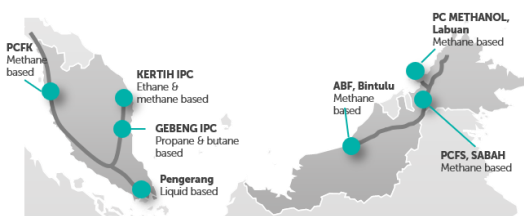
GLOBAL LEADER within Polyols

One of the **LARGEST** independent
producers of Silicones in the world

ICIS TOP 100 Chemicals Companies

PCG's business is underpinned by four distinctive advantages

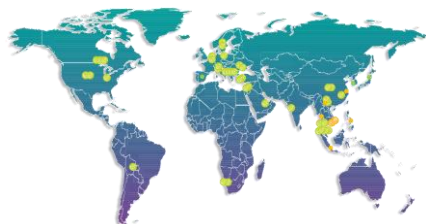
Integrated & diversified feedstock



- Predominantly gas-based production
- Fully integrated facilities and infrastructure
- Integrated liquid-based operation with potential downstream expansion

Competitive and reliable operations

Extensive network and market reach



- >90% region-for-region supply
- Broad logistics-hub and distribution network

Strong market reach and delivery reliability

Diversified portfolio



- >160 product families across commodities and specialty chemicals
- Diversified end markets and geographies

Broader customer solutions and enhanced earnings resilience

Strong partnerships



- Extensive network of technology, customer and joint venture partners
- Access to technology, markets, capabilities and capital

Accelerate route-to-market

Creating sustainable value to stakeholders



Trusted Market Leader

High Order Fulfilment Reliability (OFR)

Above industry benchmark (90%) from 2022 - 2025

94% OFR above industry benchmark in 1H 2026 amid West Asia conflict

Reliable supply partner amid uncertainties

Governments and national agencies continue to approach PCG to secure urea and polymers supply during West Asia conflict



Customer Value Partner

Addressing Customer Pain Points

58 Co-created solutions* with customers

Regular and timely technical assistance

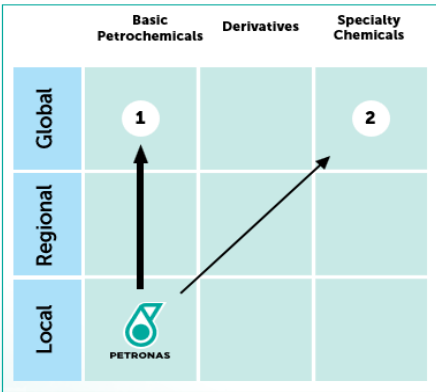
**Cumulative for the past 5 years*



Future Growth Engine

>10 Cumulative Dividend Payout RM Bil

Continue to grow via Two-Pronged strategy



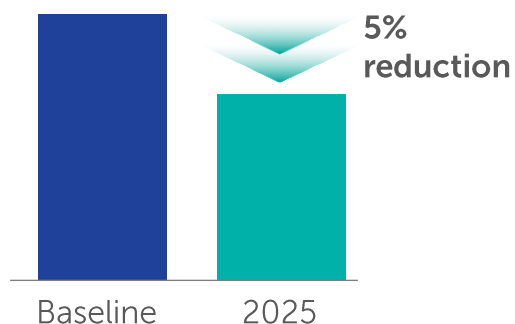
1. Sustain strength in basic petrochemicals
2. Selectively diversify into derivatives, specialty chemicals and solutions

Driving Sustainability Progress



Sustainability is integral to how PCG creates long-term value and business resilience

Greenhouse Gas Emissions Reductions (Operational Control)



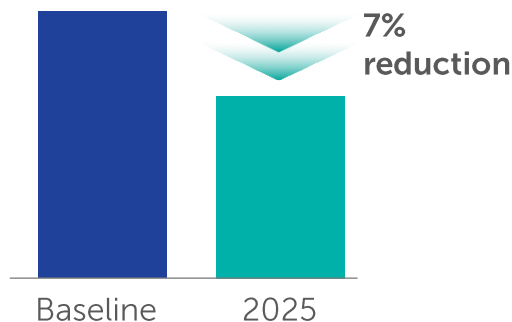
623 ktCO2e

reduction from energy efficiency, flare reduction & renewable energy initiatives — equivalent to 135,000 cars off the road for a year

Efficiency gain

Process optimisation | Fuel optimisation |
Steam venting minimisation |
Boiler upgrades and retubing |

Freshwater Withdrawal Reductions



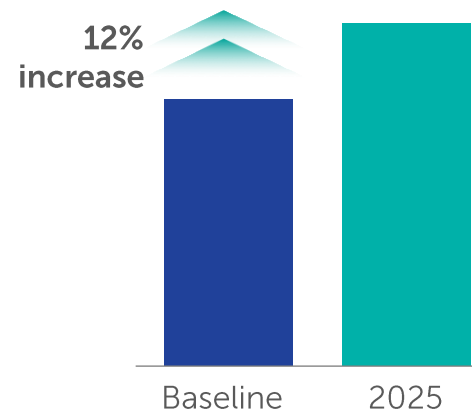
260,000 m³

reduction through targeted projects at domestic water-stressed sites – equivalent to nearly 3 days of Labuan total water consumption

RM0.6 mil cost savings

Improve plant operability and **reliability**

Hazardous Waste Recovery & Utilisation



88 % ~ 22.6kt

hazardous waste recycling rate achieved in 2025 – about 113,000 industrial-standard drums diverted from disposal routes

RM20 mil

generated from hazardous waste recovery & utilisation

Sustainability-led solutions create value for customers, strengthen our specialty portfolio and unlock new markets

1

Lower environmental impact coatings

Neptem™

- Supports **lower-carbon-footprint coating** formulations
- Winner of the **2025 Environmental Pioneer Award**

Customer value

- ✓ Lower emissions
- ✓ Maintains coating quality & versatility



2

Natural-origin personal care

Emfinity® Esters

- **Bio-based personal care** ingredients
- **Renewable & biodegradable** feedstock

Customer value

- ✓ Meets demand for renewable ingredients
- ✓ Formulation versatility and performance



3

Feed preservation

ProSid™, ProMyr™, ProTain™

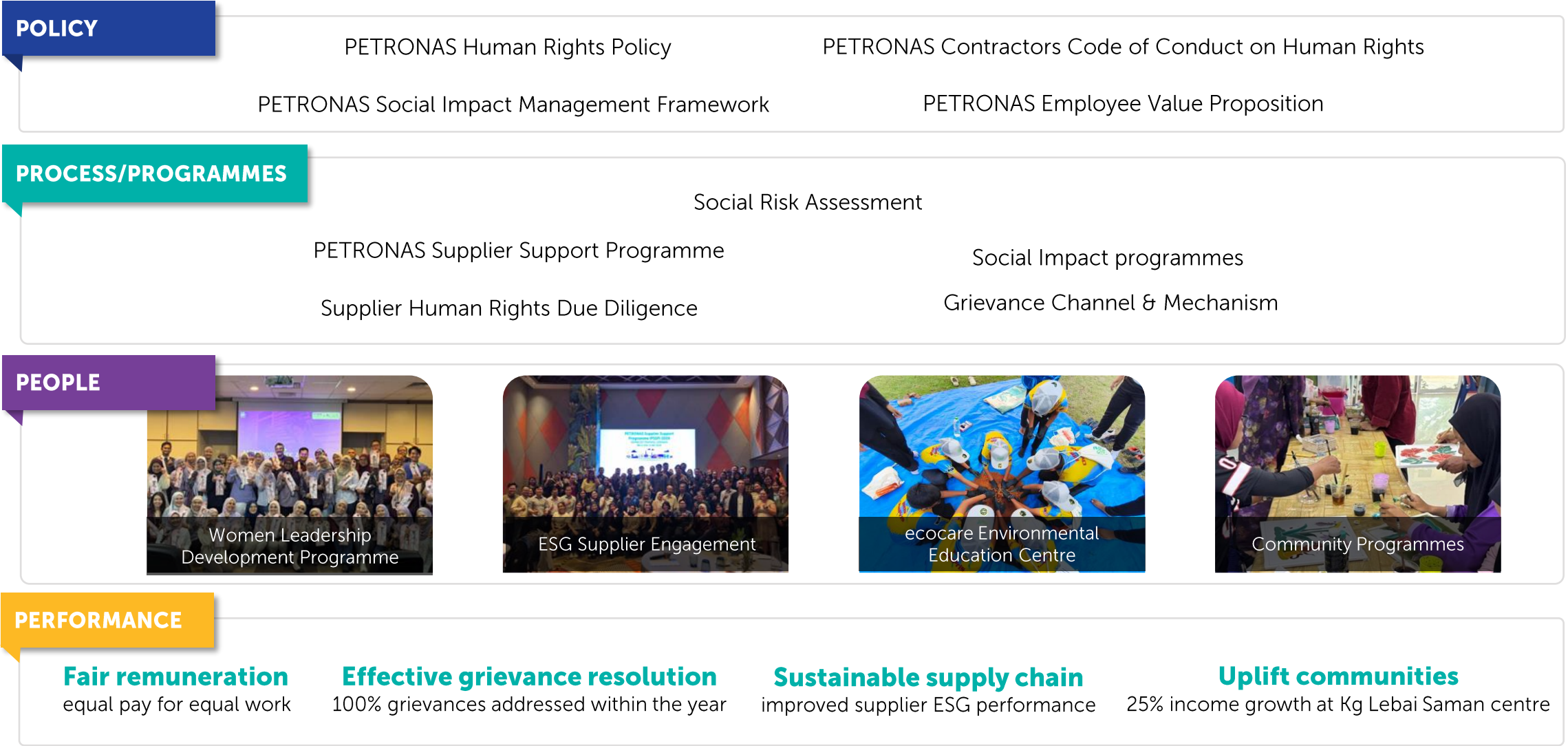
- Protects feed against **mould, spoilage** and **oxidation**
- Preserves **nutritional value** and **extend usable life**

Customer value

- ✓ **Reduces feed wastage** and operating cost
- ✓ Improves storage efficiency and feed quality

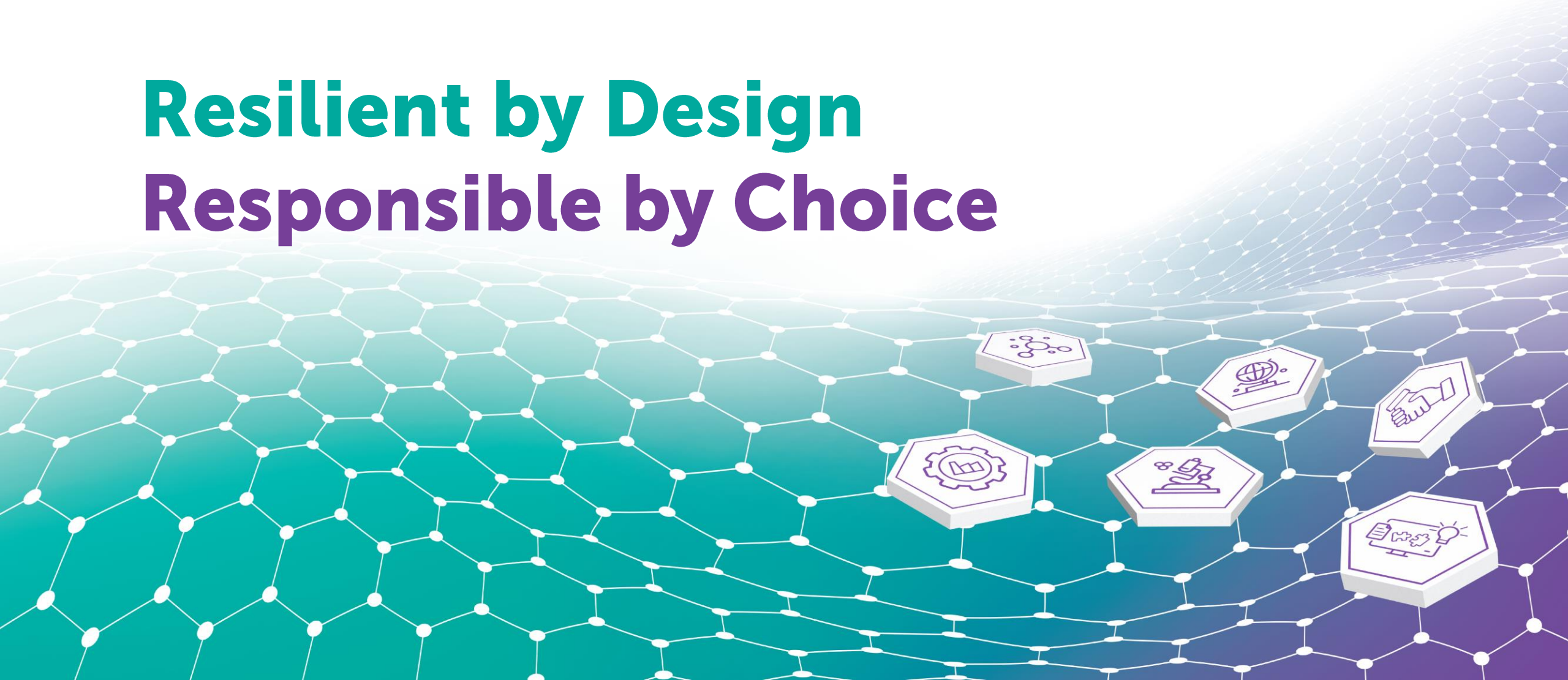


Human rights and diversity are embedded across our policies, processes and people practices



Resilient by Design

Responsible by Choice



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Thank You



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Questions from PNB



Questions from PNB

Context: PNB assesses the net zero transition plans of investee companies, particularly the portfolio's top emitters, annually using our proprietary assessment framework, which is informed by NZIF and CA100+ standards. PCG currently scores 47.9%, below PNB's 80% Credible Net Zero threshold. The questions below focus on selected gaps identified in the latest assessment; they are not exhaustive, and PNB welcomes a broader discussion on PCG's transition challenges, priorities and aspirations, including areas where PETRONAS Group direction or support may be relevant.

Objective: To better understand how PCG intends to strengthen and execute its NZCE 2050 transition plan, with a focus on target coverage, pathway credibility, decarbonisation delivery, low-carbon growth and capital allocation.

Question 1: Targets and Pathway Credibility (1/3)

Observation: PCG's previously disclosed 2030 target covers Scope 1+2 only, with no quantified Scope 3 target or medium-term (2030-2040) milestone. The latest assessment also finds that 1.5°C pathway alignment for the targets set has not been demonstrated.

1. Could PCG;
 - i. confirm the status of its 2030 Scope 1+2 target, including whether it remains in place given that it is not disclosed in the latest annual report;

Answer:

PCG remains committed to its NZCE 2050 ambition and continues to implement decarbonisation initiatives under the NZCE roadmap. Since the 2019 baseline, PCG has achieved approximately 5% operational emissions reduction and continues to mature technically and commercially viable decarbonisation solutions to support the next phase of its transition journey, while maintaining the long-term resilience and competitiveness of the business

The previously announced 2030 Scope 1 and Scope 2 target remains PCG's current reference point for operational emissions reduction. As transition planning progresses, the target's role and positioning may evolve alongside the broader pathway, milestones and implementation approach.

Future enhancements will consider technology readiness, infrastructure availability, regulatory developments and economic viability.

Question 1: Targets and Pathway Credibility (2/3)

1. Could PCG;

- ii. indicate whether it intends to establish a quantified target for material Scope 3 categories (i.e., Cat 1 and Cat 11);

Answer:

PCG recognises the significance of Scope 3 emissions, particularly Categories 1 and 11. While PCG does not currently have a quantified Scope 3 target, the Group is evaluating how Scope 3 can be progressively incorporated into its transition planning while pursuing operationally feasible and commercially viable value-chain emissions reductions.

- iii. introduce a medium-term (2030-2040) milestone to bridge the pathway to NZCE 2050? If so, what timeline and boundary are being considered?

Answer:

PCG is evaluating how additional milestones or checkpoints could bridge the current 2030 target framework and NZCE 2050. Any future milestones would reflect technology maturity, infrastructure availability, implementation feasibility and capital requirements.

Question 1: Targets and Pathway Credibility (3/3)

2. Has PCG assessed the applicability of the SBTi Chemicals Sector Pathways (published Dec 2025, effective June 2026), IEA NZE or any other recognised 1.5°C benchmarks to emissions-intensive activities such as ammonia, methanol and high-value chemicals? If so, how could this inform PCG's corporate and activity-specific targets/pathways?

Answer:

PCG has reviewed the SBTi Chemicals Sector Pathways and considers them an important reference for strengthening the scientific basis of its transition planning. Given their relevance to ammonia, methanol and high-value chemicals, PCG is assessing how they may inform future pathways, decarbonisation strategies and the evolution of its NZCE roadmap.

Question 2: Decarbonisation Strategy and Low-Carbon Growth (1/2)

Observation: PCG has identified key NZCE levers and already offers circular, bio-based and lower-carbon products. Quantifying abatement by lever and reporting green revenue would show how the pathway is being delivered and how the business model is expected to transition.

1. Can PCG quantify the expected emissions-reduction contribution and timing of its major NZCE levers through 2030 and beyond (e.g. efficiency, flaring reduction, renewable electricity, electrification, feedstock transition, low-carbon hydrogen and CCUS), including key technology or infrastructure dependencies?

Answer:

PCG's decarbonisation levers span operational optimisation, including flare reduction and energy efficiency, renewable electricity, electrification and low-carbon process technologies. Operational measures are expected to deliver near-term reductions, renewable electricity to support the short- to medium-term pathway, and feedstock transition, low-carbon hydrogen and CCUS to play a larger longer-term role.

As project maturity and delivery visibility improve, PCG will progressively enhance disclosure of lever contributions, pathway delivery and decarbonisation outcomes.

PCG has reviewed the SBTi Chemicals Sector Pathways and considers them an important reference for strengthening

Question 2: Decarbonisation Strategy and Low-Carbon Growth (2/2)

2. How does PCG define low-carbon, transition and green products, and will it disclose current revenue contribution and set quantified growth targets for these solutions, including those under the Specialty Chemicals 2030/2035 feedstock-transition roadmap? Will PCG also map this classification to ASEAN Taxonomy Version 4, including relevant Green and Amber technical screening criteria, to improve comparability and credibility of its green revenue disclosure?

Answer:

PCG offers products supporting circularity, renewable feedstocks, lower-carbon value chains and resource efficiency, notably through its Pro-Environment specialty chemicals portfolio.

PCG recognises the value of the ASEAN Taxonomy and other classification frameworks in improving disclosure consistency and credibility. While PCG does not currently disclose taxonomy-aligned revenue, it continues to assess their application in light of evolving requirements, market practice and implementation considerations.

Question 3: Capital Allocation and Carbon-Lock-In Management (1/2)

Observation: PCG already embeds carbon pricing and abatement considerations in FIDs. The remaining gaps are visibility on capital actually backing the NZCE roadmap and the decision rule for new investments that remain materially unabated.

1. Can PCG disclose
 - i. current-year transition/low-carbon CAPEX deployed, and
 - ii. forward capital required or committed by major NZCE lever, including PCG's share of PETRONAS Group low-carbon CAPEX where relevant?

Answer:

PCG established a RM50 million Sustainability Fund to accelerate decarbonisation and sustainability initiatives under its NZCE roadmap. Actual deployment depends on project maturity, business priorities and investment requirements. In the current period, funding has been prioritised towards flare reduction and energy efficiency improvement, including steam system optimisation, continuous flare gas replacement, steam turbine-to-motor conversion and advanced process control.

The RM50 million Sustainability Fund is a recurring annual allocation supporting PCG's pipeline of NZCE-related projects and opportunities. PCG does not currently disclose forward capital by individual lever because requirements vary with project maturity, technology readiness, infrastructure and economics. Disclosure of capital deployment and pathway outcomes will strengthen as delivery visibility improves.

Question 3: Capital Allocation and Carbon-Lock-In Management (2/2)

2. Under PCG's existing FID process, can a new greenfield carbon-intensive project that remains materially unabated still be sanctioned? Does PCG envisage defining a decision rule and timeline after which CAPEX into such a new capacity would cease? Would PCG consider phasing out carbon-intensive assets altogether, and if so, how financially feasible would this be?

Answer:

PCG's investment evaluations incorporate project economics, emissions, carbon pricing and feasible decarbonisation options. PCG does not apply a blanket prohibition on carbon-intensive investments but seeks to avoid projects that may be difficult or costly to decarbonise.

Given the emissions-intensive nature of chemical manufacturing, PCG prioritises technology improvements, operational optimisation and decarbonisation while maintaining competitiveness. Existing assets are decarbonised, optimised or improved where feasible rather than retired solely due to emissions.

Question 4: Broader Transition Challenges and PETRONAS Group Enablement

Observation: Some transition levers may depend on infrastructure, technology, economics or Group-level strategic choices beyond PCG's direct control.

What are the key constraints to strengthening PCG's transition plan, and which levers depend mainly on PCG-led action versus wider PETRONAS Group coordination or support, where relevant, such as CCS, low-carbon hydrogen, renewable energy/feedstocks, capital allocation or shared transition infrastructure?

Answer:

PCG-led levers include operational optimisation, energy efficiency, flare and vent reduction, asset reliability improvements and renewable electricity procurement where available.

Deeper long-term reductions may depend on CCUS infrastructure, low-carbon hydrogen, renewable feedstocks, grid decarbonisation and other emerging technologies. Their deployment is constrained by technology readiness, infrastructure, economics, regulation and ecosystem maturity, and may require PETRONAS Group coordination, external partnerships and supportive market conditions.

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Thank You

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