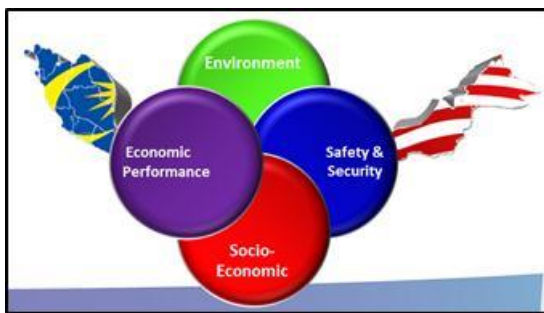


SUSTAINABILITY

Sustainability at Petron Malaysia

Sustainability is a way of life in Petron. It is integrated in every aspect of our business. From the time crude oil is refined to the time our petroleum products reach our customers, we embrace and live best practices in sustainability. As Petron grows, so does our responsibility to create healthier and safer communities, and a cleaner environment. Sustainability ensures the continuation of our journey while meeting the needs of our shareholders over the long-term.

With this in mind, we have established four main pillars for our sustainability program: Environment, Safety & Security, Social, and Economic Performance. These are key segments where we can focus our efforts and enhance our “added value” for all stakeholders.



Economic Performance

A robust and consistent economic performance is an essential component of our sustainability agenda. Simply put, you cannot give what you don't have. This is why we strive to achieve profitable growth and deliver long-term value to our stakeholders. The company believes that great ideas, well-thought-out plans, and excellent execution are ingredients to sustainable success.

Our desire to achieve growth and expand our footprint through strategic investments is guided by our robust risk-management framework covering our entire supply chain. Top management oversees a comprehensive risk-management process that helps us predict potential economic risks, giving us the opportunity to take proactive steps.

A pool of highly-qualified and experienced workforce enables us to deliver strong results within a stipulated timeframe year in, year out.

One program aimed at sustaining our economic performance is the upgrading and conversion to the Petron brand of our 560 service stations nationwide. The program has given growth opportunities to our suppliers while strengthening the business of our station dealers through customer-focused initiatives. We are able to deliver our brand promise to our customers by giving them world-class products and services, and the unique Petron experience. This, in turn, further fuels customer preference and loyalty.



We have one aim: As Petron grows, so should our shareholders and business partners. Clearly, doing good makes good business sense.



Environment

We continue to roll-out programs that protect and preserve the environment. An internal program, “A Brighter Tomorrow Begins Today,” is focused on the reduction of waste, mitigating emissions at the Petron Port Dickson Refinery (PDR), and promoting recycling efforts across the organization.

Currently, the PDR is implementing programs focused on reducing greenhouse gas (GHG) emissions. This includes improving steam production and reducing fuel use for refining operations. Carbon Dioxide emissions have been reduced by nearly 30% in 2012 versus 2011. Last year's CO2 emissions were at 136,908 tons from 177,510 tons in 2011. Other harmful emissions were likewise reduced. Nitrogen oxides (NOx) and sulfur oxides (SOx) were reduced from 368 tons in 2011 to only 275 in 2012.

We are about to roll-out programs that will help preserve the marine environment. We will forge partnerships with concerned agencies and groups to ensure the successful implementation of these projects.

Social

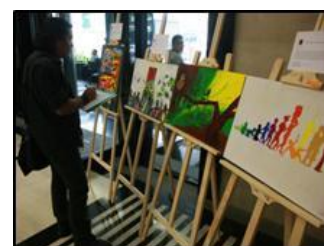
Malaysia is a dynamic country in a fast developing region. As a company that operates here, it is important for us to contribute to Malaysia's Vision 2020 goal.

For many years, the Company has been a staunch supporter of the Negeri Sembilan Schools Sports Awards. We work closely with the State Education Department and the State Government of Negeri Sembilan to organize and sponsor the annual awards, which recognizes sports excellence among student athletes in the state. Through this program, we hope to help inspire the younger generation—our future leaders—to participate in sports and lead healthy lifestyles.



In 2012, the company embarked on promoting the arts through its Vision Petron Art & Painting competition. The contest encourages college and university students to express their creativity through art.

This year, the contest, with the theme “*Rentetan Kejayaan: A Journey of Triumphs and Milestones,*” attracted almost 200 participants. Their submissions were evaluated by judges from the company and two art experts from the National Art Gallery. To further inspire our budding artists, the winning art pieces will be showcased in Petron Malaysia's 2014 calendar and planner.



The Company is also helping in beautifying local communities. In 2013, Petron Malaysia participated in the roundabout beautification program in Sandakan, Sabah. A roundabout in Karamunting was chosen due to its close proximity to our Terminal. Our support has transformed the roundabout into a native plant showcase. A replica of a ‘*Periuk Kera,*’ a native plant of Borneo, was built there to introduce the local plant to motorists and tourists. Our collaboration with the Sandakan Town Council for this program has received encouraging feedback, especially from local residents.



In PDR, we continue to support the community by spearheading programs in education and welfare. We partnered with local government agencies in the area, namely the Fire Brigade, District Police, and Customs Department to further enhance their capabilities.



The “Petron Cares” approach has also benefitted the disabled and disadvantaged. We provide fuel for CADS Center, an educational and development center for children who suffer from conditions such as Cerebral Palsy and Down Syndrome-Dyslexia.

As a contribution to socio-economic development, we also encourage our business partners to volunteer in outreach programs. In 2012, a number of charity events were organized by Petron station dealers. These fund-

raising activities have helped local orphanages, old folk homes as well as homes for the disabled.

Internally, we formed the Sustainability Committee to develop and drive programs to meet our objectives. All employees are encouraged to join community-related programs and share their time and effort.

Safety & Security

While we contribute to the development of the country, we also place a premium on safety and security in our operations which extends to our publics. We believe that adhering to strict local and international safety and security standards is key to our continued success.

PDR achieved another milestone last April 22 when it reached 11 years without any Lost Time Injury. PDR was also awarded the Malaysian Society for Occupational Safety and Health (MSOSH) Gold Merit Award in June for its 2012 occupational safety and health performance.

Our terminals' operational excellence was also recognized by MSOSH with four Gold Class 1 and one Gold Class 2 Awards. The Gold Class 1 award was given to our Kuantan, Bagan Luar, KL International Airport & Port Dickson terminals, while the Gold Class 2 award went to Tawau terminal.

Beyond our operations, Petron has sponsored a series of safety campaigns, such as the 1Malaysia bike week, an event where bikers made a nationwide trip and conveyed safety messages to communities. At every stop, Petron distributed safety helmets to local riders. Petron distributed 1,000 safety helmets during this event.



To complement these efforts, we conducted a road safety training for motorists in Shah Alam. The modules consisted of safety riding, identifying road hazards, and traveling tips. The positive feedback from the participants has encouraged us to continue ensuring increased safety awareness among motorists. Internally, our employees are required to undergo defensive driving training to ensure safe driving.

Petron and the Royal Malaysia Police have collaborated on an initiative called "Go-To Safety Points" (GTSP). Under the "United Against Crime" campaign, the public can seek temporary shelter at Petron stations and seek assistance from our personnel to call the police. GTSP gets the local police to regularly visit our stations, making the force more accessible to the public. Launched in September, this program demonstrates Petron's commitment to support the government's effort to fight crime.



As a company that is closely linked with the Malaysian economy, we have a strong sense of responsibility to help build the nation and act in partnership with our stakeholders so that a greater majority will experience inclusive growth and development. Through our sustainability initiatives, we aim to be a stronger company, a company whose presence also translates to education, environmental preservation, safety and security, and help for the needy.