



**RH PETROGAS LIMITED
SUSTAINABILITY REPORT
2018**

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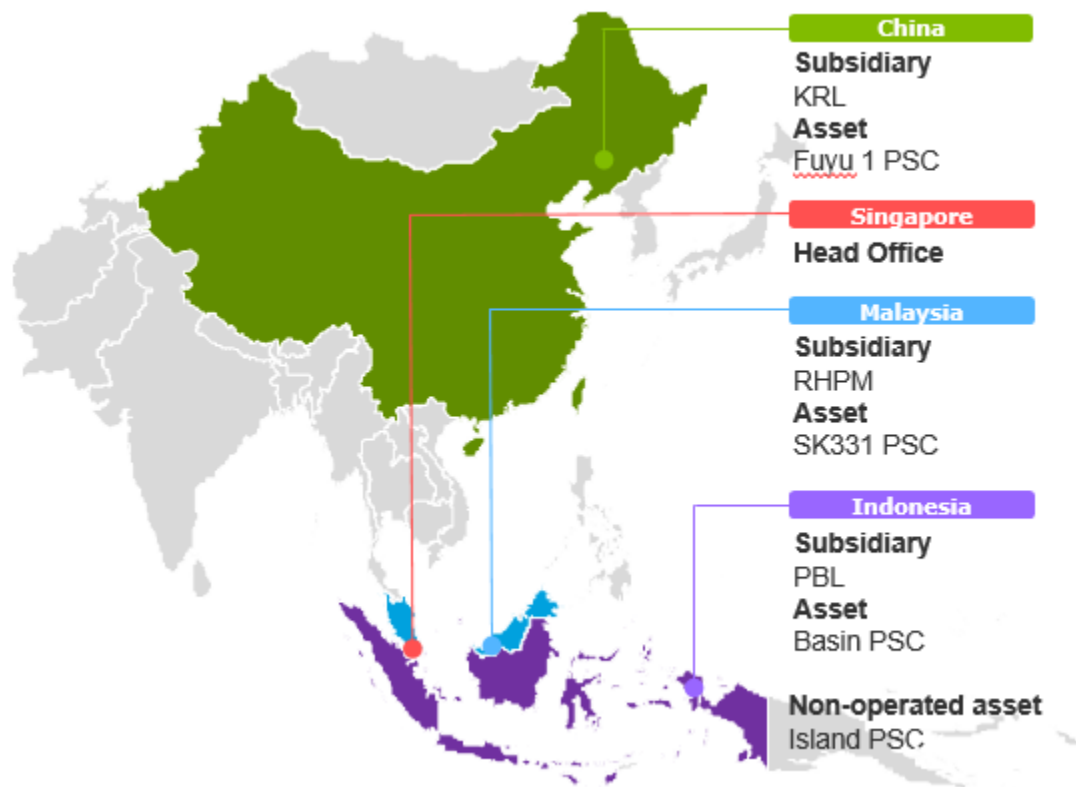
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INTRODUCTION

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. The Group currently holds participating interests in four assets, each under a production sharing contract (“**PSC**”) with the host government of the respective countries where the assets are located. The Group currently operates three of the four assets. These operated assets are the Kepala Burung PSC (“**Basin PSC**”) in Indonesia, the Fuyu 1 PSC in China and the SK331 PSC in Malaysia. These three PSCs are respectively operated by key subsidiaries, namely Petrogas (Basin) Ltd (“**PBL**”), Kingworld Resources Limited (“**KRL**”) and RHP (Mukah) Pte Ltd (“**RHPM**”). The fourth is a non-operated asset, the Salawati Kepala Burung PSC (“**Island PSC**”) in Indonesia.



OUR VISION

To Become a Leading Independent Oil & Gas Company in Asia

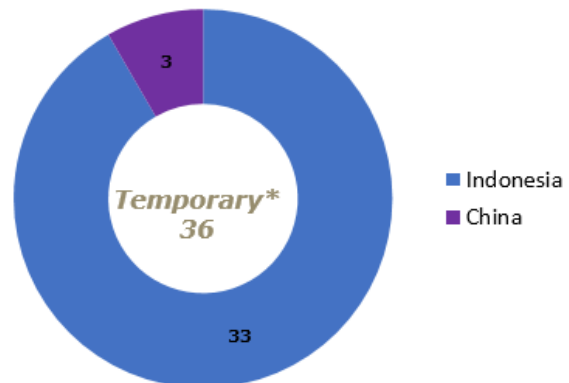
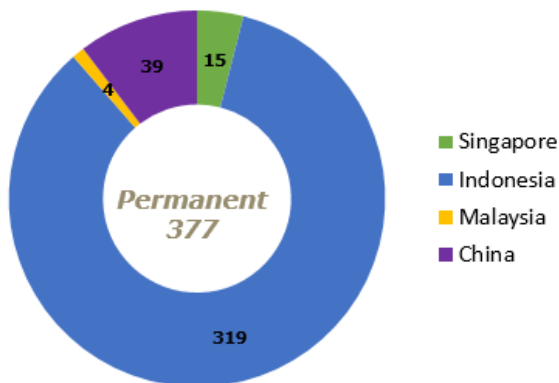
OUR PEOPLE



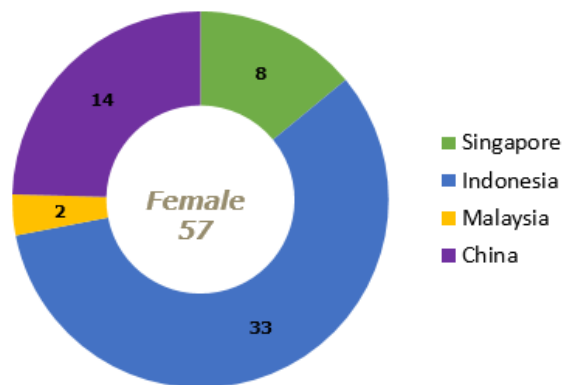
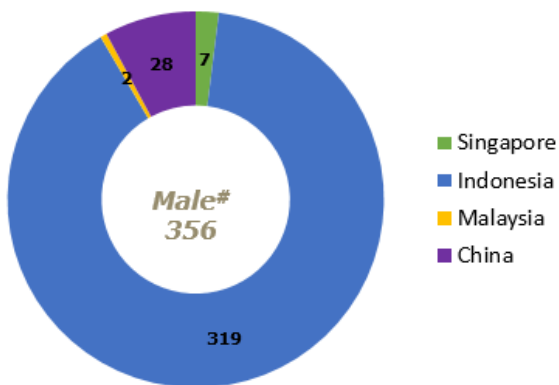
We believe that our people are one of our most important assets. We believe in conducting our business with respect and care for our people. We aim to build a non-discriminatory atmosphere and to provide equal employment opportunities regardless of race, gender, age, religion and disability. We are committed to hiring locally in places where we operate and 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 skills and where necessary, complement our capabilities with external recruitment for specialist roles. In addition, we encourage their dedication to 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 to contribute and assume greater responsibility and promotion from within the organisation.

The Group employed a total 413 staff as of 31 December 2018. 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 2018*



**Note: The higher ratios of male to female employees in China and Indonesia were due to the operational nature, demands and locations of fieldwork in the Group's operated assets.*

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 facilitate and result in the enhancement of the interests of all stakeholders.

OUR SUPPLY CHAIN

We recognise that sustainable supply chain management is important and will contribute to the success of the 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 processes. Its vendor management and procurement and supply chain management (“**PSCM**”) systems aim to provide efficiency, effectiveness and integrity in its supply chain process. 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. 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 25,800 companies, as well as key local and foreign business chambers. In addition, PBL is a member of the Indonesia Petroleum Association (“**IPA**”). As explained in its website, IPA aims to be the voice of the upstream oil and gas industry in Indonesia and to work collaboratively with all stakeholders to promote the industry for the benefit of government, investors, communities, employees, customers and the environment.

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 7.8 million man hours of work as of 31 December 2017 without lost time accident for Petrogas (Basin) Ltd from Ministry of Manpower of Indonesia
- 

Patra Nirbhaya Karya Pratama award for 8.9 million man hours of work as of 31 March 2018 without lost time accident for Petrogas (Basin) Ltd from Ministry of Energy and Mineral Resources of Indonesia

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 Company’s stakeholders. The objective of preparing this sustainability report is to provide stakeholders with an understanding of the Group’s sustainability practices.

We conducted materiality assessment of the ESG factors taking into consideration the expectation and interests of the stakeholders. Specific and material topics were examined. All data and activities reported were for the period from 1 January 2018 to 31 December 2018, 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)	Indonesia Petrogas (Basin) Ltd (PBL)	Malaysia RHP (Mukah) Pte Ltd (RHPM)
Economic Performance	√	√	√	√
Anti-Corruption	√	√	√	√
Effluents and Waste	√	√	√	Not in scope ¹
Environmental Compliance	√	√	√	Not in scope ¹
Occupational Health and Safety	√	√	√	√
Training and Education	√	√	√	√
Local Communities	√	√	√	Not in scope ¹

CONTACT US

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

¹ Not in scope: For our operation in Malaysia, the asset is in the exploration phase and activities during the year were mainly studies performed in the office with no activity being conducted in the field.

MESSAGE FROM BOARD

BOARD STATEMENT

We are pleased to present our Company's second sustainability report.

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.

As a responsible upstream oil and gas company, we strive for excellence and take sustainability issues seriously, while delivering on our business objectives in a sustainable manner. Sustainability forms 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 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 and 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 embark on our sustainability reporting journey, the Board and Management also remain 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, associates, employees and local communities.



RESULTS FROM MATERIALITY ASSESSMENT

The materiality assessment process was conducted to identify the material ESG (environmental, social and governance) factors. The ESG factors were identified by conducting a Stakeholder Engagement and Materiality Assessment Workshop during the year with the assistance from our external consultant. We reviewed the ESG factors of the respective stakeholders for material issues that have the potential to affect our performance in the long term to safeguard the sustainability of our business.

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. Internal discussions were also conducted with employees from 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 in our daily operations. The ESG factors were consolidated and subsequently endorsed by our Management.

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	Programs for upgrading employee skills and transition assistance programs	GRI 404-2
Local Communities	Operations with local community engagement, impact assessments and development programs	GRI 413-1

REPORTING SCOPE AND BOUNDARIES

Material Aspects	Description	Aspect Boundary ²
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 Programs for upgrading employee skills and transition assistance programs	Within organisation
Local Communities	GRI 413-1 Operations with local community engagement, impact assessments and development programs	Within organisation

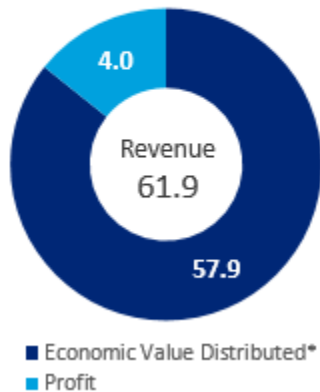
² Aspect Boundary is a description of where the impacts occur for a material topic and the organisation's involvement with those impacts. Organisations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. Global Reporting Initiatives (GRI)

ECONOMIC PERFORMANCE

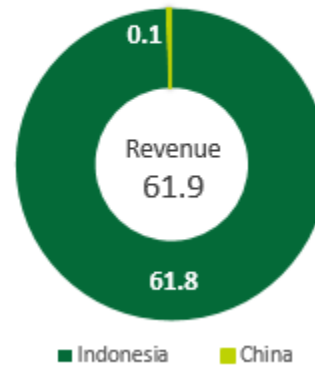
HIGHLIGHT ON ECONOMIC PERFORMANCE

The economic highlights of the Group’s performance for the financial year ended 31 December 2018 (“**FY2018**”) are as follows:

Financial Performance in FY2018
(US\$ million)



Financial Performance in FY2018
by Geographical Market
(US\$ million)



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

In July 2018, the Group 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 current Basin PSC and Island PSC and will commence upon the expiry of these current PSCs in 2020. These PSCs are our key producing assets and the cornerstone of our portfolio, providing us with a strong production base and good growth potential in the long term.

For more information on the New PSCs and a detailed breakdown of the Group’s FY2018 financial results, please refer to RHP’s Annual Report 2018.



ENVIRONMENT

OUR APPROACH

As with other upstream oil and gas companies, 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 across our region.



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 our operation in China, we strive to minimise environmental pollution in our oil production activities. Waste water produced from the small-scale production process is 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 are sent for incineration while hazardous waste are sent to licensed waste management companies for disposal.

For our operation in Malaysia, the asset is still in the exploration phase and activities during the year were mainly studies performed in the office with no activity being conducted in the field. 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 recycling³.

For FY2018, we maintained the same result as FY2017 with no significant spills⁴ recorded from all of 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 ⁴	FY2018	FY2017
Total number and total volume of recorded significant spills ⁴	NIL	NIL

³ 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.

⁴ Significant spills refer to more than 15 barrels of oil spill into the environment.

ENVIRONMENTAL COMPLIANCE

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

For our operation in China, we follow China’s relevant environmental protection laws. To comply with these laws, we have 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 our 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 2018 as our LPG operations had complied with the applicable environmental regulations.

For our operation in Malaysia, the asset is in the exploration phase and activities during the year were mainly studies performed in the office with no activity being conducted in the field. Its field operations will be required to comply with Malaysia’s Environment Quality Act 1974 (No. 127/1974)⁵.

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

For FY2018, 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 FY2017. We aim to maintain this level of performance through continual adherence and regular review and enhancement of our policies and practices.

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

⁵ 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 our operation in China, we comply with the applicable laws and regulations relating to health and safety. We have established an occupational health management system to manage the relevant health and safety risks. In alignment with the Group's objectives, we aim to improve the working environment through the prevention of occupational accidents and diseases, to protect the health and safety of our 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)⁶;
- 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:

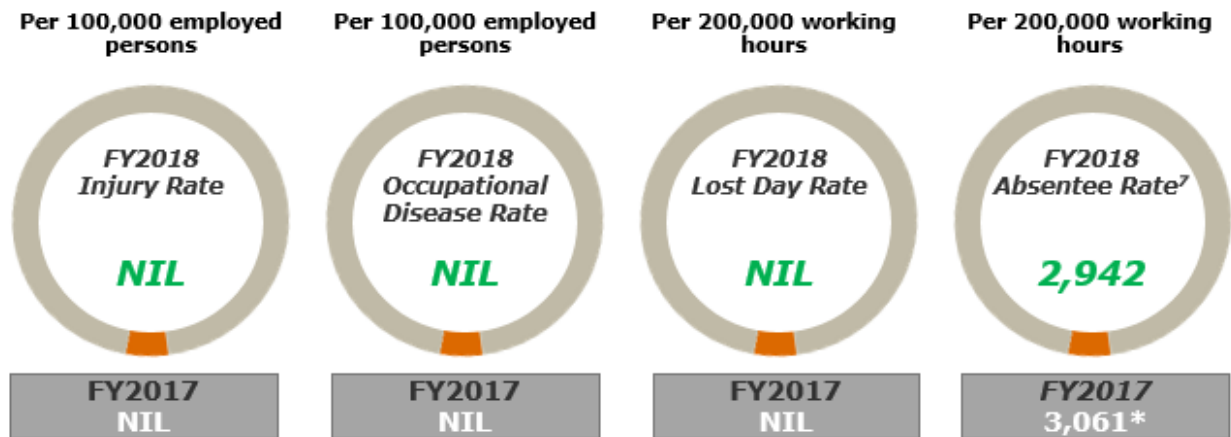
- i) No injury and accident to employees and contractors; and
- ii) Minimum impacts on the environment.

For FY2018, 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 FY2017. The FY2018 absentee rate⁷ was 2,942 per 200,000 working hours, which is an improvement over FY2017's restated figure (Please refer to the explanatory "Note" on page 18). We take proactive measures which include health seminars and workplace hygiene inspection to help improve the well-being of our employees.

⁶ 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.

⁷ 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 FY2018 and FY2017.



*Note: For FY2018, the absentee hours for the field staff were also included in the calculation. Absentee hours for field staffs had not been included for FY2017. For consistency in reporting, the absentee rate⁷ 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 our operation in China, we provide two main types of training programmes, comprising either regular training conducted internally or specific training conducted by external qualified training institutions. For our employees who have reached retirement age, we look after the retirement process 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. In FY2018, we provided our employees with 17,456 training hours, averaging 42 hours per employee. 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 geological and geophysical studies. 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 and have actively contributed to the local communities. We seek opportunities to enhance community spirit and encourage communal activities through our CSR programmes which focus on the five key areas as follow:

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

Education Support



In FY2018, we provided educational funding support to approximately 112 local school students to encourage the advancement of education. We also provided training to more than 100 teaching professionals in the education sector in partnership with Educational Quality Assurance Council (LPMP⁸).

⁸ 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 FY2018, we assisted 662 people in the Mayamuk district of Sorong, West Papua, with the provision of medical treatment to help improve the health conditions of the local community. The medical assistance programme was rendered with the support of the Sorong Regency’s Health Office and doctors’ association.



Economic Development



We have also contributed to the economic development of Sorong, West Papua as part of our local communities' engagement. In FY2018, we provided 462 Areca Palm seeds, agricultural equipment and an observation hut to the local community in the Kasimle Village of Sorong. The Areca Palm programme could potentially generate revenue and provide the villagers with a self-sustaining business in the long run.



We set up the small and medium enterprises ("**SME**") assistance programme for fisherman and seaweed cultivation groups in Arar Kampung, Mayamuk district. The programme supported these groups with essential equipment to help carry out their work. These programmes are intended to help to 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 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. We are privileged to be able to contribute and play our part in the protection and conservation of the biodiversity in Papua area.

Infrastructure Development



To help rejuvenate the local areas, we also contributed and participated in the improvement of existing infrastructures and construction of new facilities. Learning facilities in Seget and Mayamuk districts were renovated. We are also progressing with the construction project of a church in the Seget district. We also provided raw materials for the renovation of a praying room in Arar village. These infrastructure developments help to provide more common spaces and place of worship for community building and religious activities.

GOVERNANCE

ANTI-CORRUPTION

Good corporate practices such as anti-corruption and fraud prevention have high importance and priority on the Group'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 our operation in China, we formulated and established a series of management approaches, work systems as well as work processes to ensure that our employees maintain 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 Migas⁹ (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).

⁹ 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 PETRONAS¹⁰ 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 FY2018, 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 33 of RHP's Annual Report 2018.

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 27, 120 to 124 of RHP's Annual Report 2018.

¹⁰ 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	
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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	Social	Absentee rate ⁷ 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 2017 dated 26 November 2018	
	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	
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CATEGORY: ECONOMIC			
General Standard	Disclosure	Section Header	Omission
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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	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
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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 Programs for upgrading employee skills and transition assistance programs	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 programs	Social	

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