



RH PETROGAS LIMITED SUSTAINABILITY REPORT 2019



CONTENTS

- INTRODUCTION 2
 - ABOUT RH PETROGAS LIMITED..... 2
 - OUR VISION..... 2
 - OUR PEOPLE..... 3
 - OUR COMMITMENT..... 4
 - OUR SUPPLY CHAIN..... 4
 - MEMBERSHIP OF ASSOCIATIONS..... 4
 - CERTIFICATIONS AND AWARDS..... 4
- ABOUT THIS REPORT 5
 - SCOPE OF THIS REPORT 5
 - IN SCOPE ENTITIES 5
 - CONTACT US 5
- MESSAGE FROM BOARD..... 6
 - BOARD STATEMENT 6
 - LOOKING AHEAD 7
- STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT 8
 - STAKEHOLDER ENGAGEMENT 8
 - RESULTS FROM MATERIALITY ASSESSMENT..... 8
- MATERIAL ASPECTS IDENTIFIED 9
 - REPORTING SCOPE AND BOUNDARIES 9
- ECONOMIC PERFORMANCE..... 10
 - HIGHLIGHT ON ECONOMIC PERFORMANCE 10
- ENVIRONMENT..... 11
 - OUR APPROACH 11
 - EFFLUENTS AND WASTE 11
 - ENVIRONMENTAL COMPLIANCE 12
- SOCIAL..... 13
 - OUR APPROACH 13
 - OCCUPATIONAL HEALTH AND SAFETY 14
 - TRAINING AND EDUCATION 16
 - LOCAL COMMUNITIES..... 17
- GOVERNANCE..... 23
 - ANTI-CORRUPTION 23
 - CORPORATE GOVERNANCE..... 24
 - RISK MANAGEMENT 24
- GRI CONTENT INDEX..... 25
 - TABLE OF GRI CONTENT INDEX 25

INTRODUCTION

ABOUT RH PETROGAS LIMITED

RH Petrogas Limited (“**RHP**” or the “**Company**”) is an independent upstream oil and gas company listed on the Main Board of the Singapore Exchange (“**SGX**”). RHP and its subsidiaries (the “**Group**”) operate across the full range of upstream activities covering the exploration, development and production of oil and gas resources.

RHP is headquartered in Singapore and is focused in the Asia region. As of end 2019, the Group held participating interests in three assets. In 2019, the Group disposed of the subsidiary Mastique Investments Limited (“**MIL**”), which included MIL’s wholly owned subsidiary Kingworld Resources Limited (“**KRL**”), which held the Group’s working interest in the Fuyu 1 production sharing contract (the “**Disposal**”). The Disposal was completed on 31 October 2019. Please refer to the Company’s SGX announcement no. SG191031OTHRCUB9 issued on 31 October 2019. Each of the assets that the Group holds is under a production sharing contract (“**PSC**”) with the host government of the respective country where the asset is located.

As of end 2019, the Group was the operator for two of its three assets namely the Kepala Burung PSC (“**Basin PSC**”) and the SK331 PSC in Malaysia. The third was a non-operated asset, the Salawati Kepala Burung PSC (“**Island PSC**”) in Indonesia. *(Note: the Group was also the operator for the Fuyu 1 PSC until the Disposal was completed on 31 October 2019. As previously reported, the Group had in July 2018, further strengthened its presence in Indonesia with the signing of two new PSCs (“**New PSCs**”), each for a term of 20 years. The New PSCs cover essentially the existing acreages of the Group’s Basin PSC and Island PSC and will commence upon the expiry of these current PSCs in 2020. The Group will operate both of the New PSCs. These PSCs are the key producing assets and the cornerstone of the Group’s portfolio, providing the Group with a strong production base and good growth potential in the long term. The date for the Group to assume the operatorship of Salawati PSC (covering essentially the existing acreage of the Island PSC) in Indonesia under the new 20-year, is 23 April 2020).*

The Basin PSC is operated by the subsidiary, Petrogas (Basin) Ltd (“**PBL**”) and the SK331 PSC is operated by the subsidiary, RHP (Mukah) Pte Ltd (“**RHPM**”) respectively. *(Note: the subsidiary, Petrogas (Island) Ltd has taken over operatorship of the new Salawati PSC with effect from 23 April 2020.)*

OUR VISION

To Become a Leading Independent Oil & Gas Company in Asia



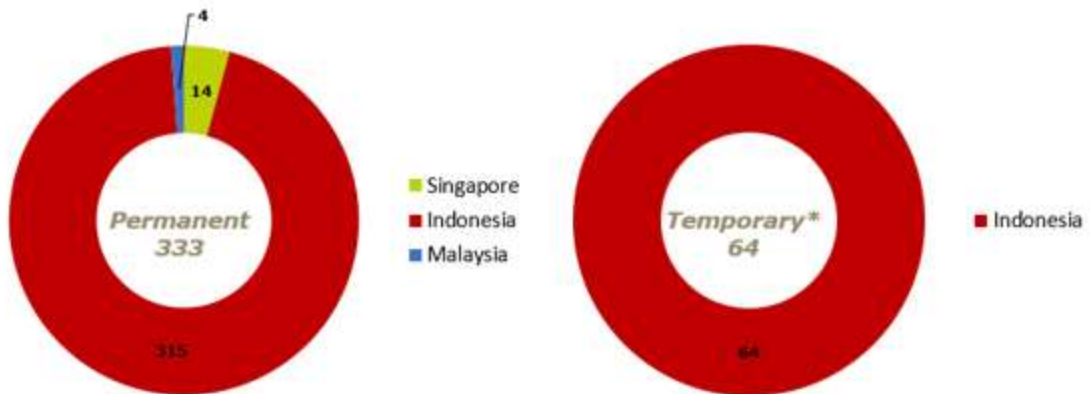
OUR PEOPLE



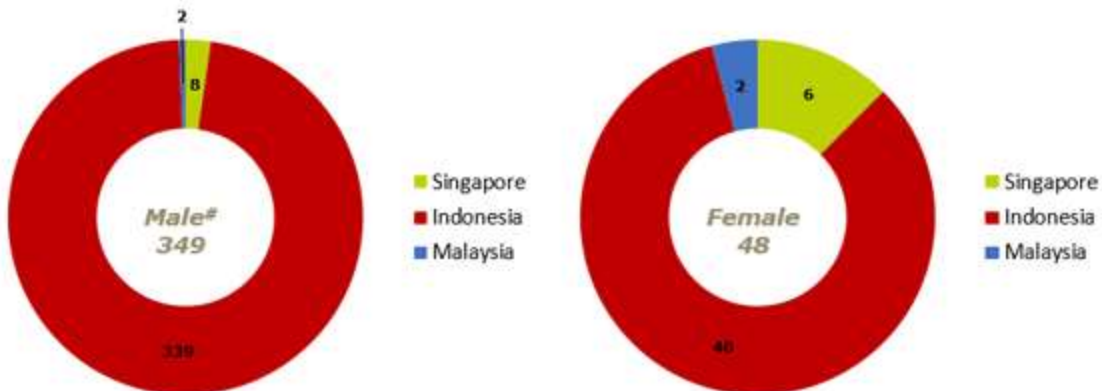
Our people are one of our most important assets. We believe in conducting our business with respect and care for our people. We aim to build a non-discriminatory culture and to provide equal employment opportunities regardless of race, gender, age, religion and disability. We are committed to hiring locally in the places where we operate and our local hires form most, if not all of our workforce.

We aim to develop the capabilities of our employees and equip them with the required and relevant skills and where necessary, complement our capabilities with external recruitment for specialist roles. In addition, we encourage our employees to strive for excellence and provide opportunities for motivational training and continuous mentoring. In terms of career development, we encourage the building of capability and empowerment of employees so that they may better contribute, as well as assume greater responsibility and progress with the organisation.

The Group employed a total of 397 staff (excluding the headcount from China following the Disposal) as of 31 December 2019. This was supplemented by outsourced personnel, whose number and expertise varied depending on the nature, scope and extent of work activities and operational requirements. The breakdown of our employee workforce based on geographical location and by gender demographics is as follows.



*Note: There was no temporary staff in Singapore and Malaysia as of 31 December 2019.



*Note: The higher ratio of male to female employees in Indonesia was due to the operational nature, demands and locations of fieldwork in the Group's operated assets as of 31 December 2019.

OUR COMMITMENT

We are committed to maintaining high standards of corporate governance, which is centred on principled and prudent corporate values, practices and checks and balances. These involve establishing and maintaining appropriate policies, procedures, practices and customs, upheld by a responsible and principled culture that is led by the Board and embraced by the Management and staff. Such a framework and culture will be imperative to the enhancement of the interests of all stakeholders.

OUR SUPPLY CHAIN

We recognise the importance of having a robust and sustainable supply chain management to mitigate our business risks. It will also contribute to the likelihood of success of our business. Hence, we are committed to ensuring that appropriate risk management procedures are in place and applied across our supply chain. PBL, the operator of our Basin asset in Indonesia, has implemented an integrated supply chain management system covering procurement, asset and inventory management and the integration of processes. Its vendor management and procurement and supply chain management (“PSCM”) systems aim to enhance efficiency, effectiveness and integrity of its supply chain processes. PBL’s suppliers and contractors are also required to implement a contractor safety management system (“CSMS”) as part of its stringent Health, Safety and Environment (“HSE”) requirements. In addition, PBL embraces local content and participation as it sources for local supplies where possible in its areas of operations.

MEMBERSHIP OF ASSOCIATIONS

We are currently a member of the Singapore Business Federation (“SBF”). As explained in its website, SBF is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations; and it represents 27,200 companies, as well as key local and foreign business chambers.

CERTIFICATIONS AND AWARDS

Through the years, we have accumulated a wealth of experience and expertise and achieved a number of accomplishments in our areas of operations. Below is a list of some of our certifications and awards attained:



Blue PROPER rating awarded for Arar LPG Plant, Basin PSC, from the Ministry of Environment and Forestry of Indonesia



OHSAS 18001 Occupational Health and Safety Management Certification for Arar block, Basin PSC



ISO 14001 Environmental Management Certification for Arar block, Basin PSC



Zero Accident award for 10.8 million man hours of work as of 31 December 2019 without lost time accident for Petrogas (Basin) Ltd from Ministry of Manpower of Indonesia



SMK-3 Accreditation for Occupational Safety Management System based on Government Regulation of the Republic of Indonesia No. 50 Year 2012

ABOUT THIS REPORT

SCOPE OF THIS REPORT

The Company has prepared this sustainability report in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option. The GRI Standards are a global international standard for sustainability reporting. This report describes our sustainability practices with reference to the primary components set out in Singapore Exchange Securities Trading Limited’s (“SGX-ST”) Listing Rule 711B on a ‘comply or explain’ basis.

This sustainability report aims to disclose our environmental, social and governance (“ESG”) performance on the issues that are considered notably material to our business model and our stakeholders. The objective of this sustainability report is to provide stakeholders with an understanding of the Group’s progress and performance in its sustainability practices.

We conducted materiality assessment of the ESG factors taking into consideration our business impacts, the expectation and interests of the stakeholders. Sector-specific material topics were also examined and deliberated. All data and activities reported were for the period from 1 January 2019 to 31 December 2019, unless stated otherwise.

Currently, no external assurance has been sought for this report.

IN SCOPE ENTITIES

	Singapore RH Petrogas Limited	China Kingworld Resources Limited (KRL) ¹	Indonesia Petrogas (Basin) Ltd (PBL)	Malaysia RHP (Mukah) Pte Ltd (RHPM)
Economic Performance	√	√	√	√
Anti-Corruption	√	√	√	√
Effluents and Waste	√	√	√	Not in scope ²
Environmental Compliance	√	√	√	√
Occupational Health and Safety	√	√	√	√
Training and Education	√	√	√	√
Local Communities	√	√	√	Not in scope ²

CONTACT US

For any questions on or to deliver feedback about this report, please email them to: info@rhpetrogas.com

¹ Following the Disposal, KRL ceased to be a member of the Group. As such, the scope of this report will cover KRL for the period from 1 January 2019 to 31 October 2019, unless stated otherwise.

² Not in scope: For our operation in Malaysia, the asset is in the exploration phase with field activity limited to onshore seismic survey.

MESSAGE FROM BOARD

BOARD STATEMENT

We are pleased to present our Company's third sustainability report for period from 1 January 2019 to 31 December 2019.

We strive to uphold sustainable business practices as these practices help us to capture and create value for our shareholders and support our mission to be a trusted energy partner.

On 11 March 2020, the World Health Organisation ("**WHO**") officially declared COVID-19 as a pandemic (the "**Pandemic**") as the virus outbreak was spreading around the world. Besides the health risk and deaths it caused, the Pandemic has affected the lives and livelihood of people all over the globe, as cities were locked down and strict social distancing measures were implemented, which in turn resulted in supply chains being disrupted and global consumption dented significantly, with harsh cost to global economies. Although this report is for the period from 1 January 2019 to 31 December 2019, the Pandemic has had such a serious and profound impact on the whole world that it warrants a mention in this report.

In the face of the risks posed by the Pandemic, the safety and well-being of our staff and contractors are of great priority and concern to us. We will do our utmost to maintain a safe work environment for our people and contractors and we will not allow their health and safety to be compromised. We are committed to complying with the relevant safe distancing measures, laws and regulations implemented by the governments in the places that we operate. In this respect, the Group took decisive actions and precautionary HSE measures through the implementation of work-from-home for all the Group's desk-bound staff; while only essential works were allowed to be carried out at the fields with workers being split into groups and operating under rotating shift. Other measures include maintaining safe physical distancing and conducting daily body temperature checks for workers who are on duty.

To preserve value and to ensure long-term sustainability of the Group, the Group has commenced cost cutting and prioritisation measures, which include deferring all discretionary and non-essential capital expenditures, and the implementation of drastic cost reduction and optimisation programmes across its operations. The Group will also continue to exercise financial prudence and discipline to preserve its cash reserves in light of the Pandemic and other unprecedented challenges that are affecting the upstream oil and gas industry.

At the time of the publication of this report in May 2020, the world is still grappling with the Pandemic and its effects, with no clear indication as to how the crisis will develop in the future and firm indication of when a vaccine may be found. The COVID-19 Pandemic has further underscored the need for businesses to operate with sustainability in mind. The Group will monitor the developments closely and will implement appropriate further measures as may be required in the best interest of the Group and its stakeholders.

As a responsible upstream oil and gas company, we will continue to strive for excellence and take sustainability issues seriously, while delivering on our business objectives in a sustainable manner.

As the Group navigates through these unprecedented challenges, sustainability will continue to form an important and integral component of the Group's operations. A balanced and commendable performance on the economic, environmental and social aspects of the business is integral to the sustainability and growth of the Group. This report outlines sustainability approaches embedded in the Group's business operations and value chain and highlights the Group's sustainability initiatives, best practices and performance in respect of ESG (environmental, social and governance) matters.

Environmental

We believe that conducting our operations in an environmentally responsible manner is integral to operating a successful and sustainable business. We are committed to complying with the relevant environmental laws and regulations in the countries where we operate in and seek to conduct our business in a prudent and responsible manner. Industry best practices are adopted as applicable.

Social

We highly value our people. We strive to conduct our business with respect and care for our people, contribute to their development and well-being, create and foster a positive work environment and atmosphere where our people feel valued. We advocate that all our employees should be given the opportunity to maximise their capabilities. We believe that their strengths, responsibility and commitment constitute one of the key pillars for our long-term success. We also advocate ongoing skills improvement and development to enable our people to achieve and perform to their highest capabilities.

Operating in the oil and gas industry naturally means that matters relating to HSE (health, safety and environment) are of paramount importance to the Group. Together with our operating subsidiaries, we adopt high HSE standards and industry practices in our daily operations. We require adherence to HSE policies by our staff and actively promote their adoption by our contractors to cultivate a strong safety culture in our work environment.

Governance

We recognise that good corporate governance is central to our business and values and that building a corporation that operates responsibly and ethically will contribute towards safeguarding and enhancing the interests of all our stakeholders. We have put in place a prudent governance framework that seeks to maintain integrity, responsibility, accountability and discipline in our business and operations.

LOOKING AHEAD

As we progress on our sustainability reporting journey, the Board and Management are committed to ensuring long-term value creation for our stakeholders. We aim to continually improve our performance and proactively integrate sustainable practices with our corporate strategy. These approaches will support us in building a sustainable business that takes into account stakeholders' interests while creating greater value over the long term.



STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

STAKEHOLDER ENGAGEMENT

We recognise the important roles that our stakeholders have in our sustainability journey. We will work to improve our stakeholder engagement and take into consideration the views represented and interests of our various stakeholders in our business strategies as well as our sustainability journey. Our main stakeholders are our shareholders, suppliers, customers, regulators, partners, associates, employees and local communities.



RESULTS FROM MATERIALITY ASSESSMENT

The materiality assessment process was conducted to identify and assess the material ESG (environmental, social and governance) factors. The ESG factors were identified by conducting a Stakeholder Engagement and Materiality Assessment Workshop with the assistance from our external consultant.

As part of the process, we conducted industry benchmarking against our peers, which allowed us to affirm and better understand the common key concerns faced by similar companies operating in the same industry. Constructive dialogues were also conducted with internal departments that were proxies to the various respective stakeholder groups. For example, the Human Resources Department was consulted to solicit the opinions of our employees, the Procurement Department was consulted to solicit views and feedback from our suppliers and the General Affair Department was consulted to solicit views and feedback from the local communities.

Our Management followed up by evaluating the ESG factors raised by the respective stakeholder groups and prioritised the importance of the factors by considering the significance of their economic, environmental and/or social impacts on our daily operations. These ESG factors were subsequently endorsed by the Board.

MATERIAL ASPECTS IDENTIFIED

Material Aspects	Description	GRI Standards Disclosure
Economic Performance	Direct economic value generated and distributed	GRI 201-1
Anti-Corruption	Communication and training about anti-corruption policies and procedures	GRI 205-2
Effluents and Waste	Significant spills	GRI 306-3
Environmental Compliance	Non-compliance with environmental laws and regulations	GRI 307-1
Occupational Health and Safety	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	GRI 403-2
Training and Education	Programmes for upgrading employee skills and transition assistance programmes	GRI 404-2
Local Communities	Operations with local community engagement, impact assessments and development programmes	GRI 413-1

REPORTING SCOPE AND BOUNDARIES

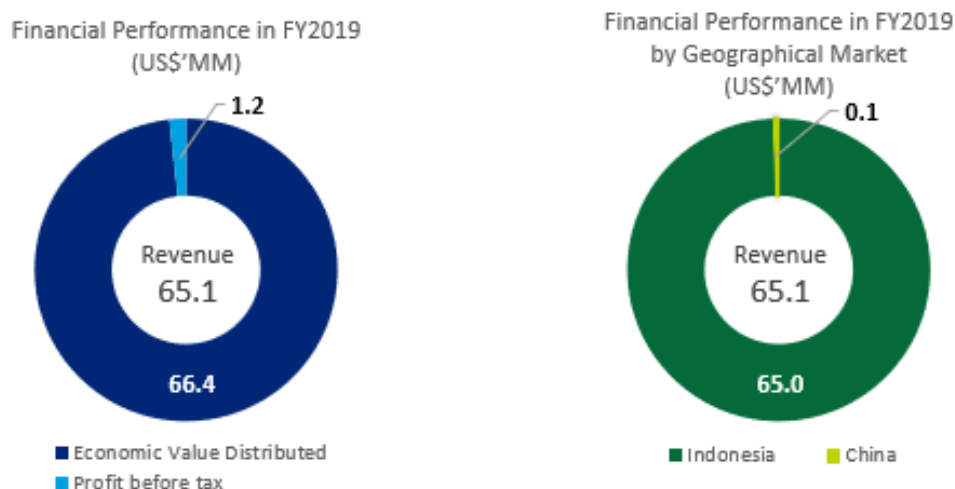
Material Aspects	Description	Aspect Boundary ³
Economic Performance	GRI 201-1 Direct economic value generated and distributed	Within organisation
Anti-Corruption	GRI 205-2 Communication and training about anti-corruption policies and procedures	Within organisation
Effluents and Waste	GRI 306-3 Significant spills	Within organisation
Environmental Compliance	GRI 307-1 Non-compliance with environmental laws and regulations	Within organisation
Occupational Health and Safety	GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	Within organisation
Training and Education	GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes	Within organisation
Local Communities	GRI 413-1 Operations with local community engagement, impact assessments and development programmes	Within organisation

³ Aspect Boundary is a description of where the impacts occur for a material topic and the organisation's involvement with those impacts. Organisations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. Global Reporting Initiatives (GRI)

ECONOMIC PERFORMANCE

HIGHLIGHT ON ECONOMIC PERFORMANCE

The economic highlights of the Group’s performance for the financial year (“FY”) ended 31 December 2019 (“FY2019”) are as follows:



*Note: Economic Value Distributed: (Cost of Sales + Administrative Expenses + Other Expenses + Finance Costs + Income Tax (Expense)/Credit) – Other Income

For more information on the Group’s asset portfolio and a detailed breakdown of the Group’s FY2019 financial results, please refer to RHP’s Annual Report 2019.

GRI 201-1: Direct economic value generated and distributed	FY2019	FY2018	FY2017
A) Revenue (US\$'MM)	65.1	61.9	55.5
B) Economic value distributed (US\$'MM)	66.4	57.9	47.4
C) Economic value retained (A-B) (US\$'MM)	N.A.	4.0	8.1

*Note: N.A. stands for “Not Applicable”



ENVIRONMENT

OUR APPROACH

As an upstream oil and gas company, minimising environmental impact is important to our daily operations. In line with the organisation's goal, we conduct our business and operations in a sustainable manner with the aim of minimising and limiting impacts to the environment. We require the commitment to environmental responsibility by our employees and contractors to ensure sustainable and successful business operations.



EFFLUENTS AND WASTE

We believe in the importance of protecting health and the natural environment in accordance with industry best practices and sound environmental principles supported by an environmentally conscious approach across our business operations.

For the operation in China, we had minimised environmental pollution in the oil production activities. Waste water produced from the small-scale production process was treated to prevent pollution to the land and atmosphere.

For our operation in Indonesia, there are established policies and procedures for effluent and waste management, which include applying the Reduce, Reuse, Recycle ("**3R**") principles as a guidance for our day-to-day operations and activities. There are produced water treatment facilities for the treatment of waste products from our oilfield operations. Effluents are treated in bio-tanks and waste water treatment facilities using both aerobic and anaerobic methods. Domestic solid waste is sent for incineration while hazardous waste is sent to licensed waste management companies for disposal.

For our operation in Malaysia, the activity conducted was seismic survey and data processing during the year. Mitigating measures, endorsed by Natural Resources and Environment Board ("**NREB**") Sarawak, had been put in place for the seismic survey to avoid and/or contain waste spillage. Environmental monitoring was also conducted after the seismic survey was completed and demobilised. The environmental monitoring was carried out based on the proposed monitoring programme under chapter 5 of the Environmental Impact assessment ("**EIA**"). In the event that our asset progresses into the production stage, waste management procedures will be established as relevant and in keeping with the existing practices of waste minimisation and recycling⁴.

⁴ We currently maintain full compliance with the latest revised PETRONAS Procedures and Guidelines for Upstream Activities (PPGUA 4.0), under Volume 6, Section 2: Health, Safety and Environment.

For FY2019, we continued to maintain our “no significant spills⁵” record for all our operations in China, Indonesia and Malaysia. We aim to maintain this level of performance through continual adherence as well as regular review and enhancement of our policies and practices.

GRI 306-3: Significant Spills ⁵	FY2019	FY2018	FY2017
Total number and total volume of recorded significant spills ⁵	NIL	NIL	NIL

ENVIRONMENTAL COMPLIANCE

To ensure legal compliance, we follow the environmental laws and regulations in the countries that we operate in.

For the operation in China, we followed China’s relevant environmental protection laws. To comply with these laws, we formulated and established various environmental management systems, emergency plans and environmental safety work procedures. In addition, we performed assessment and environmental planning to the requirements of the relevant local laws for all the major projects in China.

For our operation in Indonesia, we have formulated and established a corporate management system within the organisation to manage all environmental compliance related issues. We have dedicated professionals at both the office and operational areas to manage and monitor operations and to ensure and facilitate compliance with the applicable environmental laws and regulations. Our Arar operating area has also received the blue PROPER rating from the Ministry of Environment and Forestry of the Republic of Indonesia for 2019 as our LPG operations had complied with the applicable environmental regulations.

For our operation in Malaysia, the asset was in the exploration phase. Seismic survey and data processing was conducted during the year. Applicable field operations will be required to comply with Malaysia’s Environment Quality Act 1974 (No. 127/1974)⁶.

For FY2019, there was no significant fines and non-monetary sanction for non-compliance with environmental laws and/or regulations. We continued to uphold the same achievement recorded for both FY2018 and FY2017. We aim to maintain this level of performance through continual adherence and regular review and enhancement of our policies and practices.

NIL	Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations
	Total monetary value of significant fines
	Total number of non-monetary sanctions
	Cases brought through dispute resolution mechanisms

GRI 307-1: Non-compliance with environmental laws and regulations	FY2019	FY2018	FY2017
Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulation	NIL	NIL	NIL

⁵ Significant spills refer to more than 15 barrels of oil spill into the environment.

⁶ We currently maintain full compliance with the latest revised PETRONAS Procedures and Guidelines for Upstream Activities (PPGUA 4.0), under Volume 6, Section 2: Health, Safety and Environment.

SOCIAL

OUR APPROACH

Our people are important to us. We value their well-being and do not allow their safety at work to be compromised. Our operating approach is to foster a culture that promotes a safe and supportive environment for our employees and encourages personal growth and development in parallel with their professional training and upgrading.



We seek to contribute to the improvement in the standard of living of local communities in areas where we operate in. We endeavour to support the local communities through multiple avenues, from direct support of goods and services to education and training. We are constantly looking at implementing corporate social responsibility (“**CSR**”) activities and programmes that will positively impact them and lead to long-term development of the local areas.

OCCUPATIONAL HEALTH AND SAFETY

Maintaining a safe and conducive work environment for our people and contractors and keeping the incidence of workplace accidents at bay are priorities for us. We place a strong emphasis on cultivating good safety habits in our workforce. Workplace safety is an important part of our business and vital to workplace productivity. Any accident could have an adverse impact on our workforce and our operations, in terms of casualty, injury, work disruption, additional financial costs, legal penalties as well as reputational damage.

For the operation in China, we complied with the applicable laws and regulations relating to health and safety. We established an occupational health management system to manage the relevant health and safety risks. In alignment with the Group's objectives, we aimed to improve the working environment through the prevention of occupational accidents and diseases, to protect the health and safety of the people and contractors.

For our operation in Indonesia, we have established a HSE (health, safety and environment) policy to manage, monitor and improve occupational health and safety performance. The HSE policy is reviewed by the HSE Committee on an annual basis to align with the Group's objectives. Furthermore, we have developed seven strategies to deal with safety matters within the subsidiary, which are:

- i) Develop strong and visible HSE leadership;
- ii) Develop reliable HSE management systems;
- iii) Implement and integrate HSE risk management processes into the day to day operations;
- iv) Enhance HSE capabilities and services through the development of required resources and competencies;
- v) Develop and implement CSMS (contractor safety management system)⁷;
- vi) Develop the desired HSE culture in the workplace and personal lifestyle; and
- vii) Comply with HSE standards and regulations.

We monitor our occupational health and safety performance on a regular basis and a HSE report is generated on a monthly basis to be presented and reviewed by the subsidiary's management.

For our operation in Malaysia, we have established a HSE policy and adopted high standards of HSE practices in our daily operation. We require full commitment from our people to achieve the organisation's goals of:

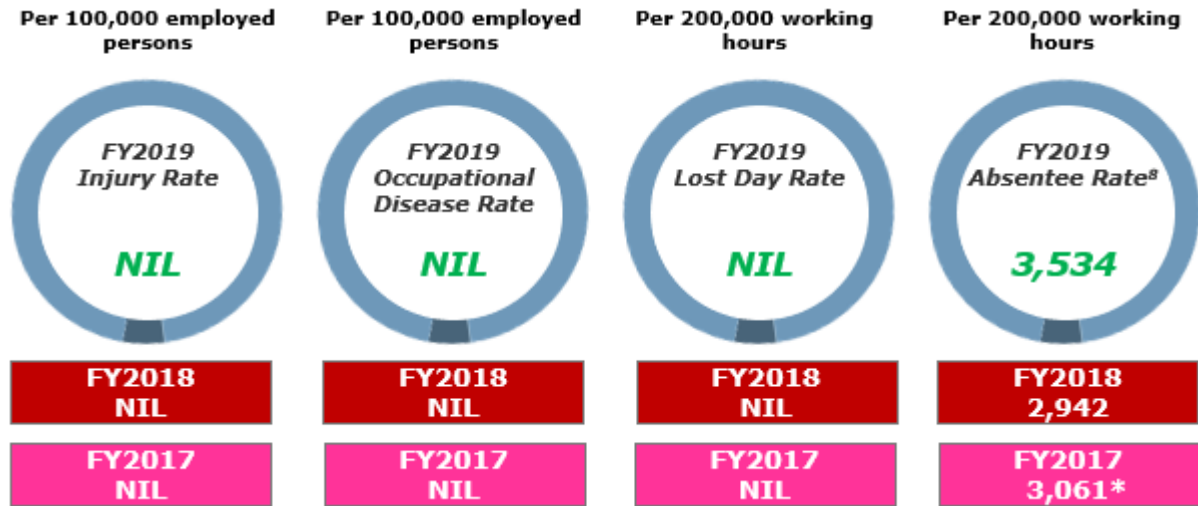
- i) No injury and accident to employees and contractors; and
- ii) Minimum impacts on the environment.

For FY2019, our operations achieved the target of zero incident of personnel injury, zero incident of occupational diseases and zero lost day due to personnel injury or occupational diseases, maintaining the track record achieved in both FY2018 and FY2017. The FY2019 absentee rate⁸ was 3,534 per 200,000 working hours. We continue to take proactive measures which include health seminars and workplace hygiene inspection to help improve the well-being of our employees.

⁷ CSMS is a system to help reduce risks in a company's operations by hiring the right contractor or service provider to do the job with the right equipment and the right plan in place to ensure safe and efficient work practices. The CSMS helps us to ensure that contract providers and workers share our commitment to safety requirements.

⁸ Absentee rate for PBL excluded outsourced staff as absent outsourced staff had been replaced by the contractor with another outsourced staff.

The figures below show the breakdown and comparison of our operations' occupational health and safety performance statistics for FY2019, FY2018 and FY2017.



**Note: Absentee hours for field staff had not been included for FY2017. For consistency in reporting, the absentee rate⁸ in FY2017 has been restated from 207 to 3,061 after taking into account of the FY2017 absentee hours for the field staff.*

We continuously monitor and strive to improve the performance and safety standards of the workplace environment.



TRAINING AND EDUCATION

We recognise that training and education play an essential role in cultivating, developing and advancing employees' skill and career development to enable them to perform to their highest capabilities. We believe in encouraging development of our employees and grooming them to achieve their fullest potential at both personal and professional level. We advocate ongoing skills improvement and attending development programmes to enable our employees to achieve and perform to their highest capabilities. We endeavour to provide applicable and related training and education to all levels of employees according to their role, responsibility and position and where able, will select and recommend recognised training programmes to them. If feasible, we will also collaborate with reputable training institutions to provide tailored training and development programmes for our staff. We have systems and procedures in place to evaluate our people fairly as well as to identify development opportunities that suit their capabilities and competencies.

For the operation in China, we provided two main types of training programmes, which comprised either regular training conducted internally or specific training conducted by external qualified training institutions. For the employees who reached retirement age, we handled the retirement process in accordance with the applicable labour laws of China. When the Group commenced the relinquishment process of the Fuyu 1 PSC (*Note: the relinquishment had preceded the Disposal*) in the first quarter of 2019 (Please refer to the Company's SGX announcement no. SG190308OTHR3Q3I issued on 8 March 2019) the severance packages provided to employees were in accordance with the applicable labour laws of China.

For our operation in Indonesia, we provide opportunities for employees to upgrade their capabilities through:

- i) Off-site and in-house training programmes;
- ii) Coaching and mentoring;
- iii) Sharing of knowledge;
- iv) Rotation of work assignments;
- v) Participation in special projects;
- vi) Membership in professional associations; and
- vii) Leadership development programmes.

Our training centre at Kasim Marine Terminal ("**KMT**") is certified by the Human Resource Development Agency of the Ministry of Energy and Mineral Resources of Indonesia, to conduct competency assessments for Occupational Health and Safety. We have also established a retirement training programme for employees who are about to reach retirement age. Such programme will be provided approximately two years before the year of retirement for the respective employee.

For our operation in Malaysia, the asset is in the exploration phase and activities during the year were in respect of seismic survey and data processing. We emphasise on training as a continuous learning process to enhance employees' productivity. Aligned with our subsidiary's Employee Handbook, all employees are required to undergo specific training that fit their current positions. We want to ensure that our employees are equipped with the relevant skills and knowledge prior to performing any field operation.

We continuously monitor and strive to enhance our training programmes to ensure that our employees are equipped with the relevant skills and knowledge to perform efficiently and effectively in their respective roles at work.

LOCAL COMMUNITIES

We recognise the need to give back to the community and contribute towards the development of the local areas where our operations are located. Therefore, for our operation in Indonesia, we aim to actively contribute to the local communities. As we seek opportunities to enhance community spirit and encourage communal activities through our CSR programmes, we are also fine-tuning our programmes to achieve the intended outcomes and to ensure efficient allocation of resources.

During 2019, we commenced a social mapping study of the local communities around our operational areas. The main objectives of the social mapping study are to have a better understanding of the surrounding demography and to come out with sustainable economic development initiatives, based on the data and feedbacks gathered. The social mapping study is currently on-going.

For FY2019, our CSR programmes continue to focus on these five key areas:

- i) Education support;
- ii) Health assistance;
- iii) Economic development;
- iv) Environmental conservation; and
- v) Infrastructure development.



Education Support



In FY2019, we collaborated with the local student association to provide educational funding support to local school students to encourage the advancement of education. Students from the Seget, Mayamuk and Aimas districts benefited through school fee imbursements, study packages and school uniforms sponsorship. We also provided training to 100 teaching professionals in the education sector in partnership with Educational Quality Assurance Council (LPMP⁹). Together with the Sorong District Education Office, teaching staff was deployed at a school in Seget district to provide educational support to the local students. The school and students were also provided with teaching equipment and study packages respectively with the aim of enhancing the overall learning experience.

⁹ LPMP refers to Lembaga Penjaminan Mutu Pendidikan

Health Assistance



Besides educational support, we have been working together with the local public health society in West Papua to provide medical assistance to the local community yearly. In FY2019, we organised public health consultations, in collaboration with Health Office and Food Security Office of Sorong Regency, for more than 250 expectant mothers and children. Area of focus included malaria, stunting and malnutrition preventions. Our public health consultation programme is in line with the Indonesia government's commitment to accelerate stunting prevention. Through our public health consultation programme, expectant mothers and children from the Seget, Aimas and Mayamuk districts received fully-subsidised vaccinations and dietary supplements to combat against malnutrition and the spread of malaria.



Economic Development

We continue to seek opportunities and ways to contribute to the economic development and self-sustainability of the local communities near our operational areas through our Economic Sustainability Community Development project. Under the small and medium enterprise (“SME”) programme which was established in FY2018, we provided fishermen in the Arar village with fishing equipment training during FY2019. Such training could potentially increase the fishermen’s catchment and income to sustain a better livelihood. Local businesses also went through the business management training programme. In addition, we had also initiated the procurement of fish supplies in FY2019 from the village-owned enterprises, to meet the consumption needs of our employees at the Arar and Kasim Marine Terminal facilities. These programmes are intended to help provide business sustainability and economic development within the local community.



Environmental Conservation

As part of the ongoing efforts to contribute to environmental conservation, we initiated several projects to conserve and protect the endangered and vulnerable species in West Papua area in FY2017. These were the orchid conservation project and the establishment of captive breeding centre for jungle deer.



The orchid nursery and the jungle deer breeding centre were operational by the end of FY2017, which allowed us to commence the breeding and conservation programmes for the orchids and jungle deer in FY2018. As at end FY2019, our orchid nursery houses more than 20 species of orchids. Our jungle deer breeding centre also welcomed the birth of two calves.

Environmental conservation is an on-going and progressive initiative. We are privileged to be able to contribute and continue to play our part in the protection and conservation of the biodiversity in the West Papua area.



Infrastructure Development



A host of infrastructure projects, including religious and education facilities, which were initiated in FY2018 were completed during FY2019. We were involved in the construction and supply of raw materials for these projects.

These projects aim to rejuvenate the local areas, encourage learning and enhance community spirits. Such projects can also potentially lead to positive spillover effects that include better job opportunities, higher income and a more harmonious environment.

In FY2019, we continue to contribute and participate in infrastructure projects which can be impactful and beneficial to the surrounding communities of our operational areas. These included the construction of a new school library and monetary contribution to the upgrading of electrical installations for domestic households in the Sorong Regency.

GOVERNANCE

ANTI-CORRUPTION

Good corporate practices such as anti-corruption and fraud prevention have high importance and priority on RHP's agenda. In view of the importance, we established an anti-corruption policy to explain the responsibilities of our employees in maintaining zero-tolerance against all forms of corruption and bribery. The anti-corruption policy also serves as guidance to our employees on how to recognise, resolve and prevent instances of corruption and bribery which may arise in the course of their work. Our employees are briefed on our anti-corruption policy and of their role and shared responsibility in maintaining zero-tolerance against all forms of corruption and bribery. Furthermore, our whistle blowing policy underpins our anti-corruption commitment and provides our employees or other persons a safe channel to report any potential or actual improprieties in financial or other operational matters. This works for employees who wish to report instances of corruption, bribery and extortion without the fear of retaliation.



For the operation in China, we formulated and established a series of management approaches, work systems as well as work processes which ensured that our employees maintained the highest standards of integrity in their work and business dealings.

For our operation in Indonesia, we established our procurement process based on Pedoman Tata Kerja No 007 ("**PTK 007**") which is a supply chain and procurement process guidelines developed by SKK Migas¹⁰ (Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi). PTK 007 aims to ensure that the procurement of goods and services is regulated to achieve zero tolerance of corruption and bribery as stated in the Anti-Bribery and Act (ABC), the Foreign Corruption Practices Acts (FCPA) and the Corruption Acts (UU Tipikor).

¹⁰ Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) is an institution established by the Government of the Republic of Indonesia under Presidential Regulation Number 9 of 2013 on Management of Upstream Oil and Gas Business Activities. SKK Migas is assigned to manage the upstream oil and gas business activities under a Cooperation Contract.

For our operation in Malaysia, we adopted internal procurement policies to ensure that fair and transparent processes are applied across our procurement practices. Furthermore, our internal procurement policies are aligned with PETRONAS¹¹ Tender and Contract Administration Manual (PTCAM) under which the approval of the subsidiary's senior management and PETRONAS are required for the award of any contract.

For FY2019, as with FY2018 and FY2017, no incident of corruption practice was reported across our operations in China, Indonesia and Malaysia. We maintain a zero-tolerance stance towards corruption and bribery.

CORPORATE GOVERNANCE

We recognise that good governance and integrity are essential to protect our reputation, avoid conflict of interests in our business activities and stay on the path towards a sustainable business culture that will generate long-term value creation for all our stakeholders.

For more details on RHP's Corporate Governance, please refer to pages 14 to 35 of RHP's Annual Report 2019.

RISK MANAGEMENT

We are committed to ensuring that appropriate risk management procedures are implemented across our supply chain. We regularly review and improve our business and operational activities to identify areas of significant business risks as well as to take appropriate measures to manage and mitigate these risks. For example, our subsidiary PBL adopts the precautionary principle of approach in the larger scope of Good Corporate Governance (GCG). Besides establishing comprehensive risk management rules, procedures and systems aimed at identifying, managing and monitoring possible risks in the company, PBL has also developed a Business Continuity Plan (BCP), with a comprehensive risk management framework to ensure quick business recovery in the event of any impact arising from accidents, natural disasters and other sudden and unexpected events. Due to the nature of its activities, the oil and gas industry is one of the most regulated industries. The Group complies with the rules and regulations pertaining to the oil industry and meets international standards, for example PBL in Indonesia has complied with: UU Migas (Oil & Gas Law) No. 22 year 2001; rules & regulations by the Ministry of Energy and Mineral Resources of Indonesia; ISO 14001 Environment Management System; OHSAS 18001 Health & Safety Management System etc.. The Group's compliance with laws and regulations helps to mitigate risks, increase efficiency and create value for the community and environment.

As part of our risk management framework, we review all significant control policies and procedures and highlight significant matters to the Audit Committee and the Board. The significant risk management policies are disclosed in the corporate governance and audited financial statements of the Annual Report.

For more details on RHP's Risk Management, please refer to pages 29, 107 to 111 of RHP's Annual Report 2019.

¹¹ PETRONAS refers to *Petroleum Nasional Berhad*

GRI CONTENT INDEX

TABLE OF GRI CONTENT INDEX

GENERAL DISCLOSURES			
General Standard	Disclosure	Section Header	Omission
ORGANISATIONAL PROFILE			
GRI 102: General Disclosures 2016	102-1 Name of the organisation	Introduction	
	102-2 Activities, brands, products and services	Introduction	
	102-3 Location of headquarters	Introduction	
	102-4 Location of operations	Introduction	
	102-5 Ownership and legal form	Introduction	
	102-6 Markets served	Introduction	
	102-7 Scale of the organisation	Introduction	
	102-8 Information on employees and other workers	Introduction	
	102-9 Supply chain	Introduction	
	102-10 Significant changes to organisation and its supply chain	Not Applicable	No Significant Changes
	102-11 Precautionary principle or approach	Introduction	
	102-12 External Initiatives	Introduction	
	102-13 Membership of associations	Introduction	
STRATEGY			
GRI 102 : General Disclosures 2016	102-14 Statement from senior decision-maker	Message From Board	
ETHICS AND INTEGRITY			
GRI 102: General Disclosures 2016	102-16 Values, principles, standards and norms of behaviour	Introduction	

GENERAL DISCLOSURES			
General Standard	Disclosure	Section Header	Omission
GOVERNANCE			
GRI 102: General Disclosures 2016	102-18 Governance structure	Governance	
STAKEHOLDER ENGAGEMENT			
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Stakeholder Engagement And Materiality Assessment	
	102-41 Collective bargaining agreements	Not Applicable	No Collective Bargaining Agreements
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement And Materiality Assessment	
	102-43 Approach to stakeholder engagement	Stakeholder Engagement And Materiality Assessment	
	102-44 Key topics and concerns raised	Stakeholder Engagement And Materiality Assessment	
REPORTING PRACTICE			
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	About This Report	
	102-46 Defining report content and topic Boundaries	About This Report	
	102-47 List of material topics	Material Aspects And Indicators Identified	
	102-48 Restatements of information	1. Economic Performance 2. Social	1. The FY2017 numbers had been restated following the adoption of SFRS(I) 15 "Revenue from Contracts with Customers"

			2. Absentee rate ⁸ in FY2017 had been restated from 207 to 3,061 after taking into account of the FY2017 absentee hours for the field staffs.
--	--	--	--

GENERAL DISCLOSURES

General Standard	Disclosure	Section Header	Omission
------------------	------------	----------------	----------

REPORTING PRACTICE

	102-49 Changes in reporting	Not Applicable	No significant changes
	102-50 Reporting period	About This Report	
	102-51 Date of most recent report	RHP Sustainability Report 2018 dated 22 May 2019	
	102-52 Reporting cycle	About This Report	
	102-53 Contact point for questions regarding the report	About This Report	
	102-54 Claims of reporting in accordance with the GRI Standards	About This Report	
	102-55 Content index	GRI Content Index	
	102-56 External assurance	About This Report	

CATEGORY: ECONOMIC

General Standard	Disclosure	Section Header	Omission
------------------	------------	----------------	----------

ECONOMIC PERFORMANCE

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Economic Performance	
	103-2 The management approach and its components	Economic Performance	
	103-3 Evaluation of the management approach	Economic Performance	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance	

ANTI-CORRUPTION

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Governance	
	103-2 The management approach and its components	Governance	
	103-3 Evaluation of the management approach	Governance	
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Governance	
CATEGORY: ENVIRONMENT			
General Standard	Disclosure	Section Header	Omission
EFFLUENTS AND WASTE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Environment	
	103-2 The management approach and its components	Environment	
	103-3 Evaluation of the management approach	Environment	
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Environment	
ENVIRONMENTAL COMPLIANCE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Environment	
	103-2 The management approach and its components	Environment	
	103-3 Evaluation of the management approach	Environment	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Environment	

CATEGORY: SOCIAL			
General Standard	Disclosure	Section Header	Omission
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Social	
	103-2 The management approach and its components	Social	
	103-3 Evaluation of the management approach	Social	
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	Social	
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Social	
	103-2 The management approach and its components	Social	
	103-3 Evaluation of the management approach	Social	
GRI 404: Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programmes	Social	
LOCAL COMMUNITIES			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Social	
	103-2 The management approach and its components	Social	
	103-3 Evaluation of the management approach	Social	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	Social	

Note: The column of "Omission" is intentionally left blank as there are no omissions made in the Sustainability Report.