



**RH PETROGAS LIMITED
SUSTAINABILITY REPORT
2017**

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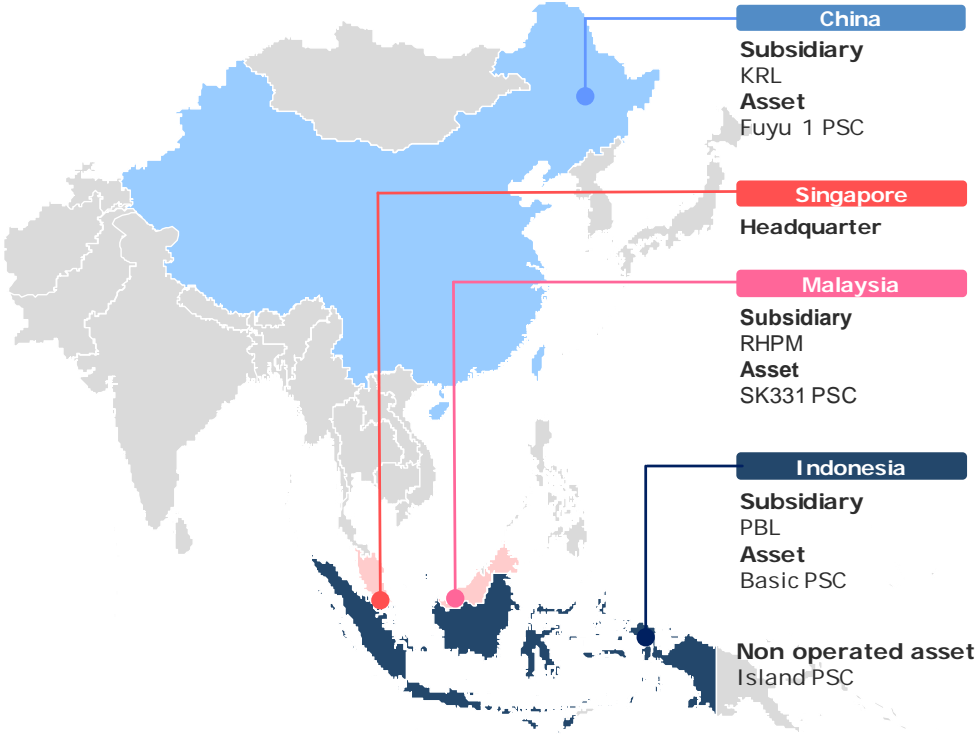
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INTRODUCTION

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

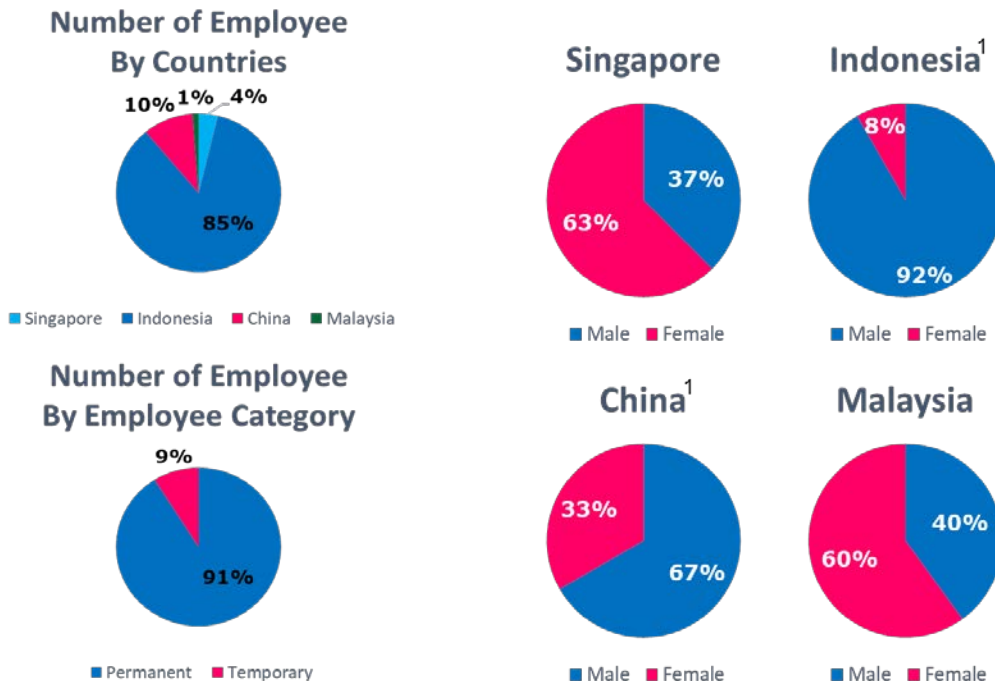
OUR PEOPLE

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 focusing on the skills required to maintain safe and reliable operations, complemented with external recruitment for specialist roles. In addition, we encourage their dedication for excellence and provide 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 425 staff in 2017. 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.



¹ The higher ratios of male employees 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. This involves 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 believe 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. We implement an integrated supply chain management system covering procurement, asset and inventory management and processes. Our vendor management and procurement and supply chain management ("PSCM") systems aim to provide efficiency, effectiveness and integrity in our supply chain process. Our suppliers and contractors are required to implement contractor safety management system ("CSMS") as part of our stringent health, safety and environment ("HSE") requirements. We source for local supplies where possible in our areas of operation.

MEMBERSHIP OF ASSOCIATIONS

We are currently a member of the Singapore Business Federation ("SBF"). According to 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, the operator of our Basin asset in Indonesia, is a member of the Indonesia Petroleum Association ("IPA"). According to 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 without lost time accident for Petrogas (Basin) Ltd from Ministry of Manpower of Indonesia
-  Patra Nirbhaya Karya Pratama award for 3 million man hours of work without lost time accident for Petrogas (Basin) Ltd from Ministry of Energy and Mineral Resources of Indonesia

ABOUT THIS REPORT

SCOPE OF THE REPORT

This sustainability report (“report”) of RHP has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option. The GRI Standards are a global international standard for sustainability reporting. This report has been prepared 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 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 2017 to 31 December 2017, 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 ² |
| Environmental Compliance | √ | √ | √ | Not in scope ² |
| Occupational Health and Safety | √ | √ | √ | √ |
| Training and Education | √ | √ | √ | √ |
| Local Communities | √ | √ | √ | Not in scope ² |

² 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

CONTACT US

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

MESSAGE FROM BOARD

BOARD STATEMENT

We are pleased to present RHP's inaugural sustainability report.

We believe that sustainable business practices are not only important for the world, it also helps 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 believe in conducting our business with respect and care for our people, contributing to their development and well-being, creating and fostering a positive work environment and atmosphere where our people feel valued. We believe that all 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 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. The Group and our operating subsidiaries 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 believe 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 are committed to ensuring long-term value creation for our stakeholders. We will continually improve our performance and proactively integrate sustainable practice with our corporate strategy. We believe that this will help us to build a sustainable business that will take into account stakeholders' interests while creating greater value for stakeholders 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 the 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 stakeholders and prioritised the importance of the factors raised 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.

ASPECTS AND INDICATORS IDENTIFIED



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

REPORTING SCOPE AND BOUNDARIES

| Material Aspects | List of ESG Indicators | 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 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 |

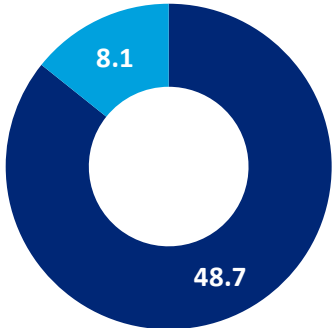
³ Aspect Boundary is a description of where the impacts occur for a material topic and the organisation's involvement with those impacts. Organisations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. Global Reporting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

ECONOMIC PERFORMANCE

HIGHLIGHT ON ECONOMIC PERFORMANCE

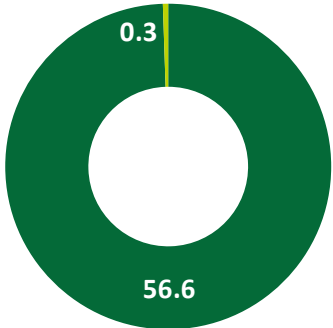
The economic highlights of the Group’s performance for 12 months from 1 January 2017 to 31 December 2017 (“FY 2017”) is as follows:

Financial Performance in FY 2017
(US\$’000,000)



■ Economic Value Distributed
■ Net Profit

Financial Performance in FY 2017
by Geographical Market
(US\$’000,000)



■ Indonesia ■ China

For a detailed breakdown of our FY 2017 financial results, please refer to RHP’s Annual Report 2017.

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



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 and advocate 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”) principle 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 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. As our operations expand and are able to move into the production phase, waste management procedures will be established as relevant, further to and in keeping with the existing practices of waste minimisation and recycling⁴.

For FY 2017, there were no significant⁵ spills recorded from all of our operations in China, Indonesia and Malaysia. We aim to maintain this level of performance through continual adherence and enhancement of our policies and practices.

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.

⁵ 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 2017 as our LPG operations had complied 100% 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. Our operations comply with the criteria of Malaysia's legal requirement as set out by the Environment Quality Act 1974 (No. 127/1974)⁶.

| | |
|------------|--|
| 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 FY 2017, there was no significant fines and non-monetary sanction for non-compliance with environmental laws and/or regulations. We aim to maintain this level of performance through continual adherence and enhancement of our policies and practices.

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 also believe in contributing 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 believe in 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

We believe in the importance of maintaining a safe and conducive work environment for our people and contractors and aim to keep the incidence of workplace accidents at bay. 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 as well as our operations, in terms of casualty and injury as well as 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 and ensure alignment 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 at its monthly management meeting.

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.

⁷ CSMS is a system to help reduce risks in a company's operation 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.

For FY 2017, the Group 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. Absentee⁸ rate was 207 per 200,000 working hours. The figures below show the full breakdown of our Group's occupational health and safety performance statistics for the assessment year.



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

⁸ Absentee rate is the measure of actual absentee days lost, expressed as a percentage of total days scheduled to be worked by workers for the same period. Global Reporting Initiatives (GRI)
 Absentee rate for PBL excluded outsourced staff as absent outsourced staff had been replaced by the contractor with another outsourced staff.

TRAINING AND EDUCATION

We understand 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 the 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 Program;
- ii) Coaching and Mentoring;
- iii) Sharing Knowledge;
- iv) Rotating Work Assignment;
- v) Special Projects;
- vi) Professional Associations Membership; and
- vii) Leadership Development Program.

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 2017, we provided our employees with 25,760 training hours, averaging 71 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 the integrated and comprehensive geological and geophysical study. We emphasis 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 believe in ensuring 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. As such, for our operation in Indonesia, we aim to and have actively contributed to the local communities since we took over the operatorship of our Basin PSC asset in 2016. 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;
- ii) Health assistance;
- iii) Economic development;
- iv) Environment; and
- v) Infrastructure development.



In FY 2017, we provided educational funding support to approximately 80 local high school students to encourage the advancement of education. In addition, we provided training to more than 60 professionals from the education sector in partnership with Educational Quality Assurance Council (LPMP⁹). An agreement was also signed with BPSDM Kementerian ESDM (Badan Pengembangan Sumber Daya Manusia) in Indonesia to help train the next generation of oil and gas professionals by equipping them with the skills they need through education, training, certification and consultancy.

⁹ LPMP refers to Lembaga Penjaminan Mutu Pendidikan



Besides education, we have been working together with the local public health society in West Papua to provide health assistance to the local community yearly. In FY 2017, we assisted more than 350 people in the Warmon district of Sorong, West Papua, with health assistance through mass medical treatment and food donation programmes. We have also set up and operate two clinics within the Sorong area in West Papua, one located at the KMT (Kasim Marine Terminal) and the other in Arar, to serve the local communities residing around the clinics and enable them to have access to basic medical services for non-acute health problem such as vaccination, immunisation, injuries and medical check-up.

As part of the ongoing efforts to contribute to environmental protection and conservation, we have initiated several projects in the Papua area, which holds a rich diversity of wild life. For example, there are certain exquisite species of orchids in Papua that are unique to the area and are currently listed as endangered species. We initiated an orchid conservation project to promote the protection of these endangered species of orchids, such as the Papua Black Orchid (*Coelogyne Pandarata*) as well as nine other species that are on the list of rare and protected plants in the area. Another project involved the establishment of a captive breeding centre for jungle deer, which has been listed as vulnerable on the IUCN (International Union for Conservation of Nature) list. We believe that such efforts are essential and helpful to the preservation of local diversity and are an example of the Group's sustainability practices and endeavours.

GOVERNANCE

ANTI-CORRUPTION

We believe that good corporate practices such as anti-corruption and fraud prevention have a high importance and priority on the Group's agenda. 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 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 have detected and 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 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

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.

Corruption Act (ABC), the Foreign Corruption Practices Acts (FCPA) and the Corruption Acts (UU Tipikor).

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 FY 2017, 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 13 to 28 of RHP's Annual Report 2017.

¹¹ PETRONAS refers to *Petroleum Nasional Berhad*

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, 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 (AC) 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 25, 98 to 103 of RHP's Annual Report 2017.

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| GENERAL DISCLOSURES | | | |
|---|---|------------------------------------|------------------------|
| General Standard | Disclosure | URL(s) | 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 | URL(s) | 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 | Not Applicable | First Report |
| | 102-49 Changes in reporting | Not Applicable | First Report |
| | 102-50 Reporting period | About This Report | |
| | 102-51 Date of most recent report | Not Applicable | First Report |
| | 102-52 Reporting cycle | About This Report | |
| | 102-53 Contact point for questions regarding the report | About This Report | |

| GENERAL DISCLOSURES | | | |
|---|--|--------------------------------------|----------|
| General Standard | Disclosure | URL(s) | Omission |
| REPORTING PRACTICE | | | |
| | 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 | URL(s) | 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 | 205-2 Communication and training about anti-corruption policies and procedures | Governance | |

| CATEGORY: ENVIRONMENT | | | |
|---|--|-----------------------------|----------|
| General Standard | Disclosure | URL(s) | 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 | URL(s) | 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 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.