



Tax Approach

PETRONAS Chemicals Group Berhad (PCG)

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PETRONAS Group adopts zero tolerance against all forms of bribery and corruption. As an employee, it is incumbent upon each and everyone of us to internalise and abide by the PETRONAS Code of Conduct and Business Ethics (CoBE) & Anti-Bribery and Corruption (ABC) Manual while remain guided by our shared values of loyalty, integrity, professionalism and cohesiveness.

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PCG's Approach to Tax

As a responsible corporate citizen, PETRONAS Chemicals Group Berhad (PCG) is committed to the highest standards of tax governance and compliance. This ensures that we contribute our fair share of taxes back into the societies in which we operate. This also means that we conduct our tax affairs ethically and with integrity.

We have a tax policy that has undergone a series of approvals undertaken by the management, deliberation at the Board Audit Committee and approved by the Board of Directors. We are also committed to full transparency and disclosure in all dealings with revenue authorities.

Our approach to tax is as follow: -

- PCG upholds the need to comply in good faith with the form and substance of all applicable tax laws and regulations in the countries it operates.
- PCG employs the arm's length principle in the transfer pricing of its related party transactions.
- PCG does not engage in tax structures without commercial substance and does not use secrecy jurisdictions for tax avoidance as the current business model is driven by business and commercial considerations with a long-term view of sustainability.
- PCG has presence in low tax jurisdictions to support the nation's growth and development as well as sustain the country's economy in this competitive global marketplace, through commercially viable investment activities and not for the purpose of value transfer.

This approach ensures strong implementation of tax governance in a highly volatile and competitive business environment.