



ENGEN 2019 INTEGRATED REPORT

QUICKSHOP & Co

1plus



we are
**passionate
about
progress**

member of
PETRONAS Group





BEYOND
TOMORROW
ENGINEERING

BEYOND
TOMORROW
ENGINEERING

BEYOND
TOMORROW
ENGINEERING

BEYOND
TOMORROW
ENGINEERING

top[®]
EMPLOYER

SOUTH
AFRICA
2020

CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

we are passionate about progress

Our purpose as a company is embodied in our Statement of Purpose, which marks a new chapter in our journey as Southern Africa's leading downstream petroleum company with a presence in 7 countries, and a brand presence in 9 more countries.

**"A Progressive Energy and Solutions Partner
Enriching Lives for a Sustainable Future"**

Our Statement of Purpose underscores why we do what we do, now and in the future - a clarion call of our passion to harness the transformative power of energy for the benefit of all. Delivering energy needs in a responsible manner is now more important than ever. We are constantly seeking meaningful collaborations to provide solutions that enrich lives because we believe that it is only when lives are enriched that real progress is achieved.

That is why we are "Passionate about Progress."



COVID-19

Stepping up and supporting

Our priority remains the unwavering support of our employees, customers and local communities.

The COVID-19 pandemic and national lockdowns have had a severe impact on the economies of the countries in which Engen operates as well as on the livelihoods of many citizens. The effects will be felt for some time. As Engen, our purpose is to be "A Progressive Energy and Solutions Partner Enriching Lives for a Sustainable Future". In the face of this unique global challenge, we're committed to not only living up to our clarion call but also to do so much more.

We fully commend decisive government responses to the pandemic and stand in solidarity with the various country's leadership in their respective approaches to protect inhabitants. In these challenging times for business and society, it is only by standing together as citizens of a local and global community that we will combat COVID-19. We are all in this together and we all have a positive role to play.

Engen's business was not spared the impact and we experienced a decline in sales volume over the course of the national lockdowns. In response to the pandemic, we have implemented additional hygiene measures across our business. These ensure that we continue to safely and reliably manufacture our core petroleum products and safely deliver our quality products and related convenience services to our valued customers.

We have also thoroughly stress tested our business model against various scenarios and tested our business continuity plans against the most trying possible scenarios. Our long-term customer centric business strategy is specifically positioned to fuel growth and future-proof our business by 'Stepping Out' with retail non-fuel and new energy sources of growth. We therefore continue to look beyond 2020 with clarity and optimism.

As a responsible corporate citizen, we have a duty to step up in times of need. Therefore, we swiftly moved to support the communities residing close to our operations, and society at large who were impacted by COVID-19 and the national lockdown.

In this regard, we have sought a multi-stakeholder approach, working together with a broad range of social partners in these challenging and uncertain times. We have successfully collaborated with government and civil society to bring much needed relief to some of the most vulnerable sections of society.

Focusing our response efforts on equipping and support those who are at the frontline of fighting the virus, we have made amongst others the following investments to help fight COVID-19:



- Directed R1 million worth of fuel to the Department of Health to power the emergency response vehicles of frontline health workers.
- Directed R1 million worth of fuel to FoodForward SA to power their delivery vehicles in their quest to expand the distribution of nutritious food to vulnerable people.
- Directed R2.5m fuel and medical testing equipment to the Gift of the Givers to boost their humanitarian relief work.
- Partnered with the Gift of the Givers to provide food relief to the South Durban community, distributing 5 000 food hampers over a 5 month period.
- In Gauteng, Engen fuel retailers distributed food hampers and basic supplies to over 7 000 Diepsloot, Alexandra and Tembisa residents.
- Contributed R1.25m in the National Solidarity Fund, which comprised a R500k corporate donation and R750k from Engen employees who offered part of their salaries.

While we know it will take much more to alleviate the stress that many of our stakeholders are facing, we hope our contribution makes a small difference to each person who receives the comfort of a helping hand as a result of our efforts.

As the Covid-19 virus continues to have a profound effect on most people and businesses across the world, Engen will continue to do all we can to support our customers, employees, suppliers and neighbouring communities through these unprecedented times. While we will undoubtedly overcome the scourge, it will only be achieved by all of us taking collective responsibility for preventing the spread of COVID-19. That is why we call on the citizens of all the countries in which we operate to follow government and health service advice and to take care of themselves and their families. We are all in this together.

And while we start emerging from lockdown, and notwithstanding signs of recovery, the severe impact of COVID-19 on people's health and employment will continue. While Engen's priority remains the unwavering support our employees, customers and neighbouring communities, we will also continue to work supportively to assist in the fight against the virus, and to support recovery efforts.



ABOUT THIS REPORT

Thank you for reading Engen Limited's Integrated Report for the year ended 31 December 2019. As a company, we endorse the principles of transparency and accountability, and are committed to reporting on our performance and prospects in a meaningful manner.



REPORTING SCOPE AND BOUNDARY

This year marks the 7th year of our integrated reporting journey with our emphasis on improving the clarity and conciseness of the Report.

Our 2019 Integrated Report provides a holistic overview of Engen's key developments, market challenges, our strategies and initiatives as well as our approach to risk and governance for the 12-month period 1 January to 31 December 2019, unless otherwise stated. In addition, we also offer relevant historical information in order to contextualise the key issues discussed.

REPORTING FRAMEWORK

Our report is based on the principles and framework as presented in the International Integrated Reporting Framework (IIRC). The focus is on Engen's value chain and how we manage the process of value creation across the six sustainability capitals as guided by the framework.

The activities of Engen Limited, and of all our operating subsidiaries, are covered. This includes all operations in which we have direct control and are able to implement our policies, practices and standards. We report fully on key sustainability performance indicators regardless of percentage share ownership. Deviations from this reporting boundary are clearly stated.

While the financial and non-financial data from our subsidiaries are fully consolidated, the B-BBEE assessment, along with our employment equity statistics, exclude all non-South African operations.

MATERIAL MATTERS

Our report is relevant for stakeholders with an interest in our performance and prospects against our Statement of Purpose: **A Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future.**

We apply the principle of materiality in assessing what information should be included in our Integrated Report. The information provided focuses on issues, opportunities and challenges that impact materially on Engen in ensuring a sustainable future, while consistently delivering value and enriching the lives of our stakeholders.

ASSURANCE

Our financial statements are independently audited while the development of our non-financial reports are supported by

our robust internal process and good governance practices.

Our Board Audit Risk and Compliance Committee provides internal assurance annually to the Engen Limited Board on the execution of the combined assurance plan. The Group's financial, operating, compliance and risk management controls are assessed by the Group's internal audit function, which is overseen by the Board Audit Risk and Compliance Committee.

EY have audited the Group's annual financial statements, which were prepared in terms of the International Financial Reporting Standards (IFRS). The Key Financial Indicators for 2019 and 2018 of the Statement of Profit and Loss and Statement of Financial Position are set out on page 133. The B-BBEE scorecard information was verified independently by AQRate Verification Services.

A reasonable assurance report by independent auditor's on selected sustainability information was included in the 2018 Engen Integrated Report. We endeavour to conduct this exercise every 3-5 years. Therefore, reasonable independent assurance on selected sustainability information is not included in the 2019 Engen Integrated Report.

FORWARD LOOKING STATEMENTS

This report contains certain forward-looking statements, typically with words such as 'aim', 'may', 'plan', 'will' and 'expected' or other similar expressions. These statements discuss future expectations concerning the dispositions of assets or financial conditions or provide other forward-looking information into 2020. These forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control and may cause actual results to differ materially from those expressed in the statements contained in this report. Readers are cautioned not to put undue reliance on the forward-looking statements.

BOARD APPROVAL

The Engen Limited Board is responsible for ensuring the integrity of the Integrated Report. In the Board's opinion, this report addresses all material issues, and presents a balanced and fair account of Engen's performance.

Engen External Communications Manager

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NAVIGATION ICONS

The following navigation icons are used to link our Capitals and Strategic Priorities to Material Matters, Key Risks and Mitigation and Business Review.

OUR CAPITALS



01 FINANCIAL



02 HUMAN



03 MANUFACTURED



04 INTELLECTUAL



05 SOCIAL AND RELATIONSHIP



06 NATURAL

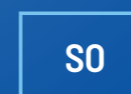
OUR STRATEGIC PRIORITIES



GROW & STRENGTHEN THE CORE



DRIVE DOWN COST TO SERVE



STEPPING OUT



OPTIMISE ACROSS THE VALUE CHAIN

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ENGEN IS SOUTH AFRICA'S
FASTEST GROWING BRAND AND
"COOLEST" PETROLEUM BRAND

WHO WE ARE & WHAT WE DO

Engen is South Africa's fastest growing brand* and "coolest" petroleum brand**, an industry trendsetter and customer focused market leader that harnesses human potential to deliver innovative petroleum products, exciting retail convenience offerings and digitally enabled solutions.

We leverage our parent company, **PETRONAS' intellectual capital and extensive investments in R&D to deliver world-class petroleum products.**

The scale of operations, facilities and manpower involved in the day-to-day manufacturing, logistics and distribution network of the Company necessitates a culture that prioritises Health, Safety and Environment.

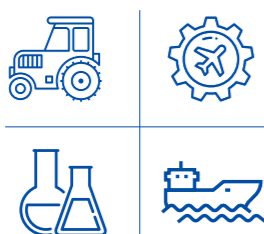
Our passionate workforce harnesses a history that stretches back to 1897 and draws on the legacy of those employees in whose footsteps they tread, to strongly collaborate with our business partners and stakeholders to ensure that we maintain our proud record of consistent innovation.

Our continuous service journey anchored on a "customer first" mindset drives us to create and deliver a seamless customer service experience so that we consistently deliver our brand promise 'With us you are Number One'.



RETAIL

We operate approximately 1,030 Engen service stations across South Africa, marketing superior petroleum products and offering unique convenience at over 600 Quickshops and through various prestigious partner brands. By developing innovative digital solutions and partnering with leading loyalty programmes, we create a seamless refuel and convenience experience for our customers.



COMMERCIAL

As a proud partner to a broad section of South African industry, our fully integrated commercial business focuses on the sales and marketing of bulk petroleum products, including: Diesel, Jet A-1, Heavy Fuel Oil, Bitumen, Gasoline, Kerosene, LPG and Chemicals.



LUBRICANTS

We offer premium lubricant products in South Africa based on PETRONAS' Fluid Technology Solutions, including: Automotive, Industrial and Marine. These cater for consumers and commercial customers. Alongside quality Engen lubricants, we also market various PETRONAS lubricants and functional fluids.



INTERNATIONAL BUSINESS

Our International Business houses our retail assets, including 230+ service stations, in six countries, namely: Botswana, DRC, eSwatini, Lesotho, Mauritius and Namibia. It also focuses on the commercial fuels and lubricants sectors in these countries, with reseller agreements for lubricants in a number of other sub-Saharan African countries.



MANUFACTURING

We are committed to safely manufacturing and maintaining excellence and reliability in every product we produce at our three manufacturing plants, while limiting our effect on the environment.

STATEMENT OF PURPOSE

A **Progressive Energy and Solutions Partner, Enriching Lives** for a **Sustainable Future.**



Progressive

We are a dynamic Southern African brand that is **Passionate About Progress** and places customers at the heart of all the things that we do.



Energy

We provide a range of energy solutions for our customers' **Energy** requirements with the ambition to add renewables to our customer offering.



Solutions Partner

We are a provider of products and services, delivering innovative **Solutions** to be a trusted Partner that delivers value.



Enriching Lives

We are committed to **Enriching** the **Lives** of all our stakeholders and to help society to reach its full potential for a prosperous future.



Sustainable Future

We create a **Sustainable Future** by protecting value across Human, Social, Manufacturing, Intellectual, Natural, and Financial capitals.

SHARED VALUES



PETRONAS CULTURAL BELIEFS



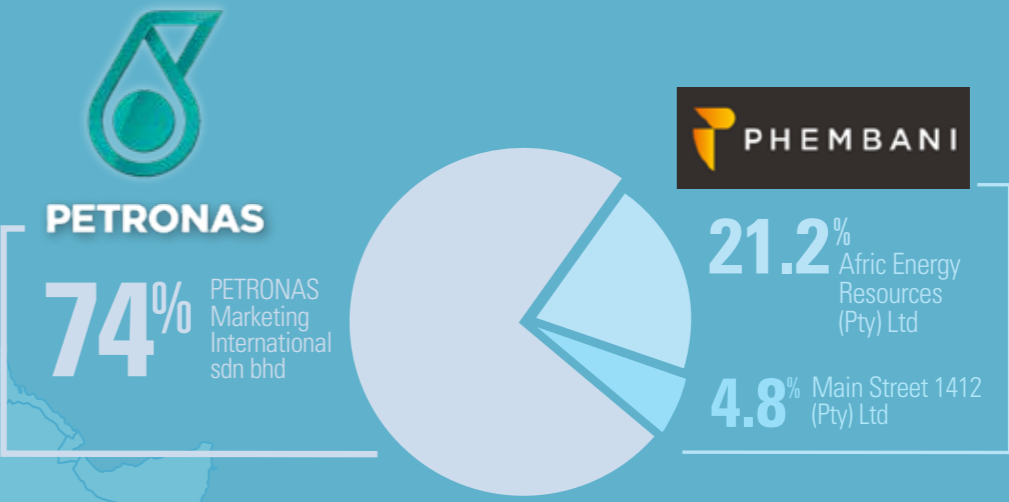
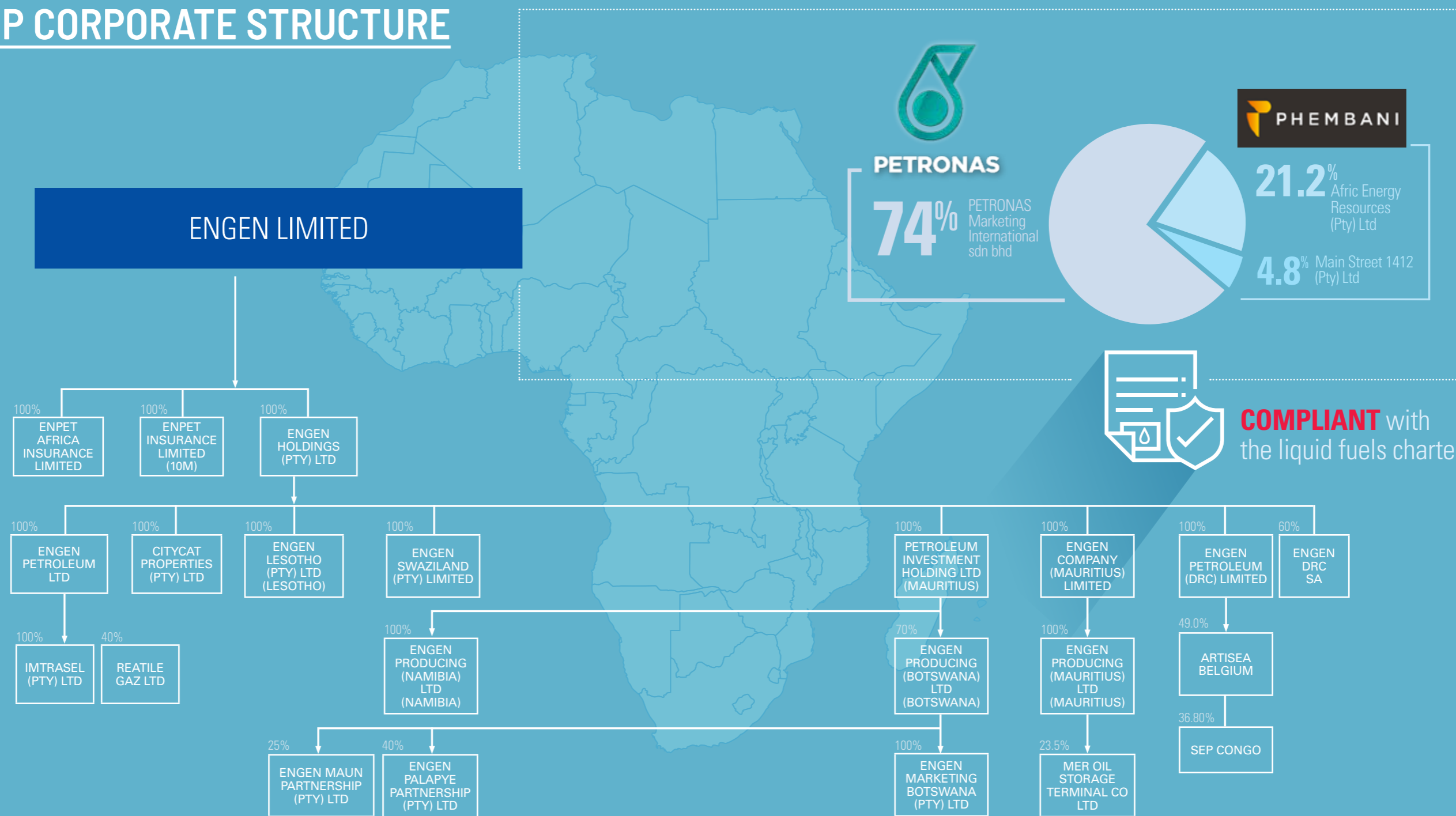
*according to Brand South Africa
**as voted in the 2019 Sunday Times Generation Next survey

WHAT WE OFFER

OUR CORE BUSINESS SEGMENTS: PRODUCTS, SERVICES and MANUFACTURING

RETAIL	COMMERCIAL	LUBRICANTS	INTERNATIONAL BUSINESS	MANUFACTURING
 <p>Markets fuels, convenience and offers a seamless customer experience at 1 030 service stations, 615 Quickshops and numerous fast food partners across South Africa.</p>	 <p>Fully integrated business focusing on sales and marketing of bulk petroleum products, lubricants and chemicals in South Africa.</p>	 <p>Undertakes all sales and marketing functions of Engen and PETRONAS lubricant products in South Africa.</p>	 <p>Offers retail fuels and services in 6 countries via 230+ service stations, while also focusing on the sales and marketing of bulk petroleum products, lubricants and chemicals across Southern Africa.</p>	 <p>Of the approximately 500 petrochemical products we market, many are manufactured safely in our three manufacturing plants – Engen Refinery, Engen Lubricants Oil Blend Plant and Zenex Blend Plant.</p>
<p>FUEL</p> <ul style="list-style-type: none"> Engen Primax Unleaded 93/95 Engen Dynamic Diesel 50ppm <p>NON-FUEL</p> <ul style="list-style-type: none"> Quickshop Quick service restaurants Banking ATMs Courier Services Car Wash Truckstop <p>ENGEN 1APP</p> <p>South Africa's first mobile application that creates seamless on-the-go refuel and retail experience for Engen customers.</p> <p>REWARDS PARTNERS</p> <ul style="list-style-type: none"> FNB eBucks Clicks Clubcard Edcon ThankU 	<p>PRODUCTS</p> <ul style="list-style-type: none"> Engen Dynamic Diesel Engen Primax Unleaded Jet A1 Heavy Fuel Oil Illuminating Kerosene LP Gas Chemicals Bitumen <p>INDUSTRIES SERVED:</p> <ul style="list-style-type: none"> Agriculture Aviation Coatings Construction Fleet Manufacturing Marine Mining 	<p>KEY STRATEGIC BRANDS</p> <ul style="list-style-type: none"> PETRONAS Syntium Engen Xtreme Engen Dieselube <p>AUTOMOTIVE MOTOR OILS</p> <ul style="list-style-type: none"> Fully & Semi Synthetic Mineral OEM Genuine Oil <p>COMMERCIAL VEHICLE OILS</p> <ul style="list-style-type: none"> Heavy duty diesel engine oil <p>AUTOMOTIVE FUNCTIONAL FLUIDS</p> <ul style="list-style-type: none"> Auto Transmission and Gear Greases Radiator Coolant Brake Fluid <p>INDUSTRIAL LUBES & FLUIDS</p> <ul style="list-style-type: none"> Hydraulic Turbine Marine Industrial Gear Compressor Agriculture Metal Working <p>SERVICES</p> <ul style="list-style-type: none"> Fluidlink 	<p>FUEL</p> <ul style="list-style-type: none"> Engen Primax Unleaded 93/95 Engen Dynamic Diesel 50ppm <p>NON-FUEL</p> <ul style="list-style-type: none"> Quickshop Quick service restaurants Banking ATMs Car Wash <p>B2B PRODUCTS</p> <ul style="list-style-type: none"> Engen Dynamic Diesel Jet A1 Heavy Fuel Oil Illuminating Kerosene LP Gas Chemicals Lubricants & Fluids <p>INDUSTRIES SERVED:</p> <ul style="list-style-type: none"> Agriculture Aviation Coatings Construction Fleet Manufacturing Marine Mining 	<p>REFINERY</p> <ul style="list-style-type: none"> Location: Wentworth, Durban Nameplate Capacity: 120 000 bpd Certified ISO 9001 (Quality) & ISO 14001 (Environmental) Produces EURO 2 unleaded Mogas (93 & 95) & 50ppm Diesel Product Range: Mogas Diesel Jet LPG HFO Bitumen Aromatic & Aliphatic Solvents Sulphur <p>LUBRICANTS OIL BLEND PLANT</p> <ul style="list-style-type: none"> Location: Island View, Durban Certified ISO 9001 (Quality), ISO 14001 (Environmental) & ISO 17025 (Lab Testing) Product Range: Engine, Industrial, Marine, Gear oils Production Capacity: 33850 m³ 80 000 MT 1 Shift 78 staff Storage: Base oil: 28 365 m³ Additives: 938 m³ Semi-finished oils: 1 847 m³ Manufacturing Kettles: 4 x 10t (2 trains) Dosing Kettles: 2 x 500kg + 2x2t <p>ZENEX BLEND PLANT</p> <ul style="list-style-type: none"> Location: Island View, Durban Certified ISO 9001 (Quality) Product Range: Engine, Industrial, Rail, Transformer, White, Gear oils Production Capacity 30000 m³ 25000 MT 1 Shift 32 staff Storage: Base oil: 26000 m³ Additives: 400 m³ Finished Products: 1 565 m³ Manufacturing Kettles: 3 x 800Lt

GROUP CORPORATE STRUCTURE



COMPLIANT with the liquid fuels charter

A PROUD MEMBER OF THE PETRONAS GROUP

Engen is a valued member of the PETRONAS Group, a Fortune 500 company and our majority shareholder. PETRONAS is a fully-integrated oil and gas company operating in approximately 70 countries across the globe, employing more than 50 000 people.

As well as drawing on the skills of their human capital, business capabilities and competencies, our relationship with PETRONAS enables us to leverage their research and advanced technology. This is evident in our Primax brand of gasoline, which uses the same technology used to develop the fuel to power the 6 x World Championship-winning Mercedes AMG PETRONAS Formula One team.

We also market products on behalf of PETRONAS Lubricants International (PLI), the global lubricants manufacturing and marketing arm of PETRONAS. PLI drives technology as a winning differentiator in responding to the needs of both the automotive and industrial lubricants market, and continues to invest in world-class technology, infrastructure and talent.

PETRONAS also provides the technical expertise responsible for designing, developing and delivering the fuel, fluid and lubricant technology solutions that have powered the Mercedes AMG PETRONAS Formula One team to the 2014, 2015, 2016, 2017, 2018 and 2019 World Driver and Constructor Championships. This technical partnership ensures that the products we as Engen offer our customers, have withstood the ultimate Formula One testing ground.

PETRONAS IS A FULLY-INTEGRATED OIL AND GAS COMPANY OPERATING IN APPROXIMATELY 70 COUNTRIES ACROSS THE GLOBE



WHERE WE OPERATE



ENGEN ALSO HAS A BRAND PRESENCE IN 9 OTHER COUNTRIES.

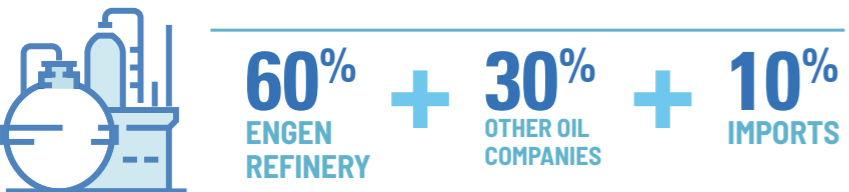
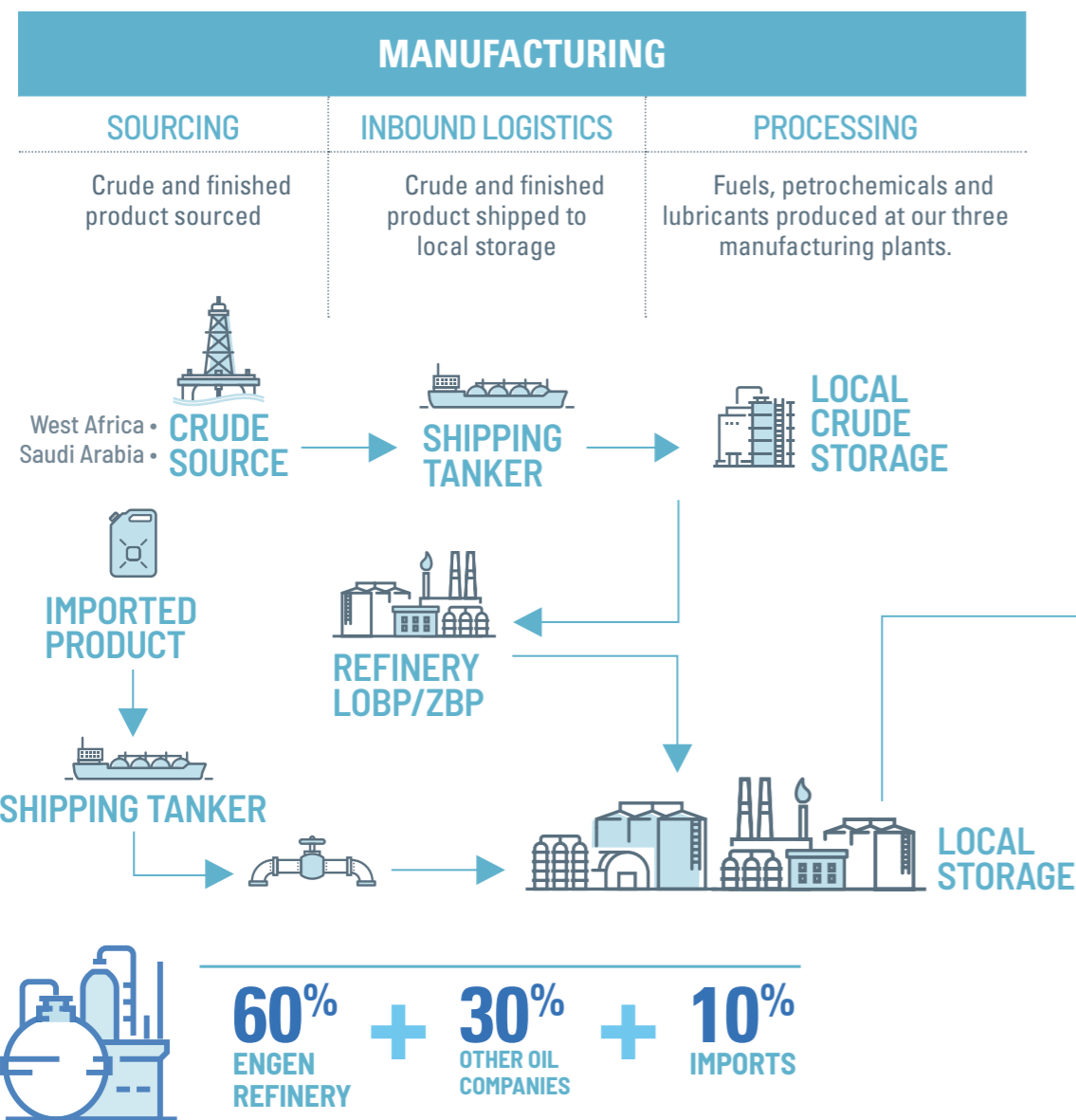
- In March 2019, Engen transferred operations in nine countries to VIVO Energy.
- VIVO Energy are licenced to utilise the Engen brand for 15 years.

	COUNTRY	NO. OF FUEL STATIONS	STORAGE DEPOTS
	1. Botswana	59	2
	2. DRC	66	2
	3. Eswatini	6	1
	4. Lesotho	10	1
	5. Mauritius	33	1
	6. Namibia	59	7
	7. South Africa	1 030	24 + 3 CHEMICAL

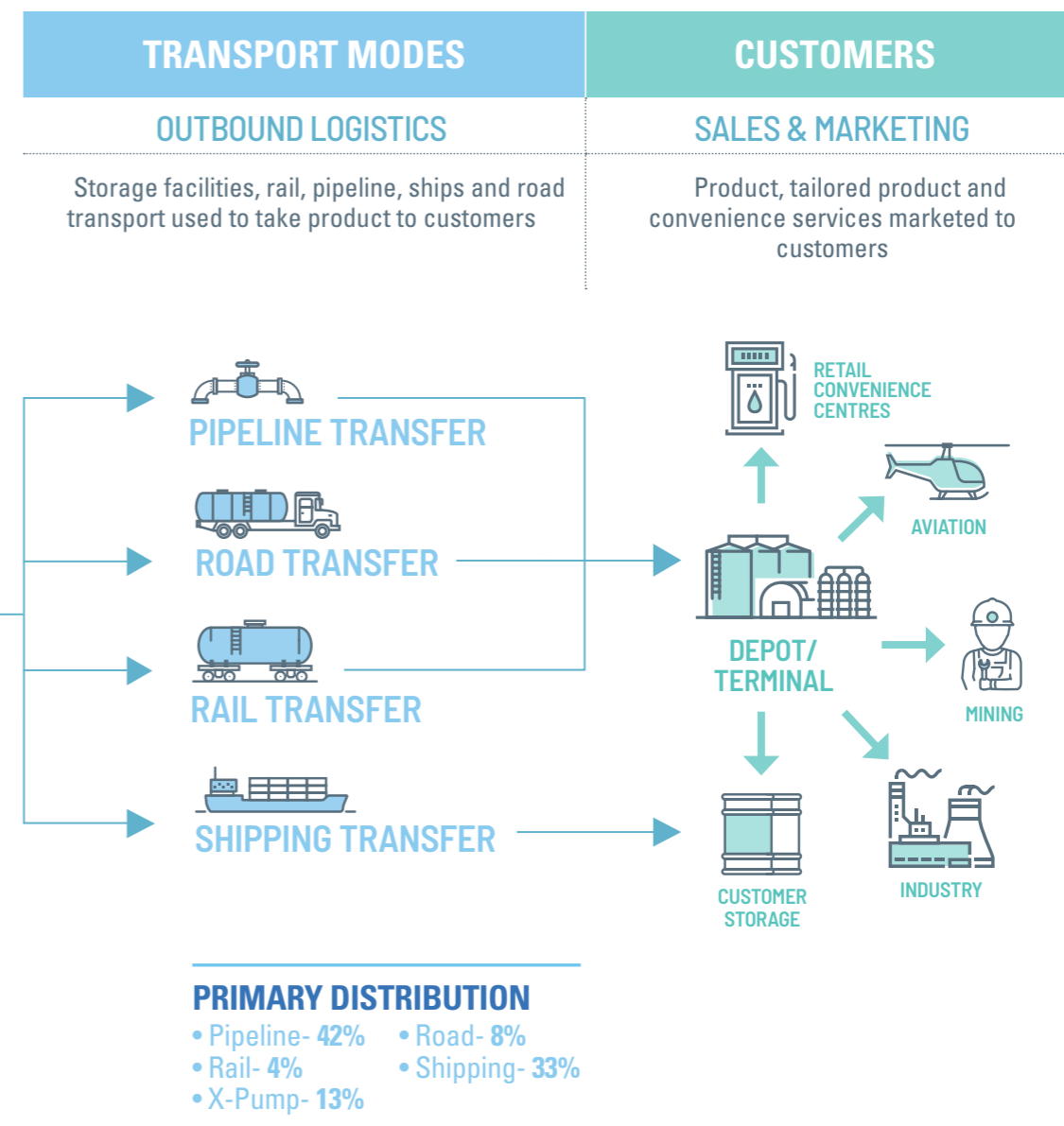
CORPORATE OFFICES	FUEL TERMINALS			
South Africa Cape Town Bloemfontein Durban (Westville) Johannesburg (Sandton) Port Elizabeth Botswana Gaborone DRC Kinshasa Eswatini Mbabane Lesotho Maseru Mauritius Port Louis Namibia Windhoek	SA- Gauteng Alberton (Alrode) Johannesburg (Langlaagte) Pretoria (Waltloo) SA- KwaZulu-Natal Durban (Wentworth) Ladysmith SA- Western Cape Cape Town (Montague Gardens) Mossel Bay SA- Free State Bethlehem Bloemfontein Kroonstad SA- Eastern Cape East London Port Elizabeth Port Elizabeth (Ocean)	SA- North West Klerksdorp Rustenburg Vryburg SA- Limpopo Hoedspruit Makhado Mokopane SA- Northern Cape Kimberley Upington SA- Mpumalanga Nelspruit Secunda eMalahleni	Botswana Gaborone Francistown DRC Kinshasa Lubumbashi Eswatini Mbabane Lesotho Maseru Mauritius Port Louis Namibia Grootfontein Keetmanshoop Lüderitz Ondangwa Walvis Bay Windhoek Windhoek Airport	
MANUFACTURING PLANTS	LUBRICANTS/CHEMICALS DEPOTS			
Engen Refinery (Durban) Lubricants Oil Blend Plant (Durban) Zenex Blend Plant (Durban)	Johannesburg (Isando) Cape Town (Epping) Durban Chemical (Island View) Durban (Jacobs)	Gaborone Lubumbashi Port Louis Mbabane	Kinshasha Maseru Windhoek	

OUR VALUE CHAIN

At the heart of our value proposition lies our integrated value chain. We seek to continually improve our inbound logistics, processing, outbound logistics, and sales and marketing, to ensure we operate safely, reliably, efficiently and responsibly.



Approximate annualised average of Engen's product inventory from source.



OUR STRATEGIC ALLIANCES

BUSINESS PARTNERSHIPS

AUTHORITIES

CHAIRMAN'S LETTER



Ahmad Adly Alias

PASSIONATE ABOUT PROGRESS

In 2019, Engen adopted a new Statement of Purpose – A Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future - to replace our vision and mission statements. This new single statement is our unified rallying call to drive action towards a higher purpose, succinctly expressing why we do what we do. It encapsulates our future business focus and the impact we wish to have as a company.

Engen is a dynamic Southern Africa brand that places customers at the heart of our business. In pursuit of growth, our Statement of Purpose will guide our efforts to strengthen our existing portfolio and to future-proof the organisation beyond fuel with the ambition to add renewables to our customer offering.

We also remain firmly committed to improving the quality of life for all our stakeholders while creating and protecting value across the six sustainability capitals. This will ensure that the benefits we create can be sustained over the longer-term, measured in terms of shareholder value creation, societal progress and environmental sustainability.

Ultimately, our purpose will be realised when our stakeholders see us beyond just being a provider of products and services but instead trust us as a partner that creates value, delivers products that customers need, and provides opportunities to our employees to develop their careers and grow with the company.

As a purpose-led and values-driven petroleum company, we play a critical role in moving society forward, thereby facilitating economic growth, and job and wealth creation. This is a key responsibility and one we do not take lightly, which is why we are Passionate About Progress.

It gives me pleasure to introduce Engen's 2019 Integrated Report. The report presents an overview of Engen's strategic framework for long-term value creation. It also provides a concise review of how performance and governance over the past year is delivering on this strategy.

In 2019, Engen demonstrated its ability to deliver on its strategic growth objectives, with outstanding safety performance and solid operational and financial results. This performance is encouraging against the backdrop of a challenging economic environment.

OUR STATEMENT OF PURPOSE WILL GUIDE OUR EFFORTS TO STRENGTHEN OUR EXISTING PORTFOLIO AND TO FUTURE-PROOF THE ORGANISATION.

ENGEN CONTINUED WITH ITS IMPRESSIVE SAFETY PERFORMANCE RECORD OF RECENT YEARS.

ENCOURAGING SAFETY PERFORMANCE

We continue to maintain an unwavering focus on safety and sustainability. Our top strategic priorities include embedding a culture of zero harm, as well as promoting sustainable practices across our operations and activities.

It is pleasing to report that during the year under review, Engen continued with its impressive safety performance record of recent years. We have been without a fatal incident since 2017. In the year under review, along with zero fatality, we achieved 0.33 LTIF and 0.45 TRR. In addition to the reduction in the number of incidents seen in 2018, there were zero major incidents in 2019.

While our recent safety performance is commendable, we will not reduce our efforts to drive a culture of zero harm. The Engen Limited Board expects to see further improvements in Engen's health, safety and environmental performance going forward. *Please turn to page 105 for more on our safety performance and to page 127 for more on our environmental performance.*

CONTRIBUTING TO SOCIETAL WELL-BEING

At Engen we define achievement not just within the narrow confines of business growth and financial returns, but also in how we enrich the lives of the people, wherever we operate. We continue to be committed to our corporate social responsibilities, ensuring that Engen's efforts deliver impactful value that is sustainable.

We recognise that Maths and Science education remains crucial in propelling the country forward. In view of this, our long-standing Engen Maths and Science School programme continues to provide supplementary classes to Grade 10-12 learners in nine centres across South Africa, with encouraging results. In 2019, the matric class attained an overall pass rate of 96% against a national average of 81%, with 70% of our 413-member matric class attaining a bachelor pass. *Turn to page 113 for more about this and our other CSR initiatives.*

MAINTAINING GOOD GOVERNANCE

We seek to create trust through ethical leadership and a commonly accepted and lived set of values. As a collective, we strive to uphold

the highest accountability and transparency through a deep-rooted culture of accountability, respect, efficiency, ethical thought and action, and a values-driven approach to everything we do.

We have laid solid foundations set by our framework that endorses ethical values, good corporate governance, and risk management practices that are in line with our strategic business goals. Our ability to do so is significantly enhanced by having a skilled and diverse Board with an appropriate mix of race, experience and perspective. And I am proud that the Engen Limited Board has maintained its focus on fostering high standards of corporate governance.

As the Chairman of a 'purpose-led' organisation, the board and I strive to ensure that our governance structures are more responsive to the broader environmental context. This is important if we are to truly deliver a seamless customer experience for all our stakeholders, including employees, customers, business partners shareholders, regulators and society.

AWARDS

While Brand SA declared Engen the "FASTEST GROWING BRAND" in South Africa in 2019, we were also proud recipients of several other prestigious awards, indicative of the special place Engen occupies in the hearts and minds of our valued customers. Our awards in 2019 include:

- SUNDAY TIMES TOP BRANDS ("FAVOURITE" Petrol Station) - a testament of our brand strength and recognition by our South African customers.
- SUNDAY TIMES GENERATION NEXT ("COOLEST" Petrol Station) - in recognition of our standing amongst South Africans aged between 8-23.
- TOP COMPANIES SA – REPUTATION INDEX "Winner Oil & Gas" – acknowledgement of our efforts to be a responsible and ethical corporate citizen.
- PMR GOLDEN ARROW AWARD "ADMIRE PETROLEUM/ DIESEL BRANDS" (Namibia) – Appreciation by Namibians of the services we provide.
- ASK AFRIKA ORANGE INDEX 2018/2019 ("BEST SERVICE" Petrol Stations) – Acknowledgement for our service excellence in South Africa.
- ASK AFRIKA ICON BRANDS 2019/2020 ("BEST SERVICE" Petrol Stations) – Highest score in the Oil/Engine Oil category.
- TOP EMPLOYER CERTIFICATION by the Top Employers Institute - Benchmarking our people practices against the very best

WE WILL HAVE TO BRACE OURSELVES FOR THESE UNPRECEDENTED TIMES.

LOOKING AHEAD

Penning this note amidst COVID-19, the worst pandemic in over a century, 2020 is expected to be mostly uncharted and fraught with numerous challenges. The social, economic and commercial aftershocks will be unpredictable, with no precedent in dealing with a demand contraction resulting from the crisis.

We will have to brace ourselves for these extraordinary times and a likely severe national and global economic slowdown. The long-term impact of the COVID-19 pandemic will redefine markets and result in structural shifts. Engen must remain agile to survive and thrive in the 'next normal' and the greater market turbulence that will ensue.

I remain inspired by the resolve of the Engen team and am certain that management and employees will stretch their limits and rise to the challenge. The strategy that Engen has put in place will serve us well to strengthen performance, build resilience and win in the marketplace.

ACKNOWLEDGEMENT

On behalf of the Engen Limited Board I wish to extend immense gratitude to my predecessor, Dato' Sri Syed Zainal for his contribution and services during his tenure as Chairman. Dato' Sri Syed retired on 30 June 2020. I am honoured to take up Engen's chairman role, effective 28 July 2020.



Dato' Sri Syed Zainal

I would also like to acknowledge Phembani for their support, guidance and valuable contribution in ensuring the effective stewardship of Engen's ambitious strategic agenda.

I WISH TO EXTEND IMMENSE GRATITUDE TO MY PREDECESSOR, DATO' SRI SYED ZAINAL FOR HIS CONTRIBUTION AND SERVICES.

APPRECIATION

On behalf of the Engen Limited Board, I extend sincere gratitude to the South African Department of Mineral Resources and Energy for their continuous support and guidance. We also thank all the other state ministries, agencies and regulators who have an interest in our business for their input and support.

Immense appreciation is offered to the Engen Management Committee for their role in driving Engen's commendable performance in 2019. I also acknowledge and thank my colleagues on the Engen Limited Board for their valuable contribution.

To fellow Engen's employees, all of whom are "Passionate about Progress", and who continue to play the most important role in ensuring Engen delivers on its new Statement of Purpose – my heartfelt gratitude goes out to you. Engen's impressive safety, environmental, operational and financial performance outlined in this report indicates that Engen is staffed by the right people, with skills and mindset to successfully deliver on the Company's strategic objectives.

Finally, I wish to record my warmest appreciation to all our stakeholders, particularly our customers for their continued support of Engen. With us you are Number One!

AHMAD ADLY ALIAS

Chairman
(appointed 28 July 2020)

CEO'S STATEMENT



Yusa' Hassan

Engen continues to lead the South African petroleum downstream market as well as many of the markets in which we do business across Southern Africa. And while we remain focused on entrenching our position through growth and a strengthening of our core, we are also determined to evolve in order to stay true to our new statement of purpose – A Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future.

BEING “PASSIONATE ABOUT PROGRESS” IS THE UNDERLYING PHILOSOPHY OF OUR APPROACH TO BUSINESS.

A SEAMLESS CUSTOMER EXPERIENCE

Being “Passionate About Progress” is the underlying philosophy of our approach to business. In order to lead the game and ensure sustainability, we must be uncompromising in our pursuit of exceeding our customer's expectations.

Our key objective is therefore to seek innovative solutions to ensure we consistently deliver a seamless customer experience. This will ensure that we remain resilient and relevant in meeting the demanding and rapidly changing needs of our customers. Being “Passionate About Progress” translates into further innovation, the leverage of technology, and the introduction of new products in the market.

OPERATING ENVIRONMENT

Our pursuit of commercial and operational excellence continued in 2019 against a challenging backdrop. The global economy was negatively impacted by a confluence of trade tensions between the US and China, growing tensions in the Middle East and volatility in global energy prices. Domestically, the South African economy saw negligible growth, depressed customer confidence and limited infrastructure spending, with businesses cautious in their outlook.

Our biggest market, South Africa, continued to evolve in 2019, with intensifying competition and advances in technology continuing to shake up the traditional petroleum business model. Increasingly fuel-efficient motor vehicles have lessened the demand-growth for petrol and diesel, while technologies like e-hailing and e-commerce are transforming the way our customers travel and consume. Society is also demanding more sustainable practice from business. *Please refer to page 36 for more on our operating context.*

OUR STRATEGY

Our Full Potential Strategy, launched in 2016, is proving successful. Significant milestones include the implementation of a new organisational structure in 2017, encouraging digital enablement, roll out of the PETRONAS Cultural Beliefs, and a significant improvement in our employee NPS score. We have also successfully partnered for growth by transferring operations in nine countries to VIVO Energy. Many other gains are touched upon further in my statement.

As a forward-looking company that is ‘Passionate About Progress’, we have recognised the changing trends touched on above. After a vigorous process, we developed and implemented our new ‘Beyond 2020’ strategy in 2019. ‘Beyond 2020’ will focus on our development of ‘Foodvenience’ and in the longer-term the development of new forms of energy. This will strengthen performance, build further resilience and ensure that we continue to win in the market place.

Placing the customer's lens at the very centre, ‘Beyond 2020’ seeks to achieve commercial and operational excellence. It is anchored on four key areas – Grow and Strengthen the Core; Stepping Out; Drive Down Cost to Serve; and Optimise Across the Value Chain. These are enabled by our People and Business Processes; B-BBEE Accreditation; the PETRONAS Cultural Beliefs and Digital Enablement. Underpinning this is a firm focus on Health Safety, Environment and Quality.

The implementation of our strategy has had a visible impact on our business during the period under review and we aim to accelerate the pace of transformation going forward. In 2019, we continued to future-proof our organisation by upgrading our existing assets, embracing new technologies and investing in the right people to drive the company forward. *Please refer to page 52 for more on our Strategy and page 54 for our Key Performance Indicators.*

OUR FINANCIAL PERFORMANCE

Against the backdrop of a challenging operating environment, Engen achieved a commendable financial performance in 2019. Our Gross Profit increased by R1.56 billion from the previous year. This was mainly due to improved operating performance across the board. Turnover for the year increased by 3% to R89.2 billion, while operating profit was up 11% to R2.87 billion.

Despite the challenging economic environment in South Africa and record high fuel prices, our sales volumes in our biggest market showed a 4% upward trend to 7,133 billion litres. In our six affiliate countries, that form part of our continuing operations following the sale of operations in nine countries to VIVO Energy in 2019, we experienced volume decline primarily due to the loss of key commercial customers in Namibia.

Increased provisions for anticipated credit losses, higher depreciation costs as a result of the capital expansion programmes in our Retail, Commercial and International businesses and the introduction of IFRS 16 leases and increased insurance premiums as a result of higher asset valuations at our refinery resulted in our expenses increasing by 10% in 2019. In addition, we incurred higher commission costs in 2019, mainly in our South African retail business, due to increased sales activity and the introduction of a loyalty programme with a new partner, Clicks ClubCard.

Our financial position is currently largely ungeared, which presents an opportunity for the funding of significant projects envisioned in our Beyond 2020 strategy. *Please refer to page 132 for more on our*

TURNOVER FOR THE YEAR INCREASED BY 3% TO R89.2 BILLION.

financial performance.

COMMERCIAL EXCELLENCE

Retail

Our retail business had a good year in 2019, with a strong focus on creating a seamless customer experience on our forecourts and in our Quickshops. We pumped 3.9 billion litres of fuel in 2019, welcoming 149 million customer visits to our South African forecourts.

Alongside delivering our quality fuel, we placed a strong focus on growing our footprint and providing the public with a clean and safe environment at our service stations. We built 19 new service stations at strategic locations and added a further 20 Quickshops, while 86 of our service stations were refreshed to improve the consistency of our image. A further 127 Engen service stations were upgraded with LED lighting.

With a firm focus on improving the turnaround time of our interactions with customers and providing hassle-free services, we also boosted our rewards offering by successfully adding the Clicks ClubCard loyalty programme to our market leading ecosystem of loyalty partnerships. In addition, we capitalised on digital technology and developed the Engen 1app, South Africa's first mobile application that creates seamless on-the-go refuel and retail experience for Engen customers.

This continued focus on our customers and creating a seamless customer experience was positively reflected in our Net Promoter Score for retail in 2019. Our score of 57.1 was up from 42.4 in 2018 and 29.5 in 2017 and affirms our customer lens focused strategy and delivering a seamless customer experience. *Please refer to page 58 for more on our Retail performance.*

Commercial

In 2019, our Commercial business achieved encouraging 8.6% volume growth in South Africa to 3.01 billion litres by securing new supply contracts, despite the competitive business environment. Profitability was also up with our gross margin after transshipping increasing from R1.5 billion to R1.6 billion. This was achieved through intensifying our focus on providing exceptional customer service, which was reflected in an improved NPS score.

Amidst a muted South African economy, which severely impacted key industrial sectors such as construction, retention strategies were heightened. We placed a strategic focus on growth sectors and maintained or rationalised declining segments. *Please refer to page 60 for more on our Commercial performance.*



International Business

Our Year-on-Year volumes in our affiliate countries remained stable at 1.80 billion litres from 2018 to 2019. Overall there was an increase in profitability as gross margins after transshipping went up from R1.4 billion to R1.8 billion. This remarkable performance was delivered by focusing on the customer to provide exceptional service.

In further highlights, we contributed N\$2.8 million to help support drought-stricken farmers in Namibia; celebrated record profit after tax of USD\$15 million in DRC; and became market leader in the Mauritian bunker business. *Please refer to page 64 for more on our International Business performance.*

Lubricants

Our sales and marketing in South Africa continued an upward trajectory in 2019 with 81.9 million litres of lubricants sold. This performance was in part due to continued growth in synthetic sales and improvement of our sales forecast accuracy over the course of the year.

We moved to entrench our market position by promoting our Power Brands and extending our network penetration through our Route to Market initiative, with 6 High Street Distributors appointed in 2019.

We also continued to leverage Fluid Technology Solutions technology, which is a winning differentiator in responding to the needs of our customers, OEM partners and the industry. *Please refer to page 62 for more on our Lubricants performance.*

OPERATIONAL EXCELLENCE

Manufacturing

Our refinery progressed in 2019, especially in safety performance, reliability and competitiveness, to enhance our status as a reliable and an excellent manufacturer of petroleum products.

A number of high-risk activities, including an Alkylation Outage and Reformer Regen, were undertaken, all of which were managed safely and without any incidents. To reduce costs and meet our outage objectives, we also completed our first ever inspection utilising a drone for internal inspection of the Fluid Catalytic Cracking Unit (FCCU) regenerator. This ensured a cost and schedule saving, and reduced risk to personnel.

Overall plant reliability was 98.5% while Overall Equipment Effectiveness (OEE) was 88.38%. In 2019 our Refinery also increased Hexane production by 400%.

However, despite an excellent track record of operational efficiency, our refinery continues to be negatively impacted by the external global refining environment contributed by a volatile energy market that is characterized by major shifts in supply and demand dynamics, excess global capacity, regulatory burden and further compounded

OUR INVESTMENT IN PEOPLE IS CRITICAL TO BUILDING AN EMPOWERED, ENABLED AND AGILE WORKFORCE.

by a challenging domestic economic environment. These high impact challenges continue to threaten refining profitability. *Please refer to page 123 for more on our Manufacturing performance.*

Supply

As an internal measurement, we endeavour to continually improve our OTIF (On Time In Full) as a key gauge for customer service. In 2019 our overall OTIF score for fuels was 93%. We had an encouraging year in improving our OTIF performance for our Lubricants customers. Our OTIF average in this regard improved to 82% in 2019, up from 72% in 2018.

We also secured tankage capacity in the VOPAK Growth 4 at IV Precinct and Lesedi projects at Heidelberg in the Inland area to facilitate ease of importation of finished products whilst also ensuring an improved security of supply in the crucial inland region of South Africa. This tankage is expected to be commissioned in the second half of 2020.

We continue to further investigate securing tankage at Coega in the Eastern Cape once industry is moved from Port Elizabeth and the Port of Port Elizabeth is permanently closed. *Please refer to page 125 for more on our Supply performance.*

PEOPLE & CULTURE

Our investment in people is critical to building an empowered, enabled and agile workforce that embodies our world-class work culture. Having the right people in our workforce is crucial to our 'Beyond 2020' strategy. Accordingly, we continue to invest in developing our people to drive our business forward.

In order to create a 'Generative Culture' by doing the right thing even when no one is watching, Engenites apply the core principles and ideals of the PETRONAS Cultural Beliefs in their working lives. We have implemented programmes to apply these across the company and in 2019 we welcomed 13 Culture Champions and 75 Culture Influencers into our ranks.

We also continue to make progress with employment equity. Our workforce currently comprises 55% black, 20% coloured, 15% Indian and 10% white. Hiring of underrepresented groups (African Males and Females) at Senior and Middle Management level significantly progressed in 2019, compared to 2018 and overall representation of underrepresented groups (African males and females) went up. Furthermore, overall representation of people with disabilities increased

due to the absorption of learners through Engen's Disability Learnership Programme. *Please refer to page 93 for more on our Human Capital.*

B-BBEE & TRANSFORMATION

As a company mindful of the role we play in broader society, we remain fully committed to the transformation imperatives of South Africa, and playing our part in helping build an equal and inclusive nation. I am therefore proud to report that Engen's concerted efforts to progress transformation has been acknowledged with independent certification of Level 1 B-BBEE status for the company.

I have no doubt that through continued consultation and collaboration with our stakeholders we will contribute to the accelerated participation of historically disadvantaged people in the economy. Engen will therefore continue to prioritise and strategically invest in the following key transformation areas:

1. Skills development of black people;
2. Business support to black-owned entrepreneurs; and
3. Supply chain transformation that promotes inclusion of black entrepreneurs.

While we recognise that our Level 1 B-BBEE status is not the end of our transformation journey, we are proud to have achieved this important milestone. *Please turn to page 116 for more on our Enterprise Development and Transformation.*

DIGITALLY ENABLED

In implementing our Beyond 2020 strategy, we have moved to advance our technology systems to accelerate growth. We took a major step forward in 2019, with successful development of the Engen 1app, as well as the adoption of Salesforce Automation, a revamp of our customer Extranet, Digital HR and Digital procurement, amongst others. As we increasingly focus on technology to drive our growth, we need to build a workforce that is competent and capable of utilising that technology effectively to play their part in executing our growth strategy.

OUTLOOK & COVID-19

Southern Africa's economy is expected to remain challenged in 2020, more so in light of the COVID-19 Pandemic. Consumer sentiment, already low pre-Covid-19, is likely to continue to be extremely cautious. Demand for fuel will also continue to be dampened by more efficient vehicle technology and changing transport trends. Alongside this the rapid growth of the digital landscape will continue to change the buying habits of consumers.

We will however continue to explore opportunities for growth and sustainable performance improvement, driven by our four-pillar strategy – Grow and Strengthen the Core, Stepping Out, Drive Down Cost to Serve, and Optimise Across the Value Chain.

ENGEN'S CONCERTED EFFORTS TO PROGRESS TRANSFORMATION HAS BEEN ACKNOWLEDGED WITH INDEPENDENT CERTIFICATION OF LEVEL 1 B-BBEE STATUS

While good progress was made in 2019, it is incumbent upon us to remain agile and to work towards an even better understanding of the needs of our customers, while widening our offerings, creating greater cross-selling of our products and services, and adopting strong sustainability practices for continued growth in the year ahead and beyond in the fast-evolving landscape.

We must also maintain a strong focus on the management of our operations to achieve world-class performance in manufacturing and distribution, never taking our eye off health, safety and the environment.

APPRECIATION

My sincere gratitude is extended to our valued customers, for driving us to be the best we can and without whom we would not exist. Thank you for your continued trust in our products and services.

Appreciation is also extended to the Engen Limited Board for their insight and guidance, and the belief placed in my leadership team and I in 2019. A special word of thanks is given to former chairman Dato Sri Syed Zainal for his exemplary leadership during his tenure and especially for his insights and support in the development of our 'Beyond 2020' Strategy.

To my colleagues on the Engen Petroleum Limited Management Committee, thank you for your support and unwavering commitment. I would also like to honour Mr Adnan Adams, who retired on 30 June 2020 after 14 distinguished years on the MC. Adnan significantly contributed to Engen's growth, his wisdom and exemplary stewardship having enhanced the overall excellence of our Supply Chain division.

Most importantly, my thanks go to all Engen employees across seven countries for their continued effort to drive the ongoing success of our company. You are instrumental in ensuring that we deliver on our core purpose of generating superior value for all our stakeholders. Our impressive safety, commercial, operational and financial performance for the year under review indicates that Engen has the right people, skills and mindset to successfully deliver on our Beyond 2020 ambitions.

Yusa' Hassan

Managing Director and CEO

2019 HIGHLIGHTS

BUSINESS HIGHLIGHTS

RETAIL



COMMERCIAL



8% volume growth

Increase in NPS Score

LUBRICANTS



PEOPLE AND TRANSFORMATION



INTERNATIONAL BUSINESS



FINANCIAL HIGHLIGHTS

SALES VOLUMES

8.9bn litres

2018: 9.6 billion litres*

OPERATING PROFIT

R2.8bn

2018: R2.5 billion

ROACE

9.9%

2018: 8.2%

REVENUE

R89.2bn

2018: R86.2 bn

TOTAL ASSETS

R40.8bn

2018: R43.3 billion

DEBT EQUITY RATIO

0.09%

2018: 0.23%

AWARDS

SA'S "COOLEST" PETROL STATION 2010-2019

Sunday Times GENERATION NEXT 2010-2020

Sunday Times TOPBRANDS SA'S "FAVOURITE" PETROL BRAND 2011-2019

"FASTEST GROWING BRAND" - BRAND SA (2019)

top EMPLOYER SOUTH AFRICA 2020

CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

askafrika ICON BRANDS 2019/2020 CATEGORY WINNER

Top Companies SA REPUTATION INDEX - "Winner Oil & Gas" (2019)

askafrika ORANGE INDEX 2018/2019 INDUSTRY WINNER

PMR GOLDEN ARROW AWARD "ADMIRED PETROLEUM/DIESEL BRANDS"



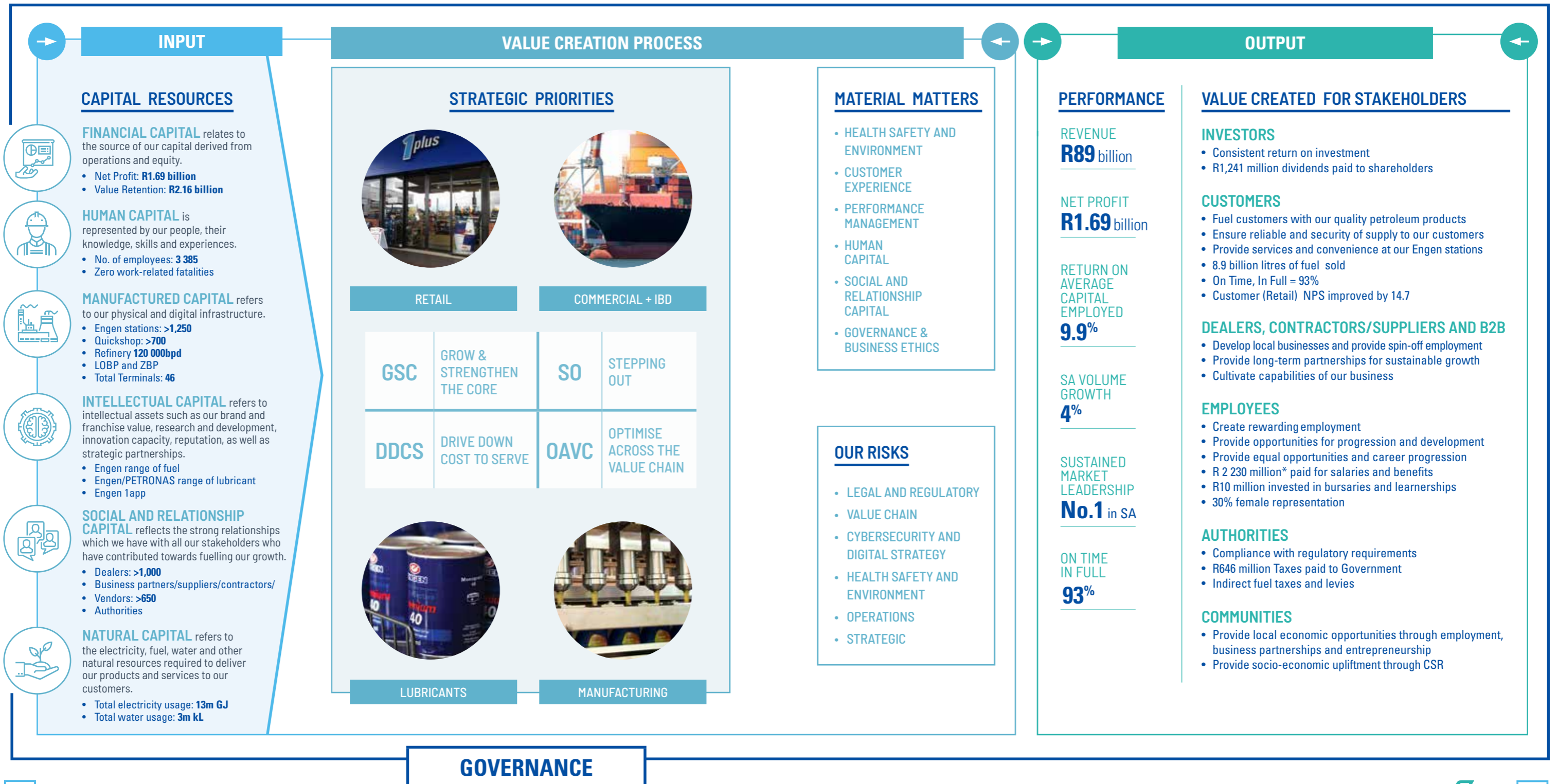
* included volumes of nine countries transferred to VIVO Energy



STRATEGIC REVIEW

OUR VALUE CREATING BUSINESS MODEL

Our business model is designed to create a sustainable future whilst enriching the lives of our stakeholders. We do this through the effective management of our resources and relationships in order to deliver optimal outcomes. While our business model has been successful at creating sustainable value, we are acutely aware of the highly-competitive nature of the markets in which we operate, and the impact that regulatory and technological changes can have on our competitiveness. Accordingly, our business model is built to allow us to respond rapidly to changes in our operating environment.



INPUT

CAPITAL RESOURCES

FINANCIAL CAPITAL relates to the source of our capital derived from operations and equity.

- Net Profit: **R1.69 billion**
- Value Retention: **R2.16 billion**

HUMAN CAPITAL is represented by our people, their knowledge, skills and experiences.

- No. of employees: **3 385**
- Zero work-related fatalities

MANUFACTURED CAPITAL refers to our physical and digital infrastructure.

- Engen stations: **>1,250**
- Quickshop: **>700**
- Refinery **120 000bpd**
- LOBP and ZBP
- Total Terminals: **46**

INTELLECTUAL CAPITAL refers to intellectual assets such as our brand and franchise value, research and development, innovation capacity, reputation, as well as strategic partnerships.

- Engen range of fuel
- Engen/PETRONAS range of lubricant
- Engen 1app

SOCIAL AND RELATIONSHIP CAPITAL reflects the strong relationships which we have with all our stakeholders who have contributed towards fuelling our growth.

- Dealers: **>1,000**
- Business partners/suppliers/contractors/
- Vendors: **>650**
- Authorities

NATURAL CAPITAL refers to the electricity, fuel, water and other natural resources required to deliver our products and services to our customers.

- Total electricity usage: **13m GJ**
- Total water usage: **3m kL**

VALUE CREATION PROCESS

STRATEGIC PRIORITIES



RETAIL



COMMERCIAL + IB

GSC	GROW & STRENGTHEN THE CORE	SO	STEPPING OUT
DDCS	DRIVE DOWN COST TO SERVE	OAVC	OPTIMISE ACROSS THE VALUE CHAIN



LUBRICANTS



MANUFACTURING

MATERIAL MATTERS

- HEALTH SAFETY AND ENVIRONMENT
- CUSTOMER EXPERIENCE
- PERFORMANCE MANAGEMENT
- HUMAN CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL
- GOVERNANCE & BUSINESS ETHICS

OUR RISKS

- LEGAL AND REGULATORY
- VALUE CHAIN
- CYBERSECURITY AND DIGITAL STRATEGY
- HEALTH SAFETY AND ENVIRONMENT
- OPERATIONS
- STRATEGIC

OUTPUT

PERFORMANCE

REVENUE
R89 billion

NET PROFIT
R1.69 billion

RETURN ON AVERAGE CAPITAL EMPLOYED
9.9%

SA VOLUME GROWTH
4%

SUSTAINED MARKET LEADERSHIP
No.1 in SA

ON TIME IN FULL
93%

VALUE CREATED FOR STAKEHOLDERS

INVESTORS

- Consistent return on investment
- R1,241 million dividends paid to shareholders

CUSTOMERS

- Fuel customers with our quality petroleum products
- Ensure reliable and security of supply to our customers
- Provide services and convenience at our Engen stations
- 8.9 billion litres of fuel sold
- On Time, In Full = 93%
- Customer (Retail) NPS improved by 14.7

DEALERS, CONTRACTORS/SUPPLIERS AND B2B

- Develop local businesses and provide spin-off employment
- Provide long-term partnerships for sustainable growth
- Cultivate capabilities of our business

EMPLOYEES

- Create rewarding employment
- Provide opportunities for progression and development
- Provide equal opportunities and career progression
- R 2 230 million* paid for salaries and benefits
- R10 million invested in bursaries and learnerships
- 30% female representation

AUTHORITIES

- Compliance with regulatory requirements
- R646 million Taxes paid to Government
- Indirect fuel taxes and levies

COMMUNITIES

- Provide local economic opportunities through employment, business partnerships and entrepreneurship
- Provide socio-economic upliftment through CSR

GOVERNANCE

OUR OPERATING CONTEXT

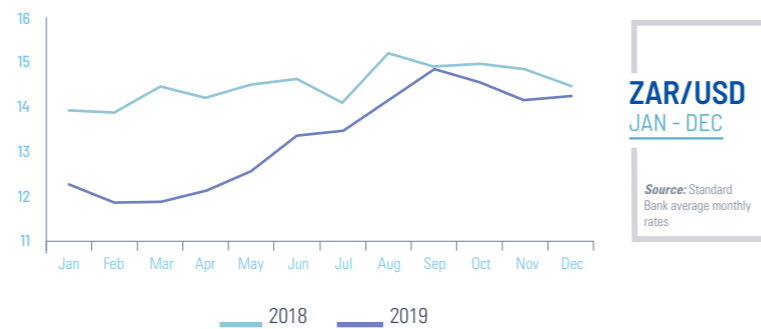
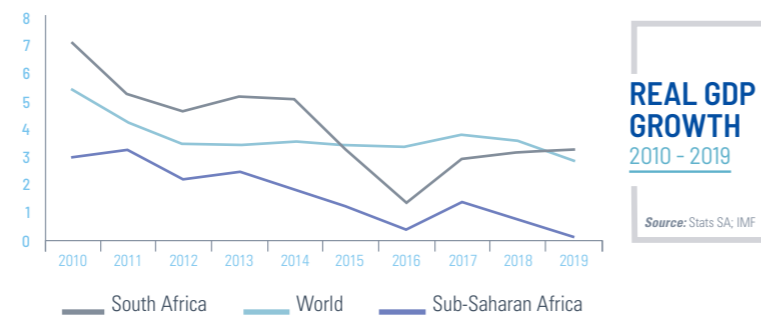
In 2019, global growth recorded its weakest pace since the global financial crisis more than a decade ago. This reflected common influences across countries and country-specific factors.

Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally. In many advanced economies and in China, these developments magnified cyclical and structural slowdowns already under way.

Further pressures came from country-specific weakness in large emerging market economies such as Brazil, India, Mexico, and Russia. Worsening macroeconomic stress related to tighter financial conditions (Argentina), geopolitical tensions (Iran), and social unrest (Venezuela, Libya, Yemen) rounded out the difficult picture.

In 2018, US economic growth slowed to 2.3%, compared to 2.9% in 2018. In the Eurozone, growth in 2019 was 1.2%, down from 1.8% in 2018. Global growth slowed from 3.2% in 2018 to 2.9% in 2019, with continued weakness in global trade and investment. This came after a prolonged period of rising trade tension between the United States and China, which heightened policy uncertainty and weighed on international trade, confidence and investment.

The South African economy moved back into recession during the fourth quarter of 2019, the second recession within two years. South Africa's GDP growth slowed to 0.2% in 2019, from 0.8% in 2018. The real GDP growth of 0.2% in 2019 was primarily led by the services sectors, with finance, real estate, and business services contributing 0.5% during 2019, followed by a 0.3% contribution by government services and a 0.1% by personal services.



LOCAL CURRENCY

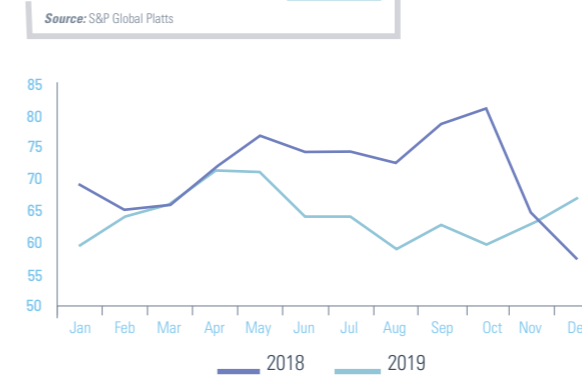
The South African Rand (ZAR) averaged R14.50/USD in 2019, weaker than the R13.29/USD average in 2018. The ZAR/USD remained volatile in 2019, impacted by political uncertainty ahead of the SA national elections in May 2019, ongoing power cuts as well as global headwinds.

SOUTH AFRICA'S GDP GROWTH SLOWED TO 0.2% IN 2019, FROM 0.8% IN 2018.

OIL PRICE

Dated Brent crude oil prices averaged \$64.3/bbl in 2019, which was 9% lower than the average of \$71/bbl in 2018. From \$59.5/bbl at the start of the year, prices rose to more than \$71/bbl in April on concern about supply as Iranian export waivers were due to end and as an OPEC+ output cut agreement took effect. Fears about oil demand growth dominated sentiment and prices fell below \$60/bbl in August, although they were given a short-term boost after attacks on Saudi Arabian infrastructure in September. Prices strengthened during Q4 2019 on positive economic indicators and the signing of an interim trade agreement between the US and China, which bolstered confidence in healthy demand growth for 2020.

DATED BRENT, \$/bbl JAN - DEC

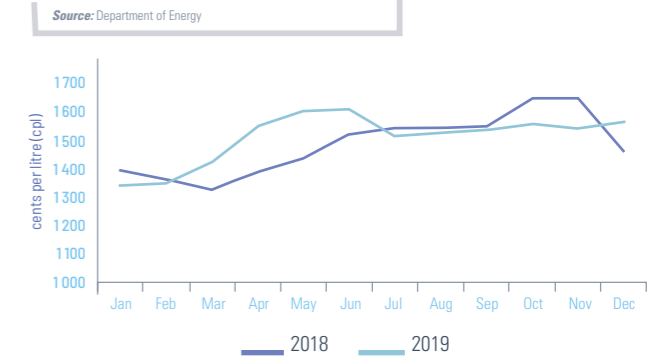


AVERAGE PRICE OF PETROL IN SA INCREASED BY 2% IN 2019.

PETROL PRICE

The average price of petrol in South Africa increased by 2% in 2019. This was due to a combination of a weaker currency and increased levies and taxes including a carbon tax introduced in June 2019.

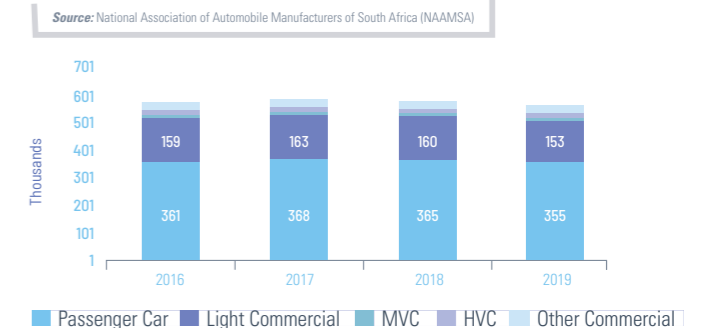
PETROL PRICE MOVEMENTS



NEW VEHICLE SALES

Total new vehicle sales in South Africa declined by -2.6% in 2019. Passenger car sales (the bulk of overall sales) fell by -2.7% year-on-year and light commercial vehicle sales declined by -4%.

NEW VEHICLE SALES



RISKS AND MATERIALITY

Our Risk Governance Framework is built around a strong risk policy and risk management strategy.

OUR APPROACH

Engen is committed to ensure effective risk management in pursuit of our strategic and business objectives. Risk management is embedded into key decision-making processes and day-to-day activities.

Engen adopts PRM (PETRONAS Resilience Model) to effectively manage risks in a comprehensive and systemic manner.

PRM includes the following modules:

- Risk Assessment in Decision Making (RADM)
- Risk in Strategic Planning (RiSP)
- Country Report (CR) & Country Risk Report (CRR)
- Partner & Partnership Risk Management (PPRM)
- Integrated Crisis Management (iCMP)
- Business Continuity Management (BCM)
- Risk Appetite
- Risk Quantification

Our Enterprise Risk Management (ERM) department uses the BarnOwl System to document risk management activities which are to; identify, assess, treat, monitor and report on risks and emerging risks.

Crisis Management and Business Continuity Management activities are maintained in the INTERISK system.

Enterprise Risk Management is intended to ensure resilience of the organisation through effective mitigation of the impacts of the ever-changing business risks associated with value creation processes in the local and global economy.

Our goal is to protect People, Environment, Assets and Reputation (PEAR) and to create value through our business and support activities. This requires us to objectively manage risk exposure in all areas of the value chain.

To achieve this, we have made all the necessary resources available to key people. These include the development of key systems and processes, training of key personnel, and company-wide communication to ensure that Enterprise Risk Management is continuously improved and institutionalised across the organisation.

The Engen Limited Board oversees our ERM process. The Board Audit, Risk and Compliance Committee (BARCC) ensures that Engen complies with the relevant standards and industry norms, and that they are applied effectively across our business to achieve an acceptable risk profile for the company.

OUR RISK GOVERNANCE FRAMEWORK

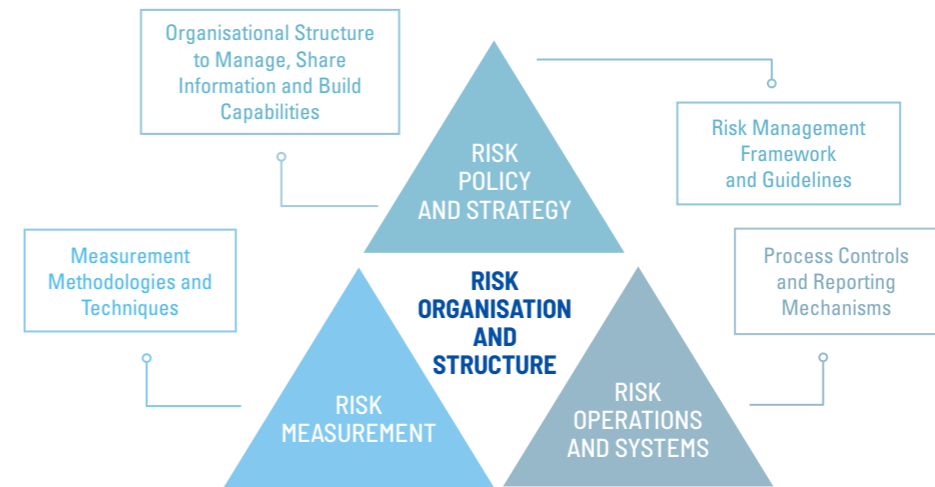
Our risk profile is a critical element of our business strategy. Through our policy framework, we establish the organisational risk appetite and tolerance limits. Our risk governance system revolves around the following six elements:

1. Governance.
2. Context Setting.
3. Risk Assessment.
4. Risk Treatment.
5. Risk Monitoring and Review.
6. Continual Improvement.

Our key risks are monitored through a well established and entrenched risk management system and process.

Significant effort goes into continuously fine-tuning the system to fit our business model, and link with other systems of governance. We also manage compliance with the risk reporting requirements, and capture lessons learned from risk experiences and practices, as well as from the outcomes of assurance activities.

OUR GOAL IS TO PROTECT PEOPLE, ENVIRONMENT, ASSETS AND REPUTATION AND TO CREATE VALUE THROUGH OUR BUSINESS AND SUPPORT ACTIVITIES.



MANAGING MATERIAL MATTERS

Our material matters are the principal economic, social, and environmental issues that give rise to significant opportunities and risks for our company that are significantly important to our stakeholders. Engen annually reviews how relevant each of these factors remains in the current year.

The six material matters that we have identified for 2019 are discussed in this section.

<p>REVIEWING MATERIAL MATTERS</p>	<p>EVALUATING IMPORTANCE OF MATERIAL MATTERS TO US AND OUR STAKEHOLDERS</p>	<p>INTERNALISING MATERIAL MATTERS TO BUSINESS STRATEGY</p>
<p>To ensure we effectively capture the issues, risks and opportunities which are most important to our stakeholders and our business' ability to create value over time.</p>	<p>Subsequent evaluation on the level of importance of these material matters based on submissions to the Board and Leadership Team as well as our internal risk metrics.</p>	<p>Usage of prioritised material matters to craft our business strategy which is reflected in the four strategic thrusts of Grow and Strengthen the Core (GFC), Stepping Out (SO), Drive Down Cost to Serve (DDCS), and Optimise Across the Value Chain (OVAC).</p>



1. HEALTH, SAFETY AND ENVIRONMENT

WHAT THIS MEANS TO US

Good HSE performance will enhance corporate reputation and brand equity among investors, customers, employees and communities, as well as reduce the threat for legal action. Engen is firmly focussed on enforcing good HSE practices and promoting a corporate culture which prioritises health and safety and minimises HSE risk.

RISKS	OPPORTUNITIES	CAPITALS
<p>Failure to adequately manage HSE risks may result in injury to our customers, dealers, employees, contractors and suppliers, business partners, communities and impact the surrounding environment. It may also cause disruption to our operations, increase costs, cause reputational damage and or litigation.</p>	<p>By having a strong HSE performance and prioritisation of areas for continuous improvement, we maintain safe and reliable operations which provides us with a competitive edge in the market while managing its impact to the environment. Attention to our customers' safety, health, security and well-being will be an opportunity for us to enhance and improve further our image and reputation.</p>	<div data-bbox="991 1328 1281 1441"> </div> <p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • Customers • Employees • Suppliers • Dealers • Contractors

OUR RESPONSE

Engen prioritises HSE and aims for Zero HSE incidents. We duly recognise our corporate responsibility as a leading manufacturer and marketer of petroleum products to balance the issue of climate change with the challenge to sustainably produce affordable and reliable energy.

01 FINANCIAL 02 HUMAN 03 MANUFACTURED 04 INTELLECTUAL 05 SOCIAL AND RELATIONSHIP 06 NATURAL

2. SUPERIOR CUSTOMER EXPERIENCE

WHAT THIS MEANS TO US

It is important that we understand what matters to our customers', matters to us so that their requirements and preferences are consistently addressed. This includes all aspects such as product quality, delivery, differentiated offerings and convenience.

RISKS	OPPORTUNITIES	CAPITALS
<p>Addressing customers' needs and expectations are critical in maintaining our competitive position and to promote growth. We must be quick to adapt to digital advancements in order to meet the needs and provide convenience to our customers. Exposures arising from cyber threats may also lead to a breach of information security and adversely impact our business operations.</p>	<p>By offering products of superior quality, high levels of service delivery, as well as listening to our customers' concerns, we establish strong differentiating factors to appeal to our customers, ensuring excellent customer experience. Leveraging on technology advancements provide an avenue for differentiated solutions and increase efficiency for our customers. This will help us protect our position in core markets as well as extend our reach into emerging markets.</p>	<div data-bbox="2517 1267 2823 1502"> </div> <p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • Customers • Employees • Suppliers • Dealers • Contractors • Business partners

OUR RESPONSE

Delivering superior customers experience is a strategic priority for Engen, while transforming customers experience through digitalisation innovations and collaboration with strategic partners.

01 FINANCIAL 02 HUMAN 03 MANUFACTURED 04 INTELLECTUAL 05 SOCIAL AND RELATIONSHIP 06 NATURAL

3. PERFORMANCE MANAGEMENT

WHAT THIS MEANS TO US

Operational efficiencies are critical foundations in delivering business objectives and performance towards achieving sustainable levels of growth and profitability. Engen's profitability and ability to sustain its performance correlates strongly to changes in the economic environment.

 RISKS	 OPPORTUNITIES	CAPITALS
We must ensure timely response to changes in economic and market environment to remain competitive as well as to deliver our strategy and performance. Operational and reliability interruptions including non-availability of supply and services could lead to business disruption and financial loss.	Striving for operational efficiencies ensures a competitive advantage for our brands in the market. The ability to respond quickly to market changes and having flexibility in our strategy allows us to capitalise on lagging competitors' response.	<div style="display: flex; justify-content: space-around;">  01  02  03  04  05 </div> <p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • Investors • Customers • Contractors • Employees • Dealers • Suppliers • Business partners

OUR RESPONSE

Concerted efforts have been made to improve operational excellence and reliability, and this continues to be a strategic priority for Engen. Our strategy is designed to fuel growth and set the trajectory moving forward.

5. HUMAN CAPITAL

WHAT THIS MEANS TO US

Our talents are key assets in delivering our strategies. Our strategy is to ensure that our people are supported with the right skills, experience, training and mentorship.

 RISKS	 OPPORTUNITIES	CAPITALS
We must attract, develop, and retain the best talents to ensure sustainable business performance and deliver growth.	Having the best talents will enable us to be nimble and agile in responding to changes in our operating environment.	<div style="display: flex; justify-content: space-around;">  02  05 </div> <p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • Employees

OUR RESPONSE

We continuously invest in the development and capability of our people as one of our prime assets to grow together with the company.

4. SOCIAL AND RELATIONSHIP CAPITAL

WHAT THIS MEANS TO US

Engen recognises the value and impact of our business in the social ecosystem that we operate in. We are committed to operating safely, responsibly and reliably, and aligning our practices with acceptable business norms and the industry's benchmarks.

 RISKS	 OPPORTUNITIES	CAPITALS
It is vital for Engen to continuously behave as a socially responsible organisation. Failure to discharge our responsibility on human rights will infringe on the health, safety and general well-being of the people impacted by our operations.	Behaving in a socially responsible manner allows us to support the goals of our stakeholders in creating positive social impact. This opens up opportunities for collaboration with social entrepreneurs.	<div style="display: flex; justify-content: space-around;">  02  04  05 </div> <p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • Investors • Customers • Contractors • Business partners • Employees • Dealers • Suppliers

OUR RESPONSE

Engen continues to invest in CSI programmes as part of its commitment to contribute back to the people and community residing in areas where we operate in, whom have fuelled our growth.

6. GOVERNANCE

WHAT THIS MEANS TO US

Engen believes in conducting our business in a manner that emphasises and advances the principle of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that is critical to the success and well-being of Engen.

 RISKS	 OPPORTUNITIES	CAPITALS
We must conduct our business in an ethical manner to instil trust to our stakeholders in areas we operate and avoid major losses due to integrity issues.	Establishing a corporate culture which inculcates ethical conduct within the company and to our business partners will ensure governance and build trust with our stakeholders to uphold our image and reputation.	<div style="display: flex; justify-content: space-around;">  05 </div> <p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • Investors • Customers • Contractors • Business partners • Employees • Dealers • Suppliers • Authorities

OUR RESPONSE

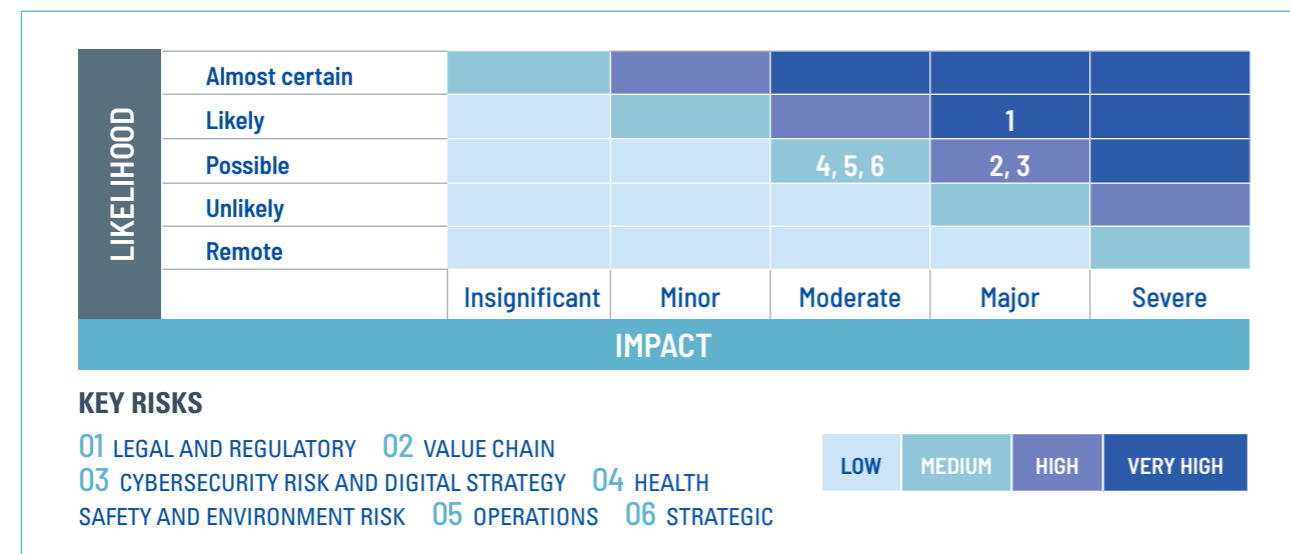
Engen has adopted the PETRONAS CoBE and the ABC. These ensure that Engen and its employees conduct business ethically and with integrity. This is in addition to oversight from Engen Limited Board for transparent decision making.

KEY RISKS AND MITIGATION

We are committed to effective risk management whilst pursuing our strategic and business objectives, with the ultimate aim of ensuring sustainable value creation for our stakeholders. Risk management is an integral part of our value-based strategy, our governance and day-to-day operations. Not only do we aim to deal with the uncertainty in the business environment by minimising the downside, we also seek to capitalise on the upside potential to achieve our strategic objectives.

HOW WE MANAGE OUR RISKS

Engen has embedded effective risk management processes across the entire value creation process in all our lines of business. We identify, assess, treat and monitor all risks that could potentially impact our business; including inherent risks as early as possible. These are mapped onto a risk matrix which specifies the likelihood of the occurrence of the risk and its impact.



ENGEN HAS EMBEDDED EFFECTIVE RISK MANAGEMENT PROCESSES ACROSS THE ENTIRE VALUE CREATION PROCESS IN ALL OUR LINES OF BUSINESS.



KEY RISK: LEGAL AND REGULATORY RISK

WHAT IT MEANS TO US

Changes and complexity of legislation could negatively impact the level of compliance to key legislation and potentially increase the cost of compliance.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
GSC	<ul style="list-style-type: none"> Address risks of non-compliance through sound control and preventive measures; multidisciplinary compliance programmes are put in place and we proactively monitor changes in the regulatory landscape and ensure compliance with applicable laws and good governance practices. A legal compliance culture among employees and extended to Dealers/business partners/contractors is set by leadership through ethical codes of conduct, policies and procedures. 	IMPACT TO CAPITALS <ul style="list-style-type: none"> Litigation costs, penalties and compensations Business disruption Tarnished reputation
DDCS		
OAVC		



KEY RISK: VALUE CHAIN

WHAT IT MEANS TO US

Increasing volatility in global commodity price markets for crude and product exposures across the Engen Value Chain has an impact on the gross refinery margin.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
GSC	<ul style="list-style-type: none"> Hedging policy is in place to prudently manage our financial market risks. Minimise price exposure and improve margins through integrated inventory management. 	IMPACT TO CAPITALS <ul style="list-style-type: none"> Financial Lower profitability and margins
DDCS		
OAVC		

01 FINANCIAL 02 HUMAN 03 MANUFACTURED 04 INTELLECTUAL 05 SOCIAL AND RELATIONSHIP 06 NATURAL

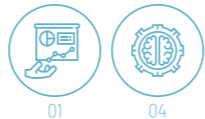


KEY RISK: CYBERSECURITY RISK AND DIGITAL STRATEGY

WHAT IT MEANS TO US

Failure to manage cybersecurity risk, could lead to exploitation of unknown cybersecurity vulnerabilities which could result in business disruptions, reputational damage and opportunity loss.

Rapid technology advancement has heightened the importance of our IT systems to keep up with the pace of digital adoption. In addition, consumer and businesses needs have been fundamentally enhanced due to technology advancements. Failure to be at the technological forefront may mean that we lose the opportunity to monetise value from data and negatively affect our competitive position.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
GSC	<ul style="list-style-type: none"> Strengthen personal data protection and cyber security capability. Offer differentiated services through digitalisation to enhance customers experience and convenience. 	IMPACT TO CAPITALS  <ul style="list-style-type: none"> Business disruption Loss of valuable business data Reputational damage Penalties by authorities
DDCS		
OAVC		

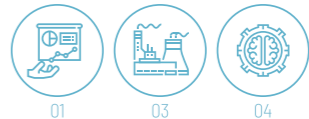


KEY RISK: OPERATIONS RISK

WHAT IT MEANS TO US

Operational excellence is essential for uninterrupted end-to-end supply chain; from product sourcing to reliable product delivery to customers.

Our value chain may be impacted by operational interruptions due to criminal activity around the Transnet pipeline and the related impact on Engen pipeline fed depots. This also includes the impact of illegal mining close to Langlaagte Terminal, in and around disused and active mines in the inland area.

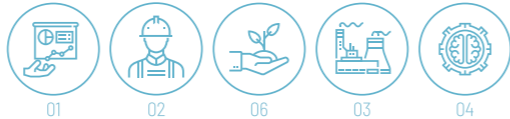
STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
GSC	<ul style="list-style-type: none"> Emergency Response Plan and Incident Action Plan. Active monitoring for any related exposure to Engen and engagements with relevant stakeholders. 	IMPACT TO CAPITALS  <ul style="list-style-type: none"> Business disruption; product supply disruptions Higher cost Poor product quality
DDCS		
OAVC		



KEY RISK: HEALTH SAFETY AND ENVIRONMENT RISK

WHAT IT MEANS TO US

The nature of our operating activities and the inability to achieve a generative HSEQ culture exposes us to a wide range of health, safety, environmental and product quality risks; such as fatalities, injuries, disruption to business, reputational damage and potential liabilities.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
GSC	<ul style="list-style-type: none"> Address risks on potential hazards through identified control and preventive measures especially on transport safety, process safety as well as contractor and supplier management. Heighten safety and compliance culture among employees and extend to Dealers/business partners/contractors. 	IMPACT TO CAPITALS  <ul style="list-style-type: none"> Loss of productivity and performance due to accidents, injuries and casualties Litigation costs, penalties and compensations Business disruption Damage to assets Reputational damage
DDCS		
OAVC		



KEY RISK: STRATEGIC RISK


WHAT IT MEANS TO US

1. Competition Risk

The Company operates in a highly competitive and mature market. In order to retain our leading position and sustain our performance, it is vital to differentiate our products and services as well as continuously outperform our competitors.




2. Market Risk





The ability to sustainably grow and deliver shareholder value depends on the main macroeconomic factors that drive the business strategy. Fluctuations in year-on-year profitability and earnings growth are a result of the adverse changes in the market environment.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
GSC	<ul style="list-style-type: none"> Enhance products and services by expanding availability of new product offerings. Offer competitive pricing and attractive sales package Enhance business strategies to address new needs, creating solutions and continue delighting our customers. 	IMPACT TO CAPITALS  <ul style="list-style-type: none"> Decrease in profit margin Loss of market competitiveness Insufficient cash flow
DDCS		
OAVC		

STAKEHOLDER ENGAGEMENT

As Southern Africa's leading manufacturer and marketer of petroleum products, Engen has a broad range of stakeholders with, sometimes, competing interests. Each group in our spectrum of stakeholders have their own unique areas of interests, due to the different ways they are impacted by our business. To understand our stakeholders' needs and interests, and effectively build positive and meaningful relationships with them, we have adopted the Stakeholder Management Process as guided by PETRONAS Group Strategic Communication. Beyond the regular engagements that arise in the course of our business, we also engaged with our key stakeholders in validating our Material Matters, allowing us to integrate the results of our stakeholder engagement into every step of our value creation process.

	WHY WE ENGAGE	HOW WE ENGAGE	AREAS OF INTEREST
 SHAREHOLDERS	To provide fair, balanced and timely material updates to maintain trust and confidence as well as to allow informed decision making.	<ul style="list-style-type: none"> Board & Sub Committee Meetings Quarterly reviews Direct Reporting by CEO Executive Committee Meetings 	<ul style="list-style-type: none"> Economic outlook Business outlook and risks Operational efficiencies Cash utilisation and dividends Governance and business ethics Safety and health Sustainability matters
 CUSTOMERS	As a customer centric organisation, we must understand the needs and behaviour of our customers to ensure we win them over and deliver solutions to delight them.	<ul style="list-style-type: none"> Customer Service Centre Hotline – +27 (0) 86 003 6436 Engen social media accounts – Facebook, Twitter, Instagram, LinkedIn and YouTube Corporate website – www.engenoil.com Market/satisfaction surveys Customer feedback system via Engen 1app 	<ul style="list-style-type: none"> Customers experience Customer service and support Products quality and availability Safety and health Governance and business ethics Environment and climate change Sustainability matters Cyber security Technology and digital transformation
 DEALERS	Dealers are our critical business partners and an extension of our network. We must ensure our strategies and business plans are aligned.	<ul style="list-style-type: none"> Dealer conferences, events, dialogues, roadshows, engagement sessions, stations site visits Training sessions Dealer Extranet - https://myengen.engenoil.com Corporate website – www.engenoil.com 	<ul style="list-style-type: none"> Economic outlook Strategic direction, business growth and opportunities Customers experience Operational efficiencies Safety and health Workforce development Governance and business ethics Human rights Sustainability matters Technology and digital transformation

	WHY WE ENGAGE	HOW WE ENGAGE	AREAS OF INTEREST
 EMPLOYEES	We cascade business direction and performance while enabling open communications to ensure employees are engaged and highly motivated.	<ul style="list-style-type: none"> Intranet/email Town halls and engagement sessions Leadership messages through video, newsletters, intranet and e-mail Employee surveys Union Management 	<ul style="list-style-type: none"> Business direction and performance Employment acquisition and retention Work life balance Welfare and benefits Capability and career development Improved diversity and inclusivity Corporate integrity and business ethics Health, safety, environment Technology and digital transformation Sustainability matters Human rights
 AUTHORITIES	We operate in accordance with all regulatory requirements to ensure our operations are safe and not disrupted.	<ul style="list-style-type: none"> Formal meetings Dialogues and feedback sessions Operational site visits Knowledge sharing sessions Periodic reports 	<ul style="list-style-type: none"> Regulations and policies Product specifications Safety and health Environment and climate change Corporate Social Responsibility Human rights Governance and business ethics
 BUSINESS PARTNERS	Engaging with our partners and supply chain providers means that we can ensure effective business collaboration, including upholding our safety standards and compliance.	<ul style="list-style-type: none"> One-on-one meetings Contractors' Day Sharing/training sessions Engagement sessions Progress reports Corporate presentations Integrated Report 	<ul style="list-style-type: none"> Business opportunity Governance and business ethics Health, safety and environment Contractor's performance Local content Regulations and policies Products and services availability Customer experience Technology and digital transformation Sustainability matters Human rights
 COMMUNITIES	Ensures continued viability of the business into the long-term. We aim to enrich the lives of the communities in which we operate and protect the environment.	<ul style="list-style-type: none"> Community engagement and outreach programmes Corporate website – www.engenoil.com Customer Service Centre Hotline – +27 (0) 86 003 6436 Refinery Hotline - +27 31 460 3911 Engen social media accounts – Facebook, Twitter, Instagram, LinkedIn and YouTube 	<ul style="list-style-type: none"> Corporate Social Responsibility Employment opportunities Local content Safety and health Regulatory compliance Environment



OUR STRATEGY

OUR KEY STRATEGIES

Responding to emerging market trends and a challenging business landscape, our “Beyond 2020” strategy is devised to facilitate growth, strengthen our core businesses and drive efficiencies. Designed to enhance Commercial and Operational Excellence, our strategy rests on four strategic thrusts – (1) Grow and Strengthen the Core, (2) Stepping Out, (3) Drive Down Cost to Serve and (4) Optimise Across the Value Chain. These strategic thrusts are enabled by a focus on People and Business Processes, Organisational Culture, B-BBEE Accreditation, and Digital advancement. All are underpinned by a firm focus on HSEQ and continuing to do the basics right.

Our strategy takes into account the operating environment, our material matters that address the organisation and stakeholders’ needs and concerns, and management of business risks. Placing the customer’s experience as our central purpose, we seek to establish a more robust approach for commercial and operational excellence and the attainment of our statement of purpose, which is to be “A Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future.”

GSC GROW & STRENGTHEN THE CORE To deliver a superior and differentiated customer experience by being obsessed with satisfying the customer needs thereby ensuring that we continue to be No 1 in the fuels market.	SO STEPPING OUT Strong focus on growth in non-fuel retail with the ambition to add LNG and renewable energy to our customer offering.	DDCS DRIVE DOWN COST TO SERVE By focussing on the efficient management of our integrated supply chain and the implementation of digital procurement practice.	OAVC OPTIMISE ACROSS THE VALUE CHAIN This will be achieved through enterprise optimisation and sourcing, organisational integration, OER2 and Refinery optimisation.
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Anchored on the Customer’s Lens to ensure we deliver a Seamless Customer Experience

STRATEGIC THRUSTS	STRATEGIC OBJECTIVES	INITIATIVES	2020 PRIORITIES
GSC	<ul style="list-style-type: none"> Retail Fuels Commercial + IBD Lubricants 	<ul style="list-style-type: none"> Expand retail network Targeted marketing campaigns Secure new customers New product offerings Drive power brands 	<ul style="list-style-type: none"> Aggressive site build programme Maximise station throughput Customer Centricity Improve customer service through digital
SO	<ul style="list-style-type: none"> Retail Non-Fuels New Energy 	<ul style="list-style-type: none"> Grow strategic alliances New offerings in Non-Fuel Retail Category management New energy play 	<ul style="list-style-type: none"> Roll out of private label Coffee and Bakery solution Fresh Quickshop improvement
DDCS	<ul style="list-style-type: none"> Supply Chain Procurement 	<ul style="list-style-type: none"> Full compliance to HSE requirements Improve supply efficiency and reliability Improve operating discipline 	<ul style="list-style-type: none"> Generative HSE Culture Focus on Cost-to-Serve per litre Improve On Time In Full – Fuel
OAVC	<ul style="list-style-type: none"> Enterprise Optimisation & Sourcing Organisational Integration OER2 (Towards a world-class and empowered organisation) Refinery Optimisation 	<ul style="list-style-type: none"> Improve Enref OEE and Reliability Organisational collaboration Integrated margin methodology to provide price support to Commercial to incentivise customers. 	<ul style="list-style-type: none"> Growth on commercial overall volume Growth on overall reseller volume Growth on reseller gross margin

KEY PERFORMANCE INDICATORS

Engen's business involves all aspects of the manufacturing, retail and marketing of core petroleum products, giving it a diversified earnings base across business sectors. To measure our performance, we have defined a number of targets comprising both financial and non-financial indicators, as well as quantitative and qualitative factors. We continually evaluate our performance against these targets.

GROW AND STRENGTHEN THE CORE

NET PROFIT		RETURN ON CAPITAL EMPLOYED		TOTAL VOLUME	
Aim: Maximise value creation and deliver high returns	FY 2019 R1.69 bn	Aim: Increase efficiency in generating profits from the available capital base (%)	FY 2019 9.9%	Aim: Grow sales volume and maximise value (Mil Litre)	FY 2019 8,911 ml
	FY 2018 R1.96 bn		FY 2018 8.2%		FY 2018 9,605 ml*

* included volumes of nine countries transferred to VIVO Energy

OPTIMISE ACROSS THE VALUE CHAIN

REFINERY RELIABILITY		REFINERY OVERALL EQUIPMENT EFFECTIVENESS		MIDDLE DISTILLATE SALES VOLUME	
Aim: World-class refinery reliability	FY 2019 98.5% (plan 97.8%)	Aim: Improve manufacturing productivity capability	FY 2019 88.38% (plan 91.07%)	Aim: Use value pools to provide support to Commercial to incentivise customers.	FY 2019 1 687 065 (Diesel) 479 935 (IK/CBF) (litres)
	FY 2018 99% (plan 96.6%)		FY 2018 95.9% (plan 96.7%)		FY 2018 1 705 668 (Diesel) 422 239 (IK/CBF) (litres)

DRIVE DOWN COST TO SERVE

COST TO SERVE		ON TIME, IN FULL (OTIF)	
Aim: Reduce cost of doing business and driving efficiencies	FY 2019 41.07 cents per litre (inflation = 4.1%)	Aim: Deliver customers' order quantity in the agreed timeline	FY 2019 93% (Fuels) 82% (Lubes)
	FY 2018 40.02 cents per litre (inflation = 4.7%)		FY 2018 89% (Fuels) 72% (Lubes)

ENABLERS

PEOPLE & BUSINESS PROCESS		PETRONAS CULTURAL BELIEFS	
Aim: Improve Employee Engagement to drive growth and performance	FY 2019 eNPS score up by 6 points to 27 (from 21 in 2018 -19 in 2017 & -21 in 2016)	Aim: To create a 'Generative Culture' by doing the right thing, even when no one is watching	FY 2019 13 Culture Champions 75 Culture Influencers
B-BBEE ACCREDITATION		DIGITAL	
Aim: To consistently improve our Transformation	FY 2019 Certified B-BBEE Level 1 (from Level 2 previously)	Aim: To advance our technology systems to accelerate growth	FY 2019 Engen 1App Salesforce Automation Extranet Revamp

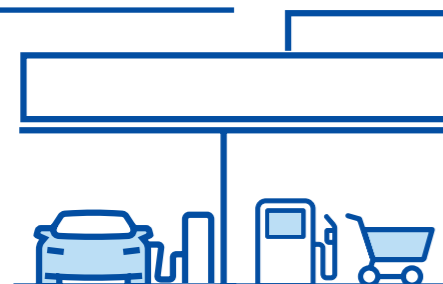
HEALTH, SAFETY AND ENVIRONMENT

		Inits	2019	2018	2017	2016	2015
Aim: Ensure HSE risks are adequately eliminated and controlled		p/100 million man hours*	0	0	2	2	0
	LTIF	p/100 million man hours*	0.33	0.08	0.32	0.28	0.14
	Major LOPC	Number	0	3	14	6	7
	Major Fires	Number	0	0	0	1	0

PERFORMANCE REVIEW



RETAIL



In 2019 we continued to deliver our brand promise “With us you are Number One” in every interaction with our loyal customers. To this end, we always aim to provide the best products and services at our service stations to keep delighting them by delivering a superior customer experience in a consistent manner, supported by our best-in-industry customer loyalty partners as well as a growing e-commerce and digital presence.

WHO WE ARE AND WHAT WE DO

Our Retail business offers FUEL AND CONVENIENCE products and services to consumers through our network of 1,030 Engen service stations and 600+ Quickshops across South Africa.

- Our FUEL offering comprises premium products, developed in partnership with the Mercedes-AMG PETRONAS Formula One™ team, and includes Engen Primax 93/95 and Engen Dynamic Diesel 50ppm.
- Our CONVENIENCE offering comprises on-the-go consumer products and services, which include our partnerships with various leading Quick Service Restaurant brands, food solutions including our own Quickshop and Woolworths Foodstop, banking facilities, courier services, car wash and other convenience offerings. In supporting the Retail business, our customers are rewarded through our loyalty partnerships with eBucks, Clicks Clubcard and Edgars ThankU.
- Engen 1app is SOUTH AFRICA'S FIRST MOBILE application that creates seamless on-the-go refuel and retail experience for Engen customers. This means customers no longer need to carry cash or cards to make fuel purchases, while their loyalty points are automatically registered with their respective loyalty partner. The ‘Station Finder’ function directs customers straight to Engen service stations.
- Engen service stations are operated by dealers, who are appointed through a stringent selection process and provided with continuous training. Our service stations are managed via two categories of dealerships – COMPANY-OWNED, DEALER-OPERATED and DEALER-OWNED, DEALER-OPERATED.

VALUE CREATED

- QUALITY**
World-Class Quality Fuel and carefully selected non-fuel solutions for our customers
- VALUE PROPOSITION**
Superior financial returns through stringent and selective Investment
- INNOVATE**
Provide seamless and frictionless experience to customers by leveraging digital technology
- DIVERSITY**
Wide range of offerings via multiple channels to provide better option for consumers
- NURTURE**
Provide local economic opportunities through employment, business partnerships and entrepreneurship
- CULTIVATE**
Cultivate capabilities of our workforce, dealers and business partners
- NETWORK**
Maintain long-term partnerships with stakeholders

KEY HIGHLIGHTS:

- 3.9 bn** Litres Fuel Pumped
- 19** new service stations built
- 20** Quickshops added
- 127** more sites had LED lighting installed
- New loyalty partnership concluded
- Customer NPS improvement

Over the course of the year, we again worked hard to ensure we provide the public with a clean, well-lit and safe environment at our Engen service stations. We also focused on creating further convenience for customers, while improving the turnaround time of interactions, providing hassle-free services and delivering quality fuel.

The year under review was also filled with growth and improvement to our network as well as the addition of another leading loyalty partner. We achieved a company record 19 new service station builds in South Africa, with a number of these sites constructed in high growth areas, placing Engen in a winning position for the future.

We also added 20 new Quickshop convenience stores, further strengthening our position in the retail convenience market. Our reimagining programme continued apace with 86 of our service stations converted to the contemporary blue image look in line with our drive to improve the consistency of our image to our customers. A further 127 Engen service stations were upgraded with LED lighting, enhancing their appearance, reducing our energy requirements and improving safety.

We successfully added the Clicks ClubCard loyalty programme to our market leading ecosystem of loyalty partnerships, which also includes our existing relationship with FNB's eBucks and Edcon's Thank U Rewards programmes. These programmes are critical to both customer retention and attraction and support our objective to differentiate our engagement in the highly competitive retail fuels environment.

Our continued focus on our customers and creating a seamless customer experience was positively reflected in our Net Promoter



Score for retail in 2019. Our score of 57.1 was up from 42.4 in 2018 and 29.5 in 2017 and affirms our strategy, which is anchored on the Customer's Lens to ensure we deliver a seamless customer experience.

OUTLOOK

As public transportation, ride hailing services and energy efficient vehicles continue to gain traction in South Africa, demand for conventional fuels may be affected. We are however prepared for these market disruptors and continue to grow and strengthen our core product quality, branding and customers experience, while stepping out in retail non-fuels and new energy.

AWARDS

We are proud of the following awards won in 2019.

- Sunday Times Top Brands “Favourite Petrol Station”
- Sunday Times Generation Next “Coolest Petrol Station”

COMMERCIAL



In 2019, our Commercial business achieved encouraging volume growth by securing new supply contracts, despite the competitive business environment. Profitability was also up with our gross margin after transshipping increasing from R1.5 billion to R1.6 billion. This was achieved through intensifying our focus on providing exceptional customer service, which was reflected in an improved NPS score.

WHO WE ARE AND WHAT WE DO

Our Commercial business is fully integrated and handles a diversified portfolio of products from the Engen refinery that cater to various industries and market segments. We are responsible for the sale and marketing of bulk petroleum products and their uninterrupted supply to customers.

- We offer a wide range of quality fuel solutions such as Diesel, Gasoline, Jet A1, Heavy Fuel Oil, Illuminating Kerosene, LP Gas, Chemicals and special products such as Bitumen.
- Market segments served include: Agriculture, Aviation, Coatings, Construction, Fleet, Manufacturing, Marine and Mining.
- Our key competitive advantage is our extensive distribution network including terminals, storage and transportation to reach and serve businesses and industries across South Africa



VALUE CREATED



DIVERSIFY
Quality products and services to fulfil customers' demands



CREATE
Commanding market position with solid financial returns



CULTIVATE
Cultivate capabilities of business partners



DIVERSITY
Wide range of offerings via multiple channels to provide better option for consumers



NETWORK
Maintain long-term partnerships with stakeholders

KEY HIGHLIGHTS:



8.6%
Volume Growth



R1.6 bn
Gross Margin



Increase in
NPS Score



As competition intensified with aggressive rebates, compounded by a proliferation of resellers, we moved towards a value based selling approach to manage commoditisation, and additionally viewed resellers as channel partners.

Drought affected a key focus sector in agriculture. We partnered the sector by enhancing our value to customers while also diversifying to other markets.

In a further challenge, entry of non-taxed products through porous borders into South Africa continued. This impacts our ability to compete on price and therefore impacts our performance. We are lobbying to enforce regulations through industry representative body SAPIA (South African petroleum Industry Association)

OUTLOOK

Looking ahead, we expect difficult trading conditions amidst a muted global economy compounded by an increase in competition. We will however continue to focus on the customer and providing a seamless customer experience as a key differentiator to defend our strong market position and to ensure sustainable business growth.

While South Africa's economic growth remained close to zero in 2019, our Commercial business performed admirably with volumes up 8.6% year-on-year from 2.7 billion litres in 2018 to over 3 billion litres.

Highlighted by the enlisting of 35 million litres from Eskom, we increased profitability as gross margins after transshipping went up from R1.4 billion to R1.8 billion.

Against the backdrop of the economic slowdown, which severely impacted sectors such as construction, retention strategies were heightened. To mitigate this, we placed a strategic focus on growth sectors and maintained or rationalised declining segments.

LUBRICANTS



In 2019, we moved to entrench our market position by promoting our Power Brands and extending our network penetration through our 'Route to Market' initiative. We will continue to leverage technology i.e. Fluid Technology Solutions, which is a winning differentiator in responding to the needs of our customers, OEM partners and the industry.

WHO WE ARE AND WHAT WE DO

Our Lubricants business undertakes all sales, marketing and technical services related to lubricants and fluids in South Africa.

- Our range of high-performance lubricants are purpose-suited to a spectrum of industries. We supply products for petrol and diesel engines, gearboxes, hydraulics, turbines, compressors, machine tools and a variety of other applications from both mineral and synthetic base oil stocks.
- Our relationship with PETRONAS enables us to leverage their research and advanced technology, especially that garnered in the designing, developing and delivering of fluid and lubricant technology solutions that powers the world champion Mercedes-AMG PETRONAS Motorsport team, ensuring that the products we offer our customers have withstood the ultimate Formula One™ testing ground.
- Our distribution and technology combine to offer a fully-mechanised, truly efficient system designed to meet and exceed customer needs and demands. In South Africa, primary distribution centres are present in all major cities, and several secondary depots are situated in outlying areas.
- We also test and apply stringent quality controls throughout the manufacturing process and comply with the international ISO 9001:2000 production standard. Stringent and exhaustive testing is conducted on all incoming base oils and additives, random testing of packaged products is carried out, and we conduct field tests on imported and local products.

VALUE CREATED

- QUALITY**
World-class products developed through superior R&D technology for top performance and fuel efficiency
- CREATE**
Sustainable margins for all business partners along our value chain
- BUSINESS SYNERGY**
Offering winning propositions, enabling our partners to grow with us
- CAPABILITY**
Upskill our people, dealers' workshops and key customers on product and technical knowledge
- NETWORK**
Long-term partnerships with various stakeholders and capitalise on cross-selling opportunities via Engen's other business segments
- ENVIRONMENT**
Enhanced engine and plant efficiency contributing to cleaner environment

KEY HIGHLIGHTS:



81.9 m
Litres sold



Launched
PETRONAS
Durance



6
High Street
Distributors appointed

The sales and marketing of our lubricants in South Africa continued an upward trajectory in 2019 with 81.9 million litres sold. This was due in part to continued growth in synthetic sales and improvement of our sales forecast accuracy over the course of the year.

We also filled various sales specialist vacancies and conducted capability assessment and development with sales staff. Roll out of the PETRONAS Lead Academy CSS also continued. Our Net Promoter Score for Lubricants came off a high in 2018. However, our customers did respond with positive comments.



DIRECT AND INDIRECT SALES

We made significant improvements in our mining business. Fluidlink, our complete lubrication and fuels solution to our industrial customers, had an especially good year in 2019 with the role-out of operations at Goodyear and SAPPI SAICCOR.

We made significant progress in our 'Route to Market' in 2019 with 6 High Street Distributors versus plan of 5. We acquired volumes in the high street both 'Direct to High Street' and 'High Street Distributor to High Street'. Trade Marketing proved to be a key differentiator for us and was used effectively in the high street market to open doors for new business. Further penetration of the Midas network also boosted our high street volumes, to the extent that we achieved overall year-on-year growth in high street of 600 kilolitres.

MARKETING

We developed employee and customer journey maps in anticipation of the implementation of the Salesforce Leads and Opportunities module. Staff were all trained in Salesforce in Q4 2018. The adoption rate was assisted through an Internal Sales Incentive in Q3 2019, which saw adoption stats (Q3 vs Q2 2019) improve as follows: user logins increased by 130%, 271 leads were generated (310% increase), 135

opportunities (540% increase), and 37 opportunities were won.

In 2019 we launched the PETRONAS Durance Car Care range to High Street and Mass Merchandisers. To date, leading FMCG retailer Shoprite-Checkers have agreed to list the PETRONAS Durance Car Care range.

A revenue management project was initiated with a baseline position developed. Improving our Revenue Management maturity will continue in 2020. A Price Review Process was also amended to include a forward view. This played an important role in ensuring our Unit Margins exceeded plan for the year.

OUTLOOK

The lubricant market is expected to experience slower growth so we will continue to build strong relationships with our customers and enhance our cost competitiveness. We will also improve our customer experience and differentiate our offering to support our growth vision in 2020.

AWARDS

We are proud of the following awards won in 2019:

- Ask AFRICA Icon Brands 2019/20 (Engine Oil Winner)

INTERNATIONAL BUSINESS



Our International Business focuses on the uninterrupted supply of fuels, lubricants and chemicals to customers across six Southern African countries. Retail forecourt services and commercial business services are offered in Botswana, DRC, Eswatini, Lesotho, Mauritius and Namibia. Lubricants are marketed in these countries as well as in a number of other sub-Saharan African countries through reseller agreements.

WHO WE ARE AND WHAT WE DO

In six geographies, the business provides a fully integrated portfolio including a full supply chain, and Retail, Commercial and Lubricant sales and marketing.

- Our Customer base sees us serve both retail and commercial customers, through our network of approximately 239 forecourts and other Commercial channels to market.
- Our retail product portfolio is petrol, diesel and lubricants.
- Our Commercial business predominately supplies Diesel, Illuminated Kerosene (IK), Commercial burner fuel (CBF), chemicals and special products such as Bitumen.
- Close to 300 people help us to create a seamless customer experience, excluding forecourt staff. The majority (205) are in our affiliated countries, while the rest (85) are based in South Africa.

VALUE CREATED

- QUALITY**
World-class products developed through superior R&D technology for top performance and fuel efficiency
- CREATE**
Sustainable margins for all business partners along our value chain
- BUSINESS SYNERGY**
Offering winning propositions, enabling our commercial customers to grow with us
- CAPABILITY**
Upskill our people, dealers' workshops and key customers on product and technical knowledge
- NETWORK**
Long-term partnerships with various stakeholders and capitalise on cross-selling opportunities via Engen's other business segments
- ENVIRONMENT**
Enhanced engine and plant efficiency contributing to cleaner environment

KEY HIGHLIGHTS:

R1.8 bn
PROFITABILITY

9.6ml
LUBRICANTS SOLD

Bunker Market Leader Mauritius 

While sub-Saharan Africa's economic growth remained sluggish at 3.4% in 2019, our six affiliated countries celebrated a substantial number of wins, including:

- DRC celebrated record profit after tax of USD\$15 million.
- Mauritius became market leader in the bunker business.
- Botswana signed up Moruplule Coal Mine on a 5-year contract.

Our Year-on-Year volumes in our affiliate's countries remained stable at 1.80 billion litres from 2018 to 2019. In 2019, we achieved the following sales volumes:

- Botswana 339ml
- DRC 316ml
- eSwatini 61ml
- Lesotho 140ml
- Mauritius 463ml
- Namibia 496ml

Overall, there was an increase in profitability as gross margins after transshipping went up from R1.4 billion to R1.8 billion.

This remarkable performance was delivered by focusing on the customer to provide exceptional service. This yielded an increase in NPS scores for Mauritius.

Retention strategies were heightened through several in-country initiatives. An example included a loyalty programme agreement between Namibia and major bank FNB, targeting fleet customers.

In Namibia the drought affected a key focus sector in agriculture. We supported Namibian farmers ravaged by the six-year drought by contributing 5 cents for every litre of petrol purchased from an Engen service station in Namibia from 1 June to 31 August 2019. In total we raised N\$2 827 000, which was used to help subsidize certain feeds and make them more affordable to farmers.



We also made good progress to help resolve operational issues stemming from the sale of our operations in nine countries to VIVO Energy in early 2019. As such, we achieved increased Lubricant volumes out of the Vale account in Mozambique, Zimplats in Zimbabwe and Illovo in Tanzania, all of which contributed to Lubricant sales volumes of 6.4m litres through VIVO Energy in 2019. Separate of VIVO, we sold 9.6ml of Lubricant.

OUTLOOK

In 2019, a thorough strategic review was conducted, and each country's board approved a strategy for sustainable profitable growth. Supported by Engen's strategic pillar of Commercial Excellence, the four underpinning areas are: CONVENIENCE: Growth in income via alternative profit opportunities such as food offering; TRANSPORT: Network growth via truck stop expansion in key geographies, and digital solutions; MINING: Focus on open cast mining, coal, manganese and chromium; and FORECOURTS: Increasing foot traffic via convenience to grow volumes.

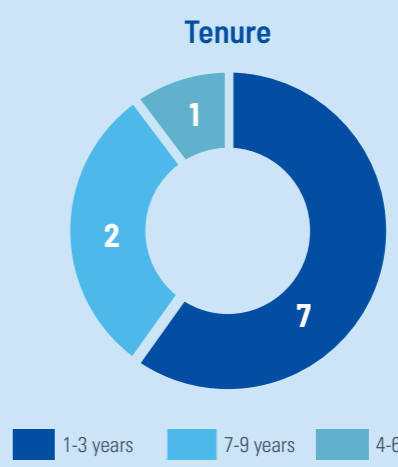
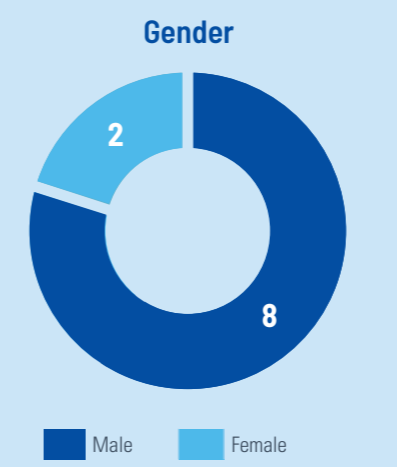
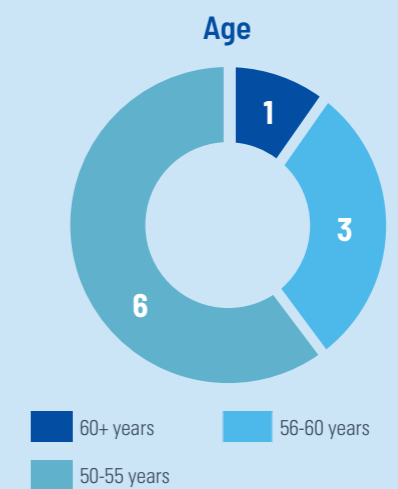
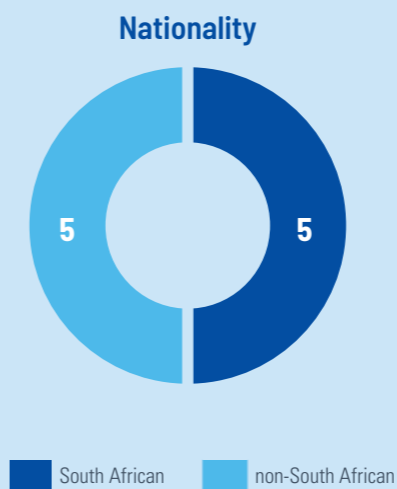
AWARDS

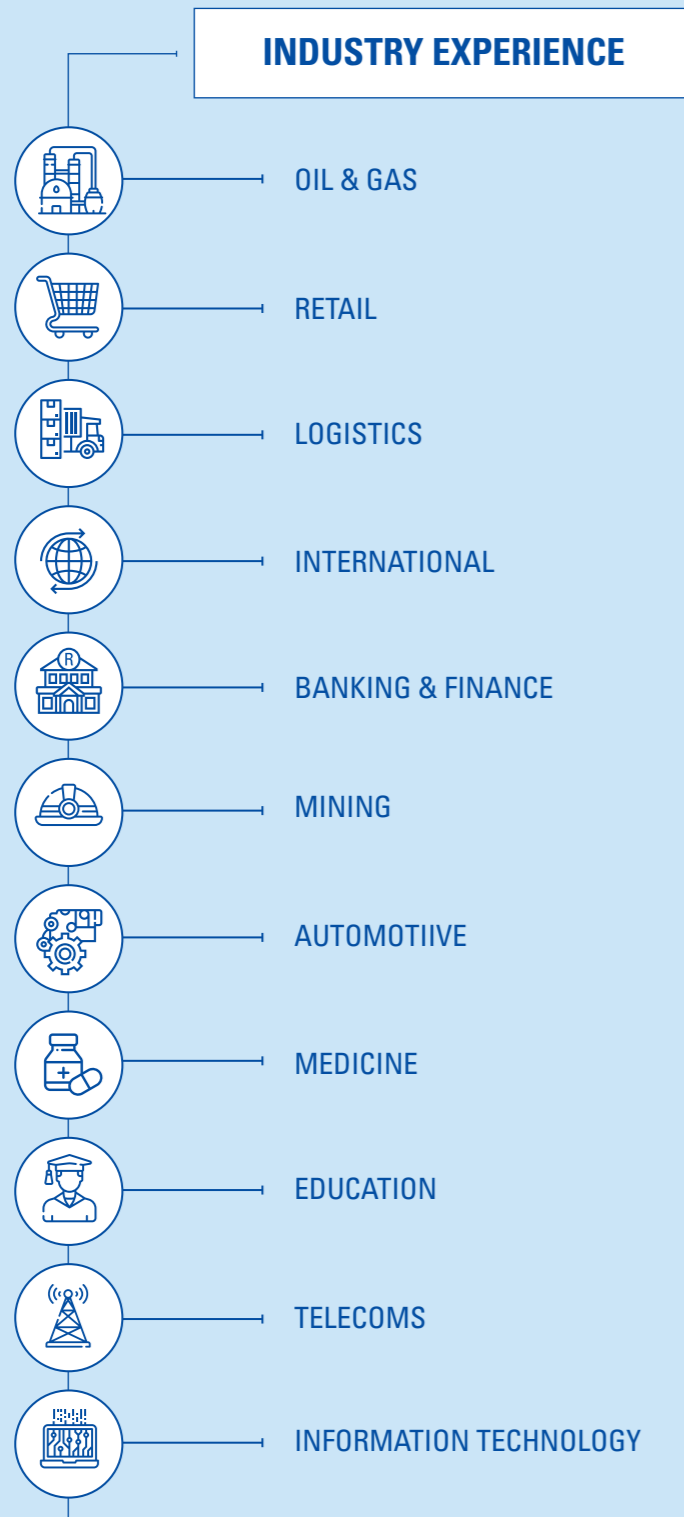
PMR Golden Arrow Award
"Admired Petroleum/ Diesel Brands"



LEADERSHIP

OUR BOARD AT A GLANCE





ENGEN LIMITED BOARD



AHMAD ADLY ALIAS

Chairman*
Non-Independent Non-Executive Director

AGE: 51
GENDER: Male
NATIONALITY: Malaysian

Date of Appointment: 28 July 2020
Length of Service: 2 months

ACADEMIC / PROFESSIONAL QUALIFICATION

Bachelor of Science in Business Administration
MBA (Corporate Finance and Investment)

INDUSTRY EXPERIENCE



PRESENT DIRECTORSHIPS

VP: Marketing Downstream Business – PETRONAS

PAST EXPERIENCE

Vice President, LNG Marketing and Trading
General Manager, PETRONAS LNG Sdn Bhd
Head, LPG Trading, PETRONAS Trading Co.

* Replaced Dato' Sri Syed Zainal Abidin Syed Mohamed Tahir who retired on 30 June 2020.



YUSA' HASSAN

Executive Director

AGE: 57 GENDER: Male NATIONALITY: Malaysian

Date of Appointment: 01 June 2017
Length of Service: 2 years and 6 months

ACADEMIC / PROFESSIONAL QUALIFICATION	INDUSTRY EXPERIENCE
Bachelor of Science in Mechanical Engineering <i>University of West Virginia</i>	
PRESENT DIRECTORSHIPS	PAST EXPERIENCE
Managing Director & CEO: Engen Petroleum Limited	CEO/Managing Director - PETRONAS Gas BHD CEO/Managing Director - PETRONAS Chemicals Aromatics Head: Olefins & Derivatives - PETRONAS Chemicals Group BHD



PHUTHUMA NHLEKO

Non-Independent Non-Executive Director

AGE: 60 GENDER: Male NATIONALITY: South African

Date of Appointment: 28 February 2019
Length of Service: 10 months

ACADEMIC / PROFESSIONAL QUALIFICATION	INDUSTRY EXPERIENCE
Bachelor of Science in Civil Engineering - <i>Ohio State University</i> MBA - <i>Atlanta University</i>	
PRESENT DIRECTORSHIPS	PAST EXPERIENCE
Chairman/Co-Founder: Phembani Group International Advisory Board - MTN	Chairman/Interim Pres & CEO MTN Group Ltd Chief Executive Officer- MTN Group Ltd Director: Anglo PLC BP PLC Alexander Forbes Nedbank Old Mutual Bidvest



NOMBULELO THOKOZILE MOHOLI

Independent Non-Executive Director

AGE: 60 GENDER: Female NATIONALITY: South African

Date of Appointment: 20 February 2018
Length of Service: 1 year 10 months

ACADEMIC / PROFESSIONAL QUALIFICATION	INDUSTRY EXPERIENCE
Bachelor of Science in Engineering (Electrical & Electronics) <i>University of Cape Town</i>	
PRESENT DIRECTORSHIPS	PAST EXPERIENCE
Independent Non-Executive Director - Anglo American Platinum Independent Non-Executive Director - Woolworths Chairperson - Nedbank Eyethu Community Trust	Group CEO – Telkom Group Executive: Strategy, Marketing and Communications – Nedbank Chief Sales and Marketing Officer – Nedbank



CAROL WINIFRED NOSIPHO MOLOPE

Independent Non-Executive Director

AGE: 55 GENDER: Female NATIONALITY: South African

Date of Appointment: 04 July 2011 Length of Service: 8 years 6 months

ACADEMIC / PROFESSIONAL QUALIFICATION	INDUSTRY EXPERIENCE
Chartered Accountant (SA) Bachelor of Science (Med) - <i>University of the Witwatersrand</i> Bachelor of Accounting Sciences (Hons) - <i>Unisa</i>	
PRESENT DIRECTORSHIPS	PAST EXPERIENCE
Independent Non-Executive Director of Old Mutual Limited Independent Non-Executive Director - Mobile Telephone Network (Pty) Limited (MTN SA), Independent Non-Executive Director - MTN Uganda Eswatini Zambia Rwanda S.A.R.L Independent Non-Executive Director - South32 SA Coal Holdings	Chief Operations Officer - Financial Services Board (FSB) Group Finance Executive - Viamax Group



MOHD YUSRI BIN MOHAMED YUSOF

Non-Independent Non-Executive Director

AGE: 54 GENDER: Male NATIONALITY: Malaysian

Date of Appointment: 2 August 2017
Length of Service: 2 years 5 months

ACADEMIC / PROFESSIONAL QUALIFICATION

Bachelor of Science in Chemical Engineering - *Oklahoma State University*
Advanced Management Programme - *Wharton School, University of Pennsylvania*
Management Programme - *INSEAD*

INDUSTRY EXPERIENCE



PRESENT DIRECTORSHIPS

Vice President: *PETRONAS Refining and Trading*

PAST EXPERIENCE

General Manager – Ethylene Malaysia SDN BHD
CEO - PC Derivatives SDN BHD
Head Manufacturing - PETRONAS Chemicals Group Berhad.



GIUSEPPE D'ARRIGO

Non-Independent Non-Executive Director

AGE: 52 GENDER: Male NATIONALITY: Italian

Date of Appointment: 1 March 2016
Length of Service: 3 years 10 months

ACADEMIC / PROFESSIONAL QUALIFICATION

International Law and Politics - *Università degli Studi di Milano*
MBA - *University of Warwick*

INDUSTRY EXPERIENCE



PRESENT DIRECTORSHIPS

Group CEO - PETRONAS Lubricants International

PAST EXPERIENCE

Head of Europe - PETRONAS Lubricants International
General Manager Italy - General Electric Oil & Gas
General Manager Retail – Shell



AMAN JEAWON

Non-Independent Non-Executive Director

AGE: 50 GENDER: Male NATIONALITY: South African

Date of Appointment: 1 January 2015
Length of Service: 5 years

ACADEMIC / PROFESSIONAL QUALIFICATION

Chartered Accountant (SA)
Bachelor of Accounting - *University of KwaZulu-Natal*
Postgraduate Diploma in Accounting - *University of KwaZulu-Natal*
Chartered Director (SA)
Member - Institute of Directors in Southern Africa (IoDSA)
Member - Investment Analysts Society of South Africa (IAS)
Member - SAICA

INDUSTRY EXPERIENCE



PRESENT DIRECTORSHIPS

Independent Non-Executive Director - South32 SA Coal Holdings

PAST EXPERIENCE

Chief Operating Officer – Phembani
Finance Director – Pembani
General Manager Finance / Group Financial Controller - Eskom



DAVID DANIEL DE BEER

Independent Non-Executive Director

AGE: 79 GENDER: Male NATIONALITY: South African

Date of Appointment: 1 September 2012
Length of Service: 7 years 4 months

ACADEMIC / PROFESSIONAL QUALIFICATION

Chartered Accountant (SA)

INDUSTRY EXPERIENCE



PRESENT DIRECTORSHIPS

Enpet Africa Insurance Limited

PAST EXPERIENCE

Chief Financial Officer - Anglovaal Mining
Chairperson - Idion Technology Holdings Ltd
Director - Rand Merchant Bank
Chairperson - Afgri Limited



DATUK SAZALI HAMZAH
 Non-Independent Non-Executive Director

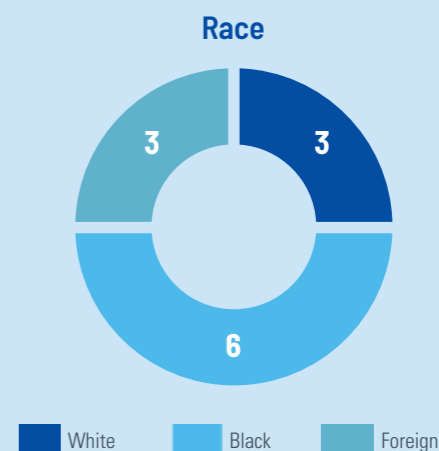
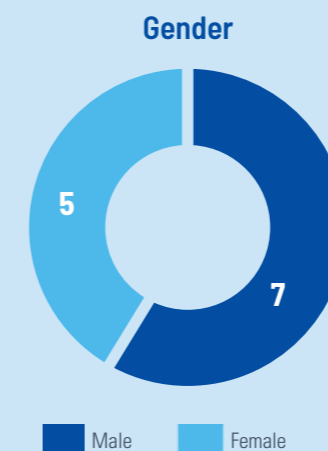
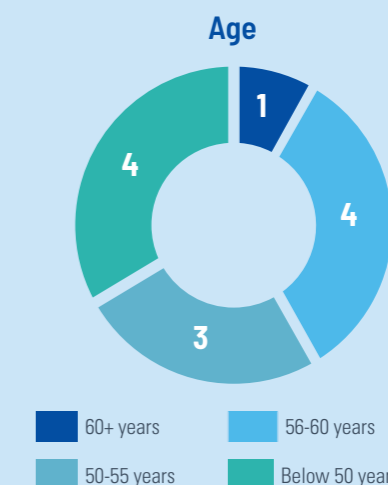
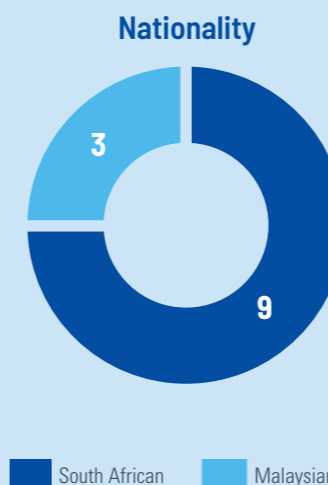
AGE: 54 GENDER: Male NATIONALITY: Malaysian

Date of Appointment: 11 June 2020
 Length of Service: 3 months

ACADEMIC / PROFESSIONAL QUALIFICATION	INDUSTRY EXPERIENCE
Senior Management Programme at London Business School, UK Advanced Management Programme at Wharton University, Pennsylvania, USA	
PRESENT DIRECTORSHIPS	PAST EXPERIENCE
Managing Director & CEO - PETRONAS Chemicals Group BHD Board of Director - PRSB PRF ICHEME, MALAYSIAN BRANCH	Senior Technical Manager - PETRONAS Penapisan (Terengganu) SDN BHD Plant Manager - PETRONAS Penapisan (Melaka) SDN BHD Senior General Manager - PETRONAS Group Technology Solutions Special Assignment, Team Leader, Corporate Strategic Study 2003/2004 MD/CEO, Malaysian Refining Company



OUR MANAGEMENT COMMITTEE AT A GLANCE





YUSA' HASSAN

Managing Director
CEO

AGE: 57
GENDER: Male
NATIONALITY: Malaysian

Date of Appointment: 1 June 2017

ACADEMIC / PROFESSIONAL QUALIFICATION

Bachelor of Science in Mechanical Engineering (University of West Virginia)

KEY RESPONSIBILITIES

Responsible for strategic decisions and guiding the overall operational, financial and sustainable performance of Engen.

PAST EXPERIENCE

Managing Director and CEO of PETRONAS Gas Berhad



SANDRA KOEN

General Manager: Finance

AGE: 57 GENDER: Female NATIONALITY: South African

Date of Appointment: 1 October 2017

ACADEMIC / PROFESSIONAL QUALIFICATION

- Chartered Accountant (SA)
- Bachelor of Accountancy (University of the Witwatersrand)
- Bachelor of Commerce (University of the Witwatersrand)

KEY RESPONSIBILITIES

Responsible for the management of all financial related matters for Engen.

PAST EXPERIENCE

- Finance Shared Services Manager, Engen
- Finance Manager- International Business Division, Engen
- Finance Manager - Engen Sales and Marketing, Engen



SHIRLEY MOROKA-MOSIA

General Manager: Health Safety, Environment and Quality

AGE: 51 GENDER: Female NATIONALITY: South African

Date of Appointment: 16 March 2012

ACADEMIC / PROFESSIONAL QUALIFICATION

- Bachelor of Science (Chemistry and Biochemistry) (University of Fort Hare)
- Bachelor of Science with Honours (Medical Biochemistry) (MEDUNSA)
- Global Executive Development Programme, GIBS

KEY RESPONSIBILITIES

Responsible for the management of all matters on health, safety and environment for Engen and its subsidiaries.

PAST EXPERIENCE

- Manager: HSEQ Strategy and Performance, Engen
- Manager: Sustainability and Environmental Management, Engen
- Corporate Environmental Specialist, Engen



SEELAN NAIDOO

General Manager: *Retail*

AGE: 52 **GENDER:** Male **NATIONALITY:** South African

Date of Appointment: 1 March 2017

ACADEMIC / PROFESSIONAL QUALIFICATION

- Bachelor of Commerce (Unisa)

KEY RESPONSIBILITIES

Responsible for the profitability and sustainability of the Retail Business, including network development, station operations, marketing, customer service and convenience.

PAST EXPERIENCE

- Manager: East Africa Business, Engen
- Regional Project Manager (Southern Africa), Engen
- Managing Director, Engen Tanzania



DRIKUS KOTZE

General Manager: *Commercial + International Business*

AGE: 55 **GENDER:** Male **NATIONALITY:** South African

Date of Appointment: 1 December 2017

ACADEMIC / PROFESSIONAL QUALIFICATION

- Bachelor of Commerce (Honours) (University of Stellenbosch)
- MBA (University of Stellenbosch Business School)

KEY RESPONSIBILITIES

Responsible for the sustainability of value and growth of the Commercial Business and all business operations in Botswana, DRC, Eswatini, Lesotho, Mauritius and Namibia.

PAST EXPERIENCE

- GM: International Business Division, Engen
- Head of Downstream Strategy, PETRONAS
- Commercial Trading and Marine Fuel Manager, Engen



KHALID LATIFF

General Manager: *Corporate Strategy and Communications*

(Acting) General Manager: *Lubricants**

AGE: 46 **GENDER:** Male **NATIONALITY:** Malaysian

Date of Appointment: 1 January 2019 / 1 July 2020

ACADEMIC / PROFESSIONAL QUALIFICATION

- Bachelor of Business Administration (Hons) Marketing (Universiti Teknologi MARA)
- MBA (Massachusetts Institute of Technology)
- Senior Management Development Programme (INSEAD)
- Management Development Programme (University of Melbourne)

KEY RESPONSIBILITIES

Responsible for Engen's long-term strategic plans, business transformation, government relations and stakeholder management as well as the planning, development and implementation of Engen's corporate branding, strategic communications and reputation management.

Responsible for the sustainability of value and growth of the Lubricants Business.

PAST EXPERIENCE

- Regional Business Head (Asia Pacific), PETRONAS Lubricants International
- Managing Director & CEO (North America), Viscosity Oil Company
- Head: Group Strategic Planning and M & A, PETRONAS Lubricants International
- Special Projects, Office of Vice President, Downstream Marketing, PETRONAS

* Replaced Steve Williams who was appointed GM: Supply Chain on 1 July 2020.



FIONA GUMEDE

General Manager: *Company Secretariat, Legal and Security*

AGE: 46 GENDER: Female NATIONALITY: South African

Date of Appointment: 4 July 2011

ACADEMIC / PROFESSIONAL QUALIFICATION

- Admitted Attorney of South Africa
- LLM (University of KwaZulu-Natal)
- LLB (University of KwaZulu-Natal)
- Bachelor of Arts (Law) (University of KwaZulu-Natal)
- Executive Programme (Wits Business School)

KEY RESPONSIBILITIES

Responsible for legal advisory services and corporate secretarial services to Engen and its subsidiaries as well as advisory services to the Board.

PAST EXPERIENCE

Private Practice
Legal Advisor - SAPREF
Legal Advisor - Coca-Cola
Legal Advisor - Transnet



IVERSHINI REDDY

General Manager: *Human Capital*

AGE: 53 GENDER: Female NATIONALITY: South African

Date of Appointment: 1 August 2019

ACADEMIC / PROFESSIONAL QUALIFICATION

- Bachelor of Science (University of KwaZulu-Natal)
- Masters (Business Engineering) (University of Warwick)
- Chartered Director (SA)

KEY RESPONSIBILITIES

Responsible for the formulation and implementation of people strategies, talent development and management.

PAST EXPERIENCE

- GM: Corporate Affairs, Engen
- GM: Supply Trading and Optimisation, Engen
- GM: Enterprise Risk and Assurance, Engen



SYKRY HASSIM

General Manager: *Refinery*

AGE: 46 GENDER: Male NATIONALITY: Malaysian

Date of Appointment: 1 March 2019

ACADEMIC / PROFESSIONAL QUALIFICATION

- Bachelor of Engineering (Mechanical) (Royal Melbourne Institute of Technology)

KEY RESPONSIBILITIES

Responsible for the safe, reliable and efficient operations of the Engen Refinery.

PAST EXPERIENCE

- Head of the Engineering, Malaysian Refining Company Sdn Bhd (MRCBS), Melaka
- Maintenance Manager, Engen Refinery



STEVE WILLIAMS

General Manager: *Supply Chain**

AGE: 59 GENDER: Male NATIONALITY: South African

Date of Appointment: 1 July 2020

ACADEMIC / PROFESSIONAL QUALIFICATION

- Bachelor of Arts (Honours) Economics and Industrial Psychology (University of Natal)

KEY RESPONSIBILITIES

Responsible for operational excellence and supply reliability across the integrated value chain alongside Engen's corporate general interest economics.

PAST EXPERIENCE

- Regional Head Africa and Middle East, PETRONAS Lubricants International
- GM: Lubricants, Engen



* Replaced Adnan Adams who retired on 30 June 2020 after a 29-year career at Engen, including 14 years as a member of the Engen Management Committee. Prior to assuming the GM: Supply Chain portfolio in 2017, Adnan distinguished himself in his roles as General Manager: Enterprise Risk and Assurance, Supply Trading and Optimisation, and Corporate Planning.



SIPHOKAZI VABAZA

General Manager: *Enterprise Risk and Assurance*

AGE: 42 GENDER: Female NATIONALITY: South African

Date of Appointment: 1 January 2020

ACADEMIC / PROFESSIONAL QUALIFICATION

- Chartered Accountant (SA)
- Bachelor of Commerce (University of Port Elizabeth)
- Bachelor of Commerce (Honours) Accounting (University of KwaZulu-Natal)
- Member Institute of Risk Management

KEY RESPONSIBILITIES

Responsible for identifying and managing Engen risks as well as internal audit.

PAST EXPERIENCE

- Business Performance Improvement, Engen
- Performance & Risk Manager, Engen
- Risk Manager (Sales and Marketing), Engen
- Supply Accounting Manager, Engen



ORGANISATIONAL REPORTING STRUCTURE



ENGEN LIMITED BOARD

MANAGING DIRECTOR & CEO

RETAIL

HUMAN CAPITAL

COMMERCIAL + IBD

HEALTH, SAFETY, ENVIRONMENT & QUALITY

LUBRICANTS

ENTERPRISE RISK & ASSURANCE

REFINERY

CORPORATE STRATEGY & COMMUNICATIONS

SUPPLY CHAIN

COMPANY SECRETARIAT, LEGAL & SECURITY

FINANCE



OUR APPROACH

In today's connected and globalised economy, good financial performance is no longer enough to build stakeholder confidence in our business model and strategy. The way in which we manage ourselves, our structure, our policies and procedures, along with our cultural beliefs and our views on critical global issues such as human rights and climate change, all play a role in defining our stakeholders' perceptions of us, and how we are able to amplify our value creation process through strong relationships.

At Engen, governance starts with our Board of Directors, constituted in accordance with the King Report on Corporate Governance. The Board ensures that the way in which we conduct our business meets the highest standards applicable to a company of Engen's stature.

Our Board is fully committed to the four governance outcomes: ethical culture, good performance, effective control, and legitimacy. By applying these principles, our Board optimises business performance, while maintaining compliance with all relevant regulations.

King IV is not mandatory for non-listed entities; however, we subscribe to the values and principles of good corporate governance as espoused in the King Reports on Corporate Governance.

ENGEN LIMITED BOARD

The responsibilities of our Board are outlined in a Board Charter, and cover all key aspects, including the Board's involvement in directing the business strategy that creates value for our shareholders and stakeholders, in an ethical and socially responsible manner.

Our Board Charter is reviewed and adopted annually by the Board.

All of our Board committees operate according to Board-approved mandates and terms of reference, which are also reviewed annually in order to ensure that they remain aligned with best practice.

Our Board Charter and the Board committees' terms of reference were last reviewed and approved by our Board in November 2019.

Our Board undertakes a formal review of its performance, the performance of its committees, as well as that of the Chairman of the Board at least every second year, in line with the requirements of King IV and the Engen Limited Board Charter. The last performance evaluation was conducted in 2018.

All Board members have unrestricted access to company records, information, documents and property, along with access to management at any time. They are also entitled to seek independent professional advice on any matters pertaining to the company, where they deem this necessary.

COMPOSITION

At the end of the financial year, the Engen Limited Board comprised 9 members, including five non-executive directors, three independent non-executive directors, and one executive director. (See page 69 for the names and short bios of the Board members) Our Board is satisfied with the balance of skill, experience, diversity and knowledge represented, having regard to the nature of the company's operations as well as its strategy, which necessitates an intimate knowledge of the business.

One-third of the directors retire by rotation annually, in line with the Memorandum of Incorporation.

The Engen Limited Board is supported by the Company Secretary, who is responsible for the efficient administration of the business, particularly in respect of confirming compliance with statutory and regulatory requirements and ensuring the implementation of Board decisions. The directors have unlimited access to the advice and services of the Company Secretary.

All of our independent non-executive directors are required to complete an annual independence questionnaire to assess their independent status, a process that is reviewed by our Board. The Board is satisfied that their independence is not impaired.

GOVERNANCE

BOARD COMMITTEES

There are three Board Committees, namely the Board Audit Risk and Compliance Committee (BARCC), the Remuneration and Nomination Committee (REMCO) and the Social and Ethics Committee (SEC).

BARCC	REMCO	SEC
<p>MEMBERS</p> <ul style="list-style-type: none"> • Ms. Nosipho Molope (Chairman) • Mr. David de Beer • Ms. Nombulelo Moholi 	<p>MEMBERS</p> <ul style="list-style-type: none"> • Ms. Nombulelo Moholi (Chairman) • Ms. Nosipho Molope • Dato' Sri Syed Zainal Abidin 	<p>MEMBERS</p> <ul style="list-style-type: none"> • Mr. Aman Jeawon (Chairman) • Mr. David de Beer • Ms. Ivershini Reddy (GM: HR) • Ms. Shirley Moroka-Mosia (GM: HSEQ) • Mr. Khalid Latiff (GM: Corporate Strategy and Communications)
<p>MEETINGS</p> <ul style="list-style-type: none"> • Minimum of 4 meetings per year • Additional meetings may be held 	<p>MEETINGS</p> <ul style="list-style-type: none"> • Minimum of 4 meetings per year • Additional meetings may be held 	<p>MEETINGS</p> <ul style="list-style-type: none"> • Minimum of 3 meetings per year • Additional meetings may be held
<p>KEY FOCUS</p> <ul style="list-style-type: none"> • Reviews and oversees: <ul style="list-style-type: none"> - Engen group's finances - Integrated reporting - System of financial controls - The governance of risk - Compliance with legal and regulatory requirements - Internal audit function - Effectiveness of the combined assurance plan and outcomes - Reviews all audit findings (internal and external) - Governance of technology and Information 	<p>KEY FOCUS</p> <ul style="list-style-type: none"> • Assists the Board with oversight on remuneration matters with the following key roles: <ul style="list-style-type: none"> - Ensures that Engen's directors and executives are remunerated fairly and responsibly and that their remuneration is aligned with shareholders' interests - Ensures that Engen's remuneration strategies and policies are designed to attract, motivate and retain quality employees, directors and senior management, committed to achieving the overall goals of the company - Makes recommendations to the Board and shareholders for their consideration and final approval regarding remuneration strategy and policy - Benchmarks Engen's remuneration against competitor companies - Ensures that Engen's leadership is representative of all race groups and is in accordance with the spirit and targets set out in the Department of Trade and Industry's (DTI) Codes of Good Practice - Ensures that the appointment of Engen's directors is transparent and governed by the formal procedures set out in the committee's terms of reference and Board Charter 	<p>KEY FOCUS</p> <ul style="list-style-type: none"> • Assists the Board with the oversight of social and ethical matters relating to the Engen Group. • It performs an oversight and monitoring role in terms of: <ul style="list-style-type: none"> - Embedding a culture of ethical behaviour in Engen organisational ethics - Activities with regard to any relevant legislation or codes of best practice - Good corporate citizenship - Performance in terms of the environment, health and public safety, including the impact of our activities on our products and services - Consumer relations - Promotion of equality, prevention of unfair discrimination, reduction of corruption, transformation policies and strategies and social responsibility policies and strategies
<p>COMPOSITION</p> <ul style="list-style-type: none"> • All independent non-executive directors • Standing invitees with no vote: <ul style="list-style-type: none"> - CEO - General Manager: Finance - General Manager: Enterprise Risk and Assurance - Senior Manager: Enterprise Risk and Assurance • External auditor, by invitation • Standing Invite - General Manager: Company Secretariat, Legal and Security 	<p>COMPOSITION</p> <ul style="list-style-type: none"> • Majority of members of the committee are independent non-executive directors. • CEO and General Manager: Human Resources are standing invitees to any committee meetings, but have no vote. • Standing Invite - General Manager: Company Secretariat, Legal and Security 	<p>COMPOSITION</p> <ul style="list-style-type: none"> • The committee is chaired by a non-executive director • The other members of the committee are: <ul style="list-style-type: none"> - An independent non-executive director - General Manager: HSEQ - General Manager: Corporate Strategy and Communications - General Manager: Human Resources • Standing Invite - General Manager: Company Secretariat, Legal and Security

INTERNAL AUDIT

The internal audit function, which forms part of our Enterprise Risk and Assurance division, is an independent pillar through which the company seeks to strengthen governance and make necessary incremental improvements. Internal Audit goes beyond what is typically addressed by external audit.

It includes critical issues such as the impact of our organisation in respect of social capital (reputation and brand strength), human capital (organisational culture) and natural capital (environmental impacts and liabilities).

Our Enterprise Risk and Assurance division reports functionally to the Engen Limited Board through the Board Audit Risk and Compliance Committee (BARCC).

The annual audit, budget, adequacy of resources and competencies are reviewed and approved by the BARCC. Any critical issues identified during this process can be referred to the BARCC and the Engen Board.



INFORMATION TECHNOLOGY AUDIT

Information Technology Audit reports are presented quarterly to the Management Assurance Risk Compliance Committee (MARCC) and the BARCC. Our annual review of cyber security is included in the audit plan.

Internal Audit views the risk associated with cyberattacks as a priority area and, as such, 2019 saw further significant investment in cyber security prevention and protection. Regular communication to staff on the issue also ensured raised awareness.

To strengthen cyber security controls across the group, we engaged the services of third parties to support Internal Audit to perform cyber security and vulnerability assessments at our refinery in Durban, and at our Cape Town corporate headquarters. The results were reported to the Management Assurance Risk Compliance Committee and BARCC.

STATEMENT OF INTERNAL CONTROL

The Audit Committee must ensure the integrity of integrated reporting and internal financial controls, while the Engen Limited Board also continually reviews the efficacy, adequacy and integrity of this control environment.

Our internal controls system currently in place is designed to identify and categorise risk according to its potential impact on our ability to create and maintain value. Integrated into this system is the response of the business to risk. Our system proactively manages and responds to our key risks, so ensuring business sustainability.

The system can however only provide reasonable, and not absolute, assurance against the occurrence of any material misstatement or loss. It is therefore supplemented by a business continuity system to ensure business resilience in the event of unavoidable significant events. We are also engaged in continuous efforts to improve our control system via integration of information technology and modern tools.

COMPLIANCE

REGULATORY COMPLIANCE DASHBOARD

In 2019, our regulatory universe was reviewed to ensure that our compliance management focus continued to be directed towards priority regulatory requirements, which will help Engen achieve its strategic objectives. Our regulatory universe was developed based on a risk-based approach in order to be aligned with Engen's risk management framework. When consolidated, it is referred to as Engen's Regulatory Compliance Dashboard. Our priority regulatory requirements were then re-assessed, taking into consideration high-risk rated legislation as well as the Engen business strategy.

The review resulted in:

- a) Addition of two new areas of law to the Regulatory Compliance Dashboard, in alignment with the PETRONAS Group Legal list of critical laws to be monitored, as well as general developments in how these laws are regulated and enforced. These two new areas of law are:
 - i. *The Prevention and Combating of Corrupt Activities Act, which is one of the key laws which governs bribery and corruption in South Africa; and*
 - ii. *Economic Sanctions and Export Control, which outlines some of the key control elements that help mitigate against contravening prohibited activities enforced by primary international role players.*
- b) The review and addition of controls to existing pieces of legislation on the compliance dashboard following legislative developments with those laws.

The review covered legislation in both South Africa and our International Business affiliates (Botswana, DRC, Eswatini, Lesotho, Mauritius, Namibia). This highlights our commitment to proactively adhere to regulatory requirements, wherever Engen has an operational footprint.

WE HAVE THREE MANUFACTURING LICENCES ENCOMPASSING THE ENGEN REFINERY, ENGEN LUBRICANTS BLEND PLANT AND ZENEX BLEND PLANT.

RETAIL AUTOMATION PROJECT

Engen's retail network is regulated by the Petroleum Products Act, No. 120 of 1977 ("PPA"), which requires the licensing of all manufacturing, wholesale and retail activities.

We have three manufacturing licences encompassing the Engen Refinery, Engen Lubricants Blend Plant (LOBP) and Zenex Blend Plant (ZBP). Engen also has a wholesaling Licence.

The PPA prohibits a licensed wholesaler from having a retail license, except where a wholesaler needs to have a retail license for its training sites. This category of retail licences is, however, limited to a maximum number of nine. Engen in its capacity as a wholesaler, has three Retail licences for the training sites that we operate.

Site licences are applied for by the Title Deed Landowner and the retail licence is applied for by the retailer operating the service station. Each service station must therefore have a valid site and retail licence, with each license potentially being held by a different entity. Whilst there is no legislated obligation on the licensed wholesaler to maintain a database of licenses, the wholesaler is nevertheless prohibited in terms of the PPA from supplying bulk petroleum products to unlicensed retailers.

With the above in mind, our Compliance Department embarked on a process in 2017 to compile a retail licence network database. This was triggered by the increasing need to be able to simplify processes and enable secure access to these documents by the business.

The process of creating a centralised repository for Site and Retail certificates, began with a desktop compliance audit of all Engen sites, to develop a detailed dashboard of the Engen sites with corresponding details of the site and retail license information that we had at the time.

Once the desktop audit was complete, the next step was to consolidate the licenses onto a centralised electronic platform. This was referred to as the Retail Automation Project, which leveraged the OpenText® platform which is also used as a Contract Management repository. This has resulted in automatic cost savings given the use of a system that is already supported within the Engen IT ecosystem.

The Retail Automation Project had a number of benefits, including:

- a) Reduction of risk exposure to non-compliance;
- b) Creation of customised reports in terms of visibility of compliance status at appropriate levels, e.g. site / network manager / area manager / business division;

- c) Creation of automated reminder notifications for retail license renewals; and
- d) Secure file sharing, with enhanced confidentiality and risk management in relation to licenses and related content.

We continue to update the Retail Automation Project to ensure that it remains up to date, addresses any inconsistencies identified and delivers value to the business user through ease of use and readily accessible information.

PROTECTION OF PERSONAL INFORMATION

In preparation for compliance with the Protection of Personal Information Act, 4 of 2013 ("POPIA"), our Compliance Department implemented a data privacy compliance framework in 2015, which outlined practical implementation action items to achieve reasonable levels of compliance.

The framework is a living document and is reviewed periodically to ensure that it remains relevant and up-to-date. This also aligns with POPIA and most international data privacy laws, which are principle-based pieces of legislation, and allow for changes in compliance activities in keeping with changing technology and social norms. The last review was conducted in 2018, during which time it was updated to incorporate additional areas of best practice emanating from the European Union General Data Protection Regulations i.e. the GDPR.

Our compliance framework is risk rated and assigns roles and responsibilities to different role-players within the organisation. Their action items are reviewed periodically to ensure that they remain aware of their obligations and consistently continue to close identified gaps.

Whereas the implementation of the compliance framework is a long-term process, we have made significant strides to realise its objectives. The following is a summary of some of our implementation milestones relative to the 8 principles for lawful processing contemplated in section 4 of POPIA.

PRINCIPLE	EVIDENCE OF COMPLIANCE
Accountability	<ul style="list-style-type: none"> • Adoption of the PETRONAS Privacy Policy • Appointment of POPIA Information Officer and Deputies • Appointment of PAIA Information Officer • Enterprise Privacy Risk Assessment • Data Privacy Awareness Video for Employees • Data Privacy Face-to-Face Training for Employees • Data Privacy Training for Information Officers • Data Privacy Poster Campaign for Employees • Data Privacy Frequently Asked Questions for Employees
Processing Limitation	<ul style="list-style-type: none"> • Privacy Impact Assessments • Opt-out provision in direct marketing SMSs • Consent obtained for promotional competitions, job applications and procurement vendor applications • Ring fencing direct marketing customer databases • Data Transfer Agreement Between Engen and PETRONAS regulating the cross-border transfer and use of Employee Information
Purpose Specification	<ul style="list-style-type: none"> • PAIA Manual outlining processing activities • Publication of Engen Privacy Statement • Publication of Employee Privacy Statement • Data Privacy Notice in Promotional Terms and Conditions • Data Privacy Notice on Engen Maths and Science Application Forms
Further Processing Limitation	<ul style="list-style-type: none"> • Systems Access control restrictions via SAP Role Redesign project • Data Privacy Contract Clauses with 3rd party contractors restricting the use of personal information • Notice on Marketing Competition T&C's outlining use of information and consent required for use of images for further marketing

Information Quality	<ul style="list-style-type: none"> • Implementation of Enterprise Information Management (EIM) process • SAP Data Clean-up exercise • Implementation of software that allows 3rd parties to update personal information e.g. GrayLink (Recruitment Portal), Procurement Vendor Profile Management System, HR Employee Self Service Portal & TWF Profile Management System • Records Retention Policy and Records Destruction Policy
Openness	<ul style="list-style-type: none"> • Engen Call Centre (CSC) Procedure for handling Information Requests • Publication of Engen Privacy Statement • Publication of Employee Privacy Statement • Holding statements in the event of a Data Privacy Incident • Regular reports to the Engen Board by the CIO in accordance with KingIV
Security Safeguards	<ul style="list-style-type: none"> • IT Framework • Breach Response Policy • Annual Breach Response Simulation Exercises • IT Security Team and Resources • IT Security Policies • IT Security Online Training, phishing simulations and posters • Physical Access Control systems • Cyber Liability Cover
Data Subject Participation	<ul style="list-style-type: none"> • Telephonic and email contact details for information requests • Up to date PAIA Manual which is compliant with provisions of POPIA • Engen Call Centre (CSC) procedure and scripts for handling Information Requests • Employee Grievance Policy to escalate Data Privacy issues • IT Protocol for locating information relating to Data Subjects and amending/deleting/updating same.

Some of the areas that Engen will continue to work on for implementation include:

1. **Enterprise Information Management** – This is critical as it will set the basis for data governance, which is a key pillar to data privacy compliance. It will also enable the organisation to map data flows to better manage processing activities.
2. **Contractor Management** – The implementation of Data Privacy contract clauses has been standardized across the organisation. It is however, critical that 3rd parties (especially those that manage sensitive information) are monitored for compliance against contractual standards as well as data privacy best practices. This will be achieved by conducting 3rd party contract audits on a risk rated basis.
3. **Data Security** – Continued collaboration with the IT team to remain vigilant of ongoing security threats, educate Engen staff and contractors regarding appropriate behaviours that will help secure data, implement technologies that will help enhance data security and improve reaction time and processes when handling potential data breach incidents. Continued implementation of Data Privacy Impact Assessments is also key to managing how data is processed by Engen.
4. **Engen will continue to review, update and comply** with best practices related to Data Privacy compliance, especially with the view to achieving our strategic objectives and in accordance with the provisions of applicable legislation.

ISO 9001

Engen ISO 9001:2015 listed sites continue to comply with the requirements for a Quality Management System (QMS). Engen complies with the standard to demonstrate competence in offering products and services of good quality and to comply with legal and statutory regulations.

One of the main requirements of ISO 9001 is “continuous improvement.” We have adopted the continuous improvement approach. This refers to continuously tracking and improving Engen products, processes, services and satisfaction levels, among others. It also refers to the continuous improvement of the Quality Management System that we have implemented and the achievement of the intended quality objectives.





HUMAN CAPITAL

KEY HIGHLIGHTS:

Workforce Profile



Employment Equity (SA)

55%	BLACK
20%	COLOURED
15%	INDIAN
10%	WHITE

Nationality

93%	SOUTH AFRICAN
7%	NON-SA

Total Workforce

85%	Permanent
15%	Contractor



People with Disabilities

3%

GENERATION **69%** >= 35 Years **31%** <= 35 Years

OUR PEOPLE

The world of work is changing and our strategies to support our employees are constantly evolving. We have focused the team on becoming broader in the forefront of technology and analytics and to support an increasingly agile and mobile workforce. To support our growth and sustainability – and to operate our business safely and efficiently – Engen employees need to be high performing, innovative and motivated.

Our strategy is to ensure that our people are supported with the right skills, experience, training and mentorship. As such, our focus continues to take a holistic approach on being an inclusive organisation, building and retaining critical skills and developing our leadership capabilities. This creates an environment which inspires and motivates all our employees to perform at their best.

Our adoption of the PETRONAS Cultural Beliefs drives a culture of ongoing feedback. This has increased employee engagement and continues to support a culture of accountability.

We have focused on our Employee Value Proposition and recognise the importance of attracting and retaining highly engaged and high-performing employees and leadership teams.

We also continue to make significant progress with our HR People Strategy, which supports and cultivates strong teamwork and productivity. The PETRONAS Cultural Beliefs are aligned to our core values with the priority of ethical values set by our leaders across the organisation.

OUR HUMAN CAPITAL STRATEGY

Our Human Capital Strategy drives diversity, innovation, performance excellence and sets the direction for our talent development success. The pillars of our strategy ensure outcomes of diversity, talent, skill, knowledge, experience and passion, all of which are central to driving the sustainability and growth of our business. To support our strategic objectives, key performance targets and growth areas, effective management and deployment of our people, is core to our HR strategy.



HOW WE ENGAGE AND RESPOND ...

GREAT TALENT - Global Talent to Drive and Grow the Business

- Attract and retain the right talent in all markets.
- Attract new skillsets required for us to stay relevant.
- Provide equitable opportunities for all our employees.
- Leverage all perspectives to create new opportunities.
- Ensure engagement and growth for our employees.

Our Talent Management Framework implemented in 2018 continues to be successful and we exceeded our Strategic Talent Management objectives in 2019. Through a focused approach to identifying our emerging talent and an intensive approach on capability development, we have been able to meet our succession targets. In addition, verification of our top talent and our global talents, identified for the broader PETRONAS cross talent global initiatives, was successfully executed. Our integrated talent management strategies, framework, principles and standards assists us define, understand and respond to talent requirements.

GREAT ENVIRONMENT - Integrated Talent Value Chain for Business Agility

- Structured design yet adaptable implementation of talent management and development practices.
- Seamless mobility across businesses and geographies for identified talent.
- Integrated education, learning and knowledge ecosystem.

By maintaining a high-performance culture with high levels of engagement and productivity, global diversity management and managing organisational change – we have been able to afford our employees global opportunities to gain experience through cross posting assignments. Through smooth relationships between our business and HR functions, we have worked with leaders and their teams to develop people strategies to support both short-term and long-term business objectives.

GREAT LEADERS - Inspiring Leadership and Culture for Sustainable Performance Excellence

- Credible leaders who are techno-commercial savvy.
- Ownership and accountability on performance, collaboration and innovation.
- Engen Values and Petronas Cultural Beliefs as the foundation across all business interests.
- Delivering focused programmes to respond to a changing environment.
- Building a culture of performance and accountability.

We recognise the need to be responsive to local and global trends. Leadership is a constantly evolving and dynamic environment with increasing internal and external pressures.

To stay ahead and to meet the demands of sustainable performance, we are adopting digital solutions and becoming more agile in the way we operate. Our leaders grow through our transformational culture and by being inspirational by living our PETRONAS Cultural Beliefs and Engen Values. We continue our culture transformation journey to instil and embed our values and enhance our leadership behaviour.

Our commitment to our employees and trade unions are conducted in a participative and consultative manner, recognising subjects of mutual interest and value. We continue to have open and regular communication with all our employees on matters of labour and employment issues.

OUTPUTS AND OUTCOMES

OUR FOCUS ON OUR EMPLOYEES

- Development and growth ensure highly skilled and engaged employees.
- Building a sustainable pipeline of talent to support succession planning and to facilitate employee-readiness for future positions.
- Creating positive employee experiences through multiple talent and leadership development initiatives.
- Ensuring a 'Great Place to Work' and building our brand through our people.
- Integrated talent management framework that is supported by our alignment between Business and HR Strategy.

GROWING AND DEVELOPING OUR PEOPLE

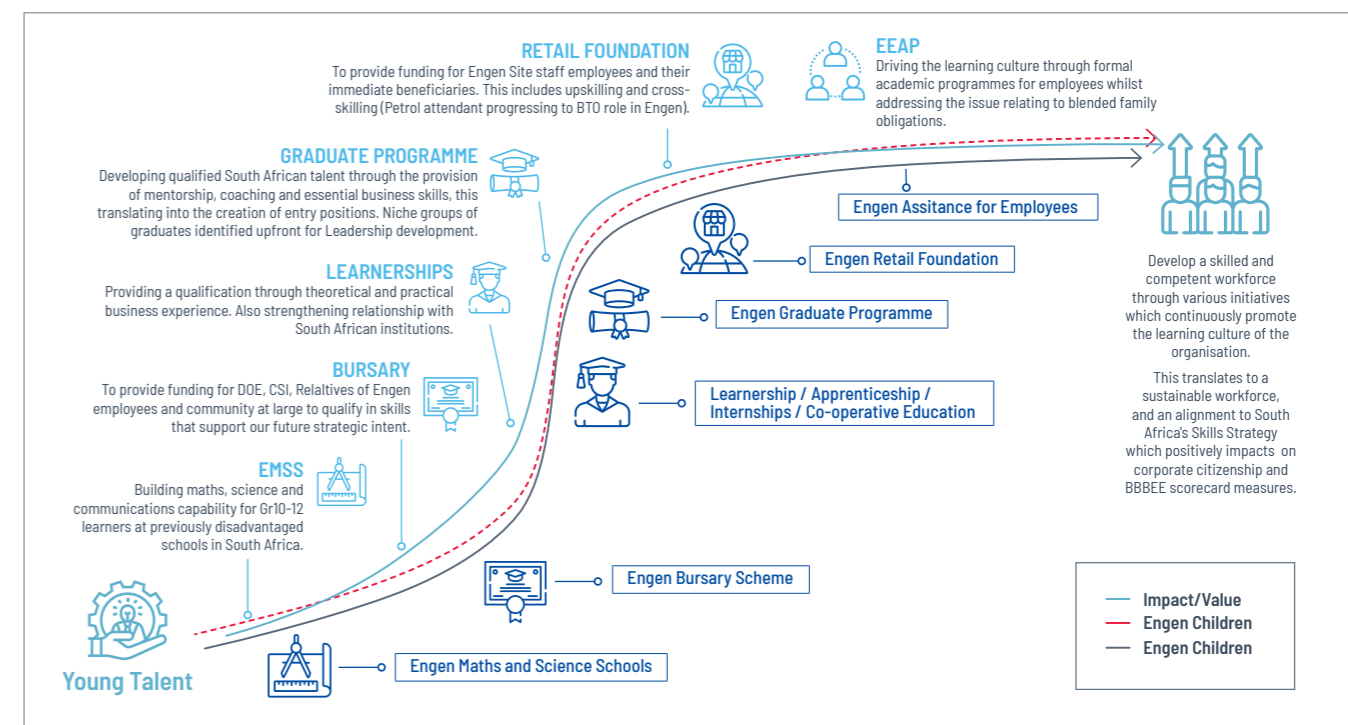
Growing our own internal talent is a central pillar to our HR Strategy. We continue to create and develop a pipeline of future talent by awarding bursaries to undergraduate students and investing in our Learnership Programmes. During 2019, our investment in bursaries and learnerships increased to R10 million.

It is also through capability development that we seek to address transformational imperatives. Therefore, we emphasise investment in the development of previously disadvantaged individuals as depicted by the numbers in the table below.

Breakdown of South African skills development employed beneficiaries from 2016 – 2019

SKILLS DEVELOPMENT	YEAR	A	C	I	W
TRAINING BENEFICIARIES	2019	1058	413	326	177
	2018	1858	622	457	195
	2017	1271	488	269	227
	2016	1449	647	455	364

Our Approach to Young Talent Bursaries, Graduate Development and Learnerships



During 2019, we launched a “Young Talent” approach, as a vehicle to provide an additional supply of talent to the workforce plan, and to carefully look at how the young talent programme could support future skills in the organisation.

The Engen Young Talent Programme is aimed at youth from previously disadvantaged communities, who are studying towards qualifications that are critical in the Oil and Gas Industry, but also targeted at young learners in High Schools across the country, with Oil and Gas related career aspirations.

In 2019, 320 young beneficiaries across all the programmes formed part of this new approach, excluding our Engen Maths and Science Schools.

Our Bursary Scheme funds 100% of all university related costs for students studying towards STEM (Science, Technology, English, Maths) qualifications, at any registered tertiary institution in the country. These students are later exposed to the Engen refinery and Engen corporate offices for their experiential vacation work in the months of July and December.

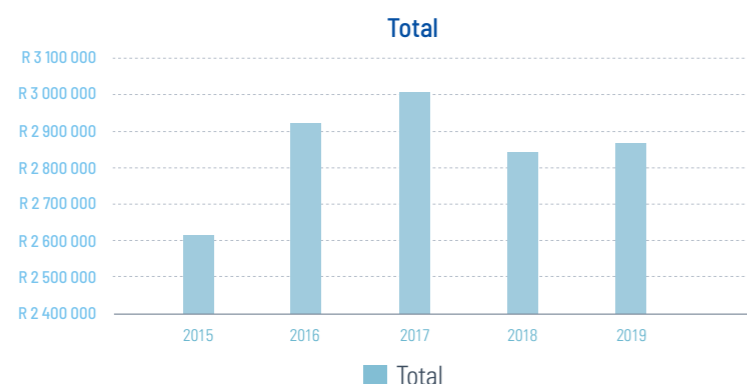
Our Graduate Development Programme is aimed at exceptionally talented but previously disadvantaged young people. In 2019, we offered 43 young graduates the opportunity to hone their business acumen and kick-start their careers at Engen, 12 of whom were on the Engen Bursary Programme in 2018. Thanks to the mentorship of some of our dedicated leaders, the graduates spent the year gaining vital experience about the working world.

Our Learnership and Apprenticeship programmes are designed to respond specifically to scarce skills identified within our sector, and other vacancies in the business that prove difficult to fill.

TOTAL WORKFORCE

	CONTRACTOR			PERMANENT			GRAND TOTAL		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Non-SA	43	28	3	558	548	220	601	576	223
SA	379	505	506	2505	2599	2656	2884	3104	3162
TOTAL	422	533	509	3063	3147	2876	3485	3680	3385

Value of Bursaries



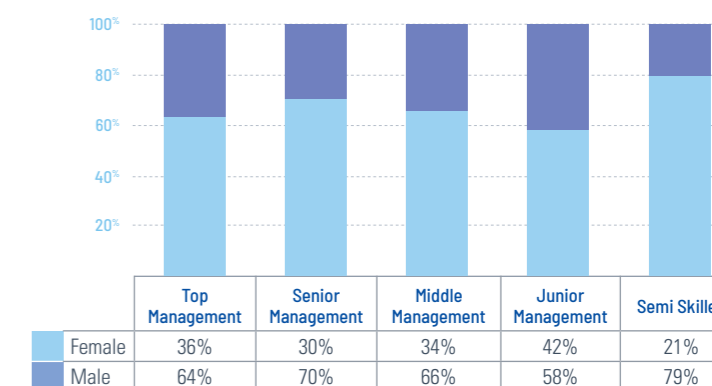
Apprenticeship Spend



GENDER DIVERSITY

Our strategic priorities to enhance our diversity and gender equality remain an important focus to deliver on our set targets. We have, as part of achieving our diversity objectives, included the recruitment, development and retention of candidates from underrepresented groups, as well as measures to enhance gender equity. We have also implemented targeted programmes to improve diversity and gender representation.

Gender Split vs. Occupational Level



EMPLOYEE VALUE PROPOSITION

We recognise that an attractive Employee Value Proposition (EVP) attracts the right talent. In 2019, we worked to enhance our employee value proposition strategy and have adopted the PETRONAS EVP pillars of TRUST, GROW and REWARD.

In order to ensure that our employees perceive and gain value through employment at Engen, we provide a strong relationship between pay and performance. Management of the effectiveness of the EVP is directed at increasing attraction in the labour market and to promote greater employee commitment, which is a key driver of retention.

Our participation in the Top Company to Work for survey in 2019 was to position Engen as a preferred employer through an attractive and holistic EVP. Our participation highlighted areas that we need to focus on to ensure our ongoing improvement.

BY LINKING THE ACHIEVEMENT OF OUR HR STRATEGIC PRIORITIES WITH OUTCOMES FOR OUR BUSINESS; the HR Priorities that were delivered include:

Leadership Development and Culture

Our leadership philosophy defines an expectation that leaders lead through Passion, Performance and People Centricity (3P). This philosophy and our PETRONAS Cultural Beliefs inform all our leadership conversations and training. In 2019, we trained over 300 of our most senior leaders on Solutions Focused Coaching, as a vehicle to further entrench the 3P leadership philosophy.

The development approach we adopt formally assesses the capability levels of our people and informs any type of learning interventions to close identified gaps. Through our capability development interventions, we assist employees to reach their full potential

- OPERATIONS ACADEMY**
 Our Operations Academy delivers highly competent Bulk Truck Operators, Depot Operators and Supervisors.
- HEALTH, SAFETY, ENVIRONMENT AND QUALITY**
 Our HSEQ training programme, in partnership with the PETRONAS Group Safety Office, ensures that we continue to deliver highly competent Technical Professionals who have been certified by external bodies. As per the ACD/TMCA and HSEQ critical positions, Engen has been able to achieve 93% level of competence.
- SALES AND MARKETING ACADEMY**
 Employees were assessed on all the 12 competencies housed within the PETRONAS Sales and Marketing SKG in 2019. Through various gap closure mechanisms, our Sales talent were able to collectively attain an 80%+ technical competence.



COLLECTIVE BARGAINING

Maintaining a harmonious relationship with our employees is key for us to achieve our business goals.

Engen employees are encouraged to participate in constructive discussions with management through various consultative engagement structures. We work to ensure these interactions are fair, productive and in line with applicable labour legislation in all the countries in which we operate.

In addition to the consultative structures, our staff are adequately represented on our management committees and medical aid boards. We also recognise our employees' right to freedom of association as well as their right to participate in collective bargaining as per our labour legislation.

In South Africa, we participate in collective bargaining processes via the National Petroleum Employers' Association (NPEA), of which we are a member. In other countries, the collective bargaining processes are managed in line with applicable country legislation.

EMPLOYMENT EQUITY

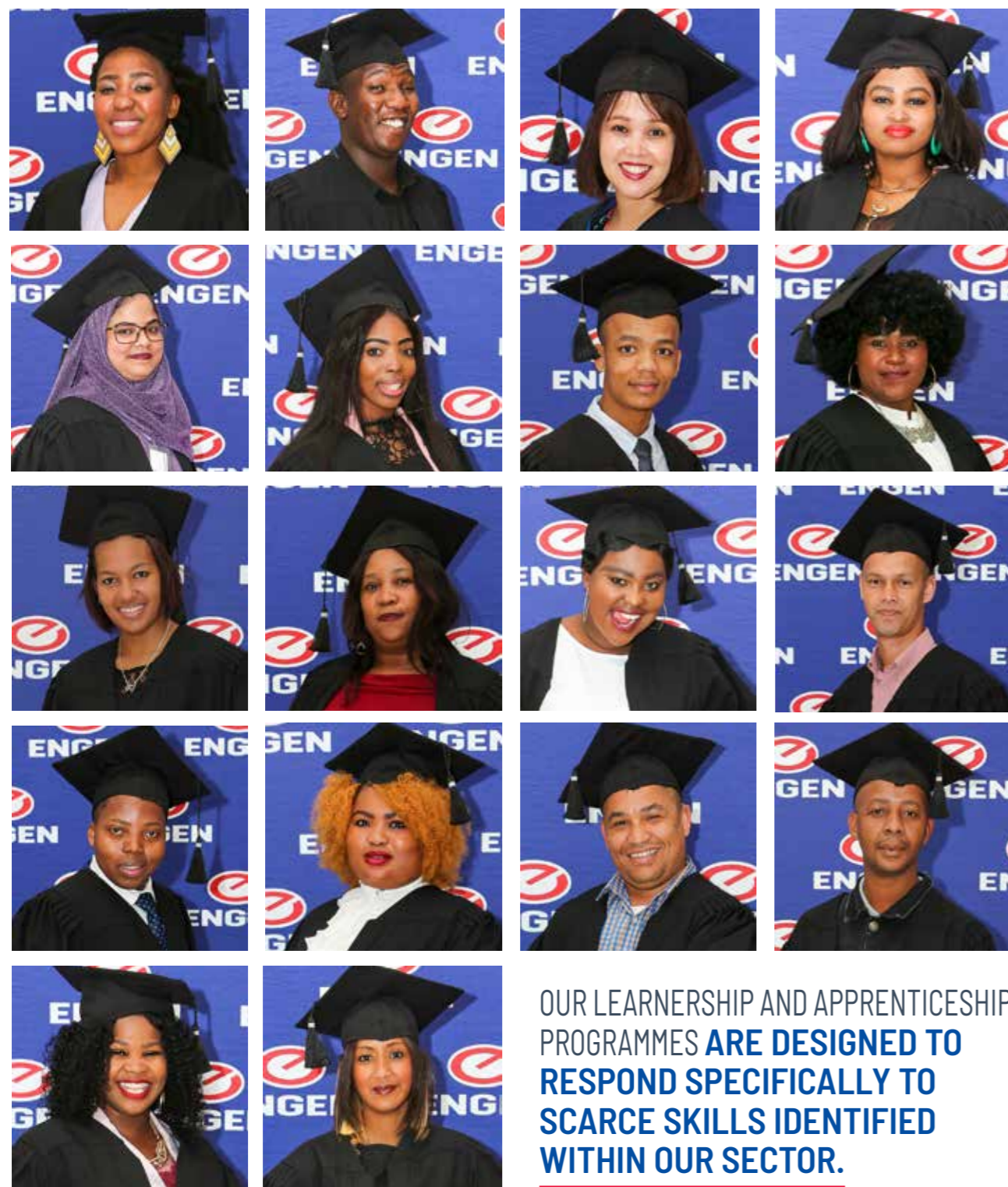
- African representation at Top Management level declined due to resignation and retirement for African male and female employees.
- Although female representation in Top and Middle Management declined compared to 2018, overall representation of females in our South African workforce has increased by 1.7% (as reported to Department of Labour).
- Hiring of under-represented groups (African Males and Females) at Senior and Middle Management level significantly progressed in 2019, compared to 2018.
- Although attention is given to under-represented groups and Africans, there are still opportunities to improve and increase African female representation.
- It is important to highlight that overall representation of under-represented groups (African males and females) went up.
- Overall representation of people with disabilities increased due to the absorption of learners through Engen's Disability Learnership Programme.

Total Workforce (31 December 2019)

OCCUPATIONAL LEVELS	MALES				FEMALES				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
TOP MANAGEMENT	0	1	1	2	2	0	1	1	3	0	11
SENIOR MANAGEMENT	30	12	17	16	16	4	6	9	10	1	121
PROFESSIONALLY QUALIFIED	248	130	161	87	153	81	43	40	12	4	903
SKILLED TECHNICAL	258	111	104	45	205	83	28	22	1		857
SEMI-SKILLED											
UNSKILLED	521	84	50	11	108	23	8	3	1		809
TOTAL PERMANENT	1000	342	331	162	479	192	84	74	28	5	2697
TEMPORARY EMPLOYEES	14	14	9	10	22	23	13	4	2		111
GRAND TOTAL	1014	356	340	172	501	215	97	78	30	5	2808

PEOPLE WITH DISABILITIES Total Workforce (31 December 2019)

OCCUPATIONAL LEVELS	MALES				FEMALES				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
TOP MANAGEMENT	0	1	0	0	0	0	0	0	0	0	1
SENIOR MANAGEMENT	0	1	0	1	0	0	0	0	0	0	2
PROFESSIONALLY QUALIFIED	3	0	3	3	1	3	0	1	0	0	14
SKILLED TECHNICAL	4	6	2	0	6	4	1	1	0	0	24
SEMI-SKILLED	14	10	1	0	37	10	1	0	0	0	73
UNSKILLED	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	21	18	6	4	44	17	2	2	0	0	114
TEMPORARY EMPLOYEES	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	21	18	6	4	44	17	2	2	0	0	114



OUR LEARNERSHIP AND APPRENTICESHIP PROGRAMMES **ARE DESIGNED TO RESPOND SPECIFICALLY TO SCARCE SKILLS IDENTIFIED WITHIN OUR SECTOR.**

Pictured: (L-R): Lungelwa Gilani, Anele August, Heather Swanepoel, Gcobisa Khangeleni, Zareenah Mahomet, Aphiwe Mayekiso, Liano Williams, Bukiwe Peyi, Tara Van Der Merwe, Wendy Mazula, Amanda Lunguzana, Morne' September, Bongani Nofuma, Abongile Mxunyelwa, Ashville Miller, Phaphama Daka, Noluvuyo Sirayi and Rafeeqa Benjamin.



Pictured: (above L-R): Graduate Trainees - Linda Mbebetho; Vaughan Parker; Sinoyolo Ndandani; and Simnikiwe Mabaleka.

OUR GRADUATE DEVELOPMENT PROGRAMME IS AIMED AT EXCEPTIONALLY TALENTED BUT PREVIOUSLY DISADVANTAGED YOUNG PEOPLE. **IN 2019, WE OFFERED 43 YOUNG GRADUATES THE OPPORTUNITY TO HONE THEIR BUSINESS ACUMEN AND KICK-START THEIR CAREERS AT ENGEN, 12 OF WHOM WERE ON THE ENGEN BURSARY PROGRAMME IN 2018.**



SOCIAL & RELATIONSHIP CAPITAL

Engen recognises the value and impact of our business in the sustainability of the social ecosystem that we operate in. For Engen to deliver value, remain fit for the future and generate positive societal impacts while enriching lives, our actions, policies and processes need to be continuously assessed and refined to adapt to changing times and address evolving challenges. Hence, we are committed to operating safely, responsibly and reliably, and aligning our practices with acceptable business norms and industry benchmarks.

Social Sustainability Aspects that are material to us and our stakeholders include:

- Safety and Health
- CSI
- Sponsorship
- Enterprise Development & Transformation
- Seamless Customer Experience

SAFETY AND HEALTH

As a leading player in the Southern African downstream petroleum products manufacturing and marketing segment, Engen is subject to complex health and safety laws and regulations at numerous jurisdictional levels on the sub-continent, including laws relating to human exposure and the use, handling, storage and disposal of hazardous materials. As such, we place the highest priority on the health and safety of our workforce and the protection of our assets, communities, environment and all stakeholders as reflected in the Engen Health, Safety and Environment Policy, which sets out the Company's guiding principle in managing risks and hazards relevant to the business operations.

We oversee the governance of HSE through application of our HSE Management System. Our Management Committee upholds and drives safety excellence through their leadership values, competencies and behaviours. They are responsible for understanding and mitigating risks as well as maintaining and assuring safeguards for the business. The Management Committee demonstrates their commitment by leading and integrating HSE aspects into business plans and targets. These plans and targets are then strategically aligned with our HSE Plan and cascaded to all working levels. Through continuous employee engagement, they set clear expectations, targets and objectives for each employee.

Our annual Engen HSE scorecard, comprising key performance indicators, is developed based on historical statistics with the aim of improving our safety performance year-on-year, and ultimately achieving zero

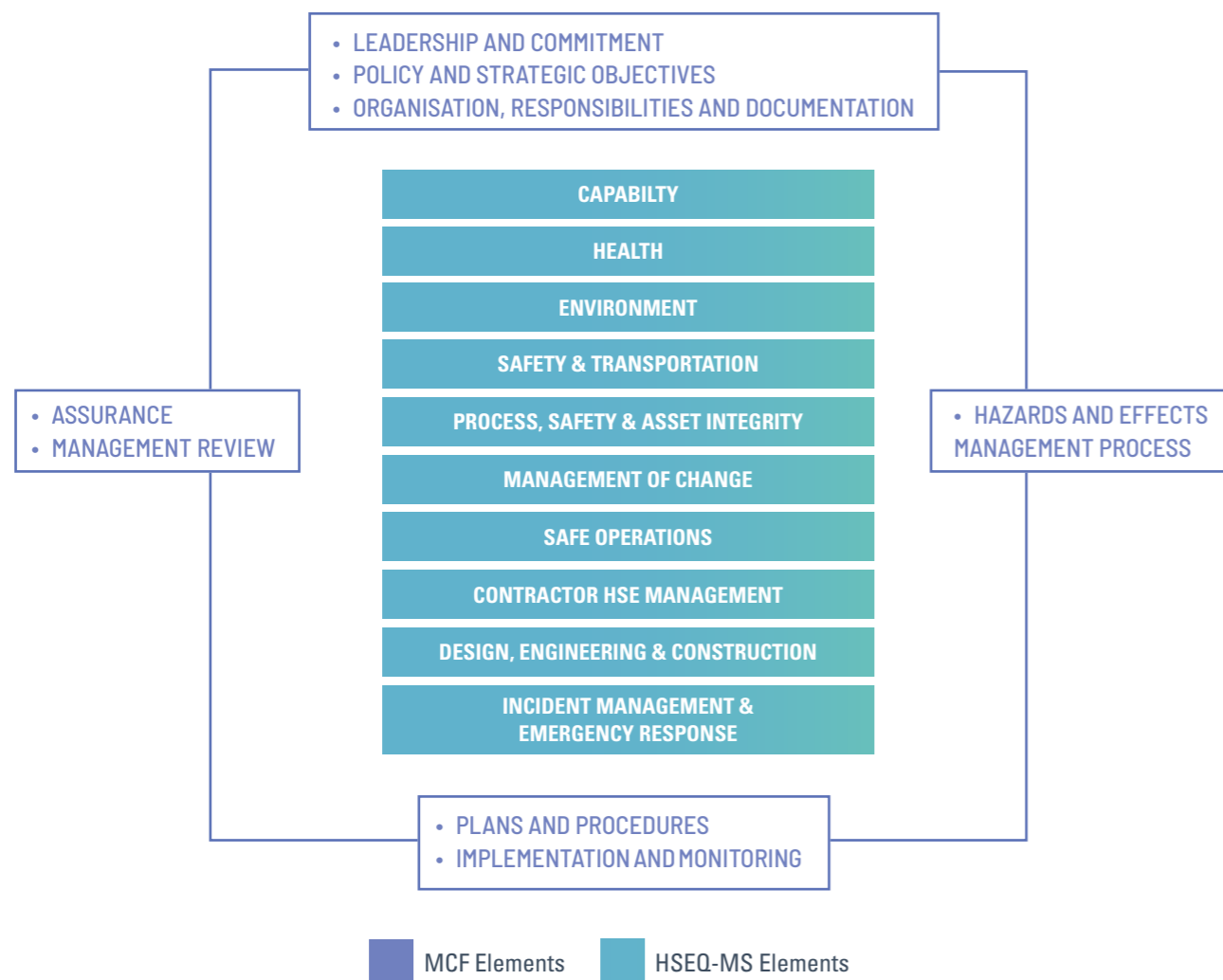


WE PLACE THE HIGHEST PRIORITY ON THE HEALTH AND SAFETY OF OUR WORKFORCE AND THE PROTECTION OF OUR ASSETS, COMMUNITIES, ENVIRONMENT AND ALL STAKEHOLDERS

incidents. HSE risks, incidents, performance and issues are deliberated by our Management Committee on a monthly basis and discussed in detail during HSE Steering Committee meetings chaired by our MD/CEO and subsequently reported to the Engen Limited Board. In addition, HSE management review is conducted as part of benchmarking against the previous year's HSE performance and PETRONAS Group's Operating Units performance as part of learning from others and improvement for the following years' strategic objectives.

In ensuring health and safety improvements, employees' involvement in work-site HSE Committee meetings take place through deliberation of site-specific HSE issues, programmes and performance on a monthly basis. The periodic meetings include participation of both employees and management representatives.

Health, Safety and Environment MANAGEMENT SYSTEM (HSE-MS)



OUR SAFETY PERFORMANCE

In 2019, we continued our transformation journey towards the creation of a generative HSEQ Culture. This is being achieved through a systematic approach to managing behaviour and mind-set.

Initiatives spanning our key focus areas of people and culture, work processes and management systems, in terms of managing safety risks, land transportation, and contractor management, continued unabated.

We achieved commendable safety performance in 2019: zero fatality and 0.33 LTIF and 0.45 TRR. While there remains room for improvement, we continue to place the highest commitment to safeguard our workforce and assets by placing vigorous efforts on strengthening HSE compliance, managing HSE risks and improving HSE monitoring at sites.

All incidents were investigated, and all recommended corrective actions were monitored and tracked for closure. In preventing future incidents, increased efforts through checking were conducted on similar operations where reoccurrence of incidents may happen. Lessons learnt from incidents are also shared across the Company, with our contractors and business partners to prevent recurrence.

More than 1 000 contractors were trained in the enhanced Permit to Work System as well as Stop Work Authority in 2019, while an updated contractor management procedure in line with PETRONAS Technical Standards was also rolled out to the business. We also ran another successful Contractor Forum during the year, with awards given to six top performing contractors in HSEQ. Furthermore, we also improved the onboarding of our vendors and risk assessments of contractors prior to appointments and continue our drive for effective contractor management by contract owners' ownership throughout the business.

In Land Transport, Engen teams completed the roll out of the 11-Point Priority Plan and also rolled out Road Transport Safety Operational Guidelines (RTSOG) to all of our depots and terminals in all seven countries in which we operate. The RTSOG has become the Engen standard that all transport related matters will meet going forward, including future contractual arrangements for contractors.



A Behavioural Observation System (BOS) has been entrenched and that together with coaching from on board cameras continues to provide us with system tools that assists with training of Bulk Truck Operators. We also continue to introduce interventions on other risks identified in the process - including Fatigue and Ergonomics - to ensure the safe delivery of our products.

Beyond the bulk transport of goods, in 2019 we also spent time changing safety specifications for all light delivery and passenger vehicles while also monitoring speed and driver behaviour to further enhance the safety of our workforce and other road users.

Moving forward, we will continue to make sure safety becomes a priority in all our activities, including enhancement of HSE risk management that leverages on digitalised tools, development of Generative HSE Culture capability at all working levels and regular syndications with employee on HSE best practices and lessons learnt.

	2015	2016	2017	2018	2019
LTIF (per 200 000 man hours)	0.14	0.28	0.32	0.08	0.33
TRR (per 200 000 man hours)	0.50	0.65	0.65	0.34	0.45
WORK RELATED FATALITIES	0	2	2	0	0

**WE ACHIEVED COMMENDABLE SAFETY PERFORMANCE IN 2019:
ZERO FATALITY AND 0.33 LTIF AND 0.45 TRR.**

HSE Assurance

HSE assurance at the work site is conducted regularly to assess compliance to all health, safety and environment requirements. Furthermore, this first line of assurance will act as first barrier of early detection to prevent incidents. During the year, all our manufacturing plants, storage depots and terminals, and Engen retail service stations are audited by identified focal personnel.

We also emphasise HSE compliance by our contractors. In 2019, we conducted assurance assessment based on a structured assurance plan for contractors to ensure we safeguard our operations and interests against any regulatory non-compliance and prevent any unwanted incidences.

All findings are analysed to identify their root causes and provide not only a holistic approach in gap closure but also sustained implementation. In addition, the annual HSE MS review is carried out as part of a continual improvement cycle. Findings from the management review is used as input to identify HSE strategic objectives and the new HSE focus areas.

HEALTH AND WELL-BEING

Our organisational health service comprises a wide collection of health-related activities, linking with risk management, legal compliance, human resources and industrial relations; hence our use of the term 'organisational health', as opposed to simply 'occupational health'.

Our Organisational Health services reinforce our position as an employer of choice by providing a tangible expression of our care for our employees, thereby attracting the best talent available. The Occupational Health components mitigate our health and safety risks and support legal compliance. The Wellness components encourage healthy living to keep our employees productive whilst enjoying a good quality of life. For those employees who develop health problems, our health services facilitate access to care and actively seek ways to restore our people back to work.

Occupational Health Services

While our main occupational health hazards have historically been chemicals, noise and ergonomics, the demanding and changing world of work plus the demands of personal circumstances places employees under constant pressure, making fatigue and stress significant risks for us to also manage. This has become a focus area for supportive wellness services. More of this is addressed below, under 'Employee Wellness'.

In compliance with the South African Occupational Health and Safety Act (OHSA), and related legislation in other African countries, we regularly conduct workplace health risk assessments and exposure surveys (collectively known as the industrial hygiene programme), which are performed by Approved Inspection Authorities. In addition, our health team conducts biological monitoring of exposure to augment air measurements, to provide a comprehensive understanding of exposure.

Our medical testing programme, with its double objectives of fitness to work assurance ('fitness certification') and screening for occupational disease ('medical surveillance'), continued uneventfully. It is worth noting that while we offer all Engen employees annual health screening, not all screening is mandatory. For those who do not perform safety-sensitive work, or who are not exposed to significant occupational health hazards, the screening is voluntary and is aimed at personal health risks (and is part of the Employee Wellbeing Service covered below).

Employee Wellness Services

Our Wellness Services aim to optimise the general health of our employees. We achieve this through awareness and education, personal health risk identification and control, and supportive/rehabilitative care where necessary.

Controlling chronic disease contributes significantly to our sustainability as it has a positive effect in two ways; for all employees, it halts the progress to impairment and disability, and for employees involved in safety sensitive work, it reduces the likelihood of accidents.

Key objectives of Engen's Organisational Health Services:



Employees identified to have a chronic disease are followed up by Engen's occupational health staff and, where applicable, are registered on the Engen Medical Benefit Fund's chronic disease risk management programme. This close interaction between our employees, occupational health staff, line managers, a network of selected service providers, and the Engen Medical Benefit Fund plays an important role in safeguarding our employee health.

As we progressed through difficult business changes of 2017 and 2018, the Wellness Services were supported by Careways, who provided 24/7 call line counselling.

Incapacity and Disability

Our Organisational Health staff play a pivotal role in supporting the HR processes for employees who are unable to work for health reasons, for extended periods. These processes include innovative insurance cover requiring interactions with an outside insurer and line managers, with rigorous case management and optimised return to work. During 2018, 70 cases of incapacity and disability were supported through their period of absence and restored back to work.

HUMAN RIGHTS

Respecting human rights is entrenched in our DNA as we recognise that it is our duty to care for the people across our business and value chain. We acknowledge our responsibility to ensure that the rights of people impacted by our operations are not compromised, and to avoid complicity in potential human rights violations in our relationships with dealers, contractors, suppliers and the community.

As a member of the PETRONAS Group of Companies, the PETRONAS' Human Rights commitment, which is in line with the UN's Guiding Principles on Business and Human Rights, helps guide us in our actions.

This Commitment is applicable to all employees of PETRONAS Group of Companies, contractors, subcontractors and any third parties within Engen premises or performing work and/or business for or on behalf of Engen, in line with PETRONAS Contractors Code of Conduct on Human Rights (CoCHR).

The focus areas under the CoCHR, which vendors are required to comply, are: freedom of labour; prevention of child labour; wages and benefits; working hours; non-discrimination; freedom of association; humane treatment of foreign and migrant workers.

ANTI-DISCRIMINATION

Engen stands strongly against any form of discrimination at the workplace, whether by gender, race, religion, age, nationality or disability as highlighted in PETRONAS' CoBE.

In addition, Engen is also guided by PETRONAS' Policy on HIV/AIDS in respecting human rights, dignity and the privacy of persons living with HIV/AIDS. The Policy underpins our commitment to ensure that no individual is unfairly discriminated against or stigmatised on account of his or her HIV status.

Any inappropriate work-related behaviour or conduct such as harassment, bullying, conflict of interest and breach of terms that are not in accordance with an employee's obligations as an employee of Engen shall be treated as misconduct, due to non-compliance with Part IV – Discipline, Disciplinary Process and Sections of the PETRONAS CoBE and may be liable for disciplinary action, subject to the requirements of applicable laws.

We pay serious attention to such issues as they disrupt our working environment, and upset the physical, emotional and psychological well-being of our employees. Our policies on work culture and conduct are spelt out in CoBE, which is available in multiple languages, and communicated to all employees through various platforms.

We encourage employees and other stakeholders to report any observed infringement of our policies or expected standards of behaviour through the Engen Ethics Line.

Key personnel have been trained to handle reports on potential misconduct cases. We have in place structured procedures to conduct investigation into any allegation and, if there has been any non-compliance of our regulations, take the necessary follow-up actions.

WE ACKNOWLEDGE OUR RESPONSIBILITY TO ENSURE THAT THE RIGHTS OF PEOPLE IMPACTED BY OUR OPERATIONS ARE NOT COMPROMISED.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Engen respects the rights of its employees to freedom of association, consistent with the South African Constitution's Bill of Rights which establishes the right to freedom of association in Section 18, stating "Everyone has the right to freedom of association." Furthermore, Section 17 states "Everyone has the right, peacefully and unarmed, to assemble, to demonstrate, to picket and to present petitions", thus establishing the right to freedom of assembly. Workers' right to freedom of association in terms of the right to form trade unions and collective bargaining is recognized separately, in Section 23 of the South African constitution. At the same time, employees are expected to adhere to CoBE Part II G on Conduct Contrary to Duty, i.e. to fulfil their obligation to serve diligently while involved in such activities or associations.

Maintaining a harmonious relationship with our employees is key for us to achieve our business goals. Engen employees are encouraged to participate in constructive discussions with management through various consultative engagement structures. We work to ensure these interactions are fair, productive and in line with applicable labour legislation in all the countries in which we operate.

In addition to the consultative structures, our staff are adequately represented on our management committees and medical aid boards. Furthermore, we recognise our employees' right to freedom of association as well as their right to participate in collective bargaining as per our labour legislation.

In South Africa, Engen participates in collective bargaining processes via the National Petroleum Employers' Association (NPEA), of which we are a member. In other countries, the collective bargaining processes are managed in line with applicable country legislation.



WE CELEBRATED OUR 17TH YEAR OF SUPPORTING YOUTH DEVELOPMENT FOOTBALL IN 2019

SPONSORSHIP

We reassessed our sponsorship strategy in 2018 and implemented a revised strategy in 2019. The key difference was a shift in investment from rights fees to leverage fees, showing up as 'Official Fuel Sponsor' and providing product to high performing teams and partners as part of the sponsorship mix. We have sought to position Engen as a brand that cares by investing in development in South Africa's two biggest sporting codes – soccer and rugby.

Furthermore, it prioritises reach into an often-neglected market - that of the female consumer. In this regard, we partnered with premium lifestyle event rights holders in 2019 as an official fuel sponsor and convenience partner.

After more than two decades, we exited local motorsport and focused on leveraging the six-time FIA Formula One™ World Constructors' Champion Mercedes AMG PETRONAS F1 Team, which research showed has greater reach into our motorsport market than local motorsport.

In 2019, we engaged in robust measurability across our sponsorship portfolio. Every touch point of our sponsorship is now measured against agreed KPIs ranging from database creation and growth, sales fuel volume, convenience sales, brand affinity, brand recall and reach.

Our sponsorship continues to be informed and inspired by customer insights to innovate and apply the brand philosophy of 'What matters

to you, matters to us' in the initiatives we invest in. These initiatives support better integration across the business and stakeholder engagement offered by the respective sponsorship initiatives.

The positive brand association stemming from our sponsorship programme contributed significantly to Engen being named in 2019 the "Coolest" Petrol Station in South Africa for a record ten consecutive years in the Sunday Times Generation Next Awards and the "Top Petrol Station" for nine consecutive years in the Sunday Times Top Brands Survey.

FOOTBALL

We celebrated our 17th year of supporting youth development football in 2019 with another successful staging of the Engen Knockout Challenge (EKOC). We also extended the Engen Champ of Champs (ECOC) to a truly national tournament with representation from all nine South African provinces.

The continued success of the EKOC makes us proud. The event has grown into a formidable and prestigious South African development tournament and continues to give talented young footballers a platform to display their skills to a broader audience.

Since its inception in 2003, more than 35 000 aspiring young footballers from all walks of life have participated in the EKOC. Many players have been offered professional contracts after being spotted playing in the tournament. Some have even gone on to represent various South African national teams.

The 2019 EKOC regional tournaments were played in June and July. The regional winners contested the ECOC in October 2019. Various local and international talent scouts watched the ECOC, won by Ubuntu FC who beat Bidvest Wits in the final, with a handful of boys earmarked by three professional clubs for trials.

The EKOC and ECOC tournaments also assist with the training of match officials and administrators and contributes towards our CSI scorecard.

MOTORSPORT

We continue to leverage PETRONAS' sponsorship of the Mercedes-AMG PETRONAS Formula One™ team, which won the FIA Formula One™ World Constructors' Championship for the sixth consecutive year in 2019. Mercedes-AMG PETRONAS Formula One™ driver, Lewis Hamilton was also crowned FIA Formula One™ World Driver's Champion in 2019.

Engen's focus was and is centred on building brand association for Engen and PETRONAS at a brand and product level demonstrated by the positioning of 'Driving Performance, Fuelling Champions', which was seen across a campaign in which we partnered with our Lubricants business.

WE CONTINUE TO LEVERAGE PETRONAS' PARTNERSHIP WITH THE MERCEDES-AMG PETRONAS FORMULA ONE™ TEAM, **WHICH WON THE FIA FORMULA ONE™ WORLD CONSTRUCTORS' CHAMPIONSHIP FOR THE SIXTH CONSECUTIVE YEAR IN 2019.**





LIFESTYLE

Engen became the “Official Fuel Partner” to the Cape Town International Jazz Festival (CTIJF) in 2019. The CTIJF, which drew an audience of over 30 000, saw our Engen brand receive R3 million worth of media exposure through our sponsorship benefits, resulting in high brand awareness impact and positive stakeholder engagement across our business.

We also became the “Official Fuel Partner” to the Vodacom Durban July and partnered with Mercedes Benz South Africa as the vehicle partner. Furthermore, we aligned with Trade and Investment in KwaZulu-Natal to build stronger stakeholder relations in a province where Engen is amongst the largest investors and where our three manufacturing plants, including the Engen refinery, are located.

Engen became the “Official Fuel Partner” to the DSTV Delicious International Food and Music Festival in 2019. This two-day event drew over 40 000 consumers in our target market, from across South Africa and the continent. The platform allows us to establish ourselves as a true convenience partner, beyond fuel.

ENGEN BECAME THE “OFFICIAL FUEL PARTNER” TO THE CAPE TOWN INTERNATIONAL JAZZ FESTIVAL IN 2019.



WE HAVE EMBARKED ON A PROGRAMME TO CONVERT THE CLASSES TO INCLUDE E-LEARNING TEACHING METHODS

CORPORATE SOCIAL RESPONSIBILITY

Our Corporate Social Responsibility (CSR) projects aim to support community upliftment and social development initiatives that encourage engagement and empowerment of vulnerable people, all with a common aim – to make a lasting, sustainable impact.

As a company that cares, and true to our statement of purpose in which we strive to be considered “A Progressive Energy and Solutions Partner Enriching Lives for a Sustainable Future”, we remain committed to doing business in ways that are compatible with the economic, social and environmental needs of the communities in which we operate.

Our CSR strategy consists of four pillars - Education; Health, Safety and Wellbeing of Communities; Environment; and People who are differently abled - align with the United Nations Sustainable Development Goals.

We endeavour to create value for all parties – including society, stakeholders, partners, NGO/NPO’s, government and other collaborators – through our carefully targeted initiatives. As such, we focus on initiatives that have the potential to solve societal issues over the long-term.

We are also constantly looking for innovative solutions to improve our partnership with others, to leverage each other’s expertise and knowledge, and to continuously improve on what we do and how we do it. Importance is placed on engagement and collaboration with targeted stakeholders to achieve common solutions in addressing the targeted cause.

Through compliance and exceedance with South Africa’s B-BBEE legislation, we strive to be recognised as a caring and responsible company.

EDUCATION

Engen has been running the Engen Maths and Science Schools (EMSS) programme for the past 33 years. The EMSS remains true to its founding philosophy, which is to create better opportunities for underprivileged students to realise their full potential through the supplementary classes provided to grade 10-12 learners to spur future economic growth and address the country’s skill shortages.

This programme seeks to equip learners with the required knowledge and skills in maths and science so that they can close the country’s skills gap in Engineering and other professions that require these skills.

Our nine Engen Maths & Science Schools offer classes on Saturday mornings at locations in the Western Cape, Eastern Cape (East London, Port Elizabeth and Cala), Gauteng, North West Province and KwaZulu-Natal.

The introduction of e-learning and technology has become a key enabler to the educators and learners especially in rural areas. We have embarked on a programme to convert the classes to include e-learning teaching methods and will be upskilling the educators using technology and various other programmes, to encourage creative thinking and teaching methods to equip the learners for future challenges.

The high-quality supplementary learning experience offered to our 1 560 learners in 2019, also included educational materials, and saw the year’s EMSS matric class attain an impressive overall 96% pass rate, versus the national average of 81%.

THE YEAR'S EMSS MATRIC CLASS ATTAINED **AN IMPRESSIVE OVERALL 96% PASS RATE.**

In 2019, Engen also collaborated with the Imbumba Foundation, through our partnership with the Nelson Mandela Foundation, in support of 30 schools nationally to provide sanitary towels to 12,500 underprivileged girls. This helps prevent girls from missing school during their monthly cycle. UNICEF Research has shown that on average these learners miss at least 5 days of schoolwork per month due to female sanitary health issues, which in some cases contribute to school drop outs.

HEALTH, SAFETY & COMMUNITY WELLBEING

SAFE Sanitation Project - Addressing the media on 14 August 2018, South African President Cyril Ramaphosa invited corporate South Africa, NGOs and international partners to partner with government to eradicate pit latrine toilets at schools, following several deaths of small children due to unsafe sanitation facilities at several rural schools. With education being Engen's CSR flagship programme, we collaborated with key strategic partners like the Nelson Mandela Foundation, to ensure that identified schools have safe and decent sanitation. We are proud to share that three schools spanning the Northwest, KwaZulu-Natal and Eastern Cape were completed in 2019.

Disaster Management - Engen partnered with Africa's biggest humanitarian aid organisation, Gift of the Givers in 2019 in support of national disaster management to reach the most vulnerable in times of need and disaster. Engen has committed to fuel the work of humanitarian disaster relief organization, to the tune of R2 million annually for the next three years.

Wellness - The annual Engen Driver Wellness programme aims to improve occupational health and wellness among long-distance truck drivers by providing free health screening advice on healthy lifestyle choices and consultations and referrals where necessary. In 2019, Engen Driver Wellness activations ran at 18 Engen 1-Stops and Truck Stops, in five South African provinces, during October to coincide with South Africa's National Transport Month. These saw approximately 3 000 truck drivers undergo health screenings for Cholesterol; Body Mass Index; Blood Pressure; Glucose/Diabetes; HIV/Sexually-Transmitted Infections and TB. The Engen Driver Wellness mobile health awareness initiative is run in partnership with Thubelihle Occupational Health & Wellness (TOCH).

Kids Safety - The Paraffin Safety programme, known as the Engen KlevaKidz, uses a form of industrial theatre to communicate vital messages to children on how to prevent common paraffin-related accidents and the importance of safe storage of the substance. The

Department of Education, as part of their safe skills programme, endorses Engen KlevaKidz. The main objective of the programme is to educate rural and township communities where paraffin usage is high, on the safe use and storage of paraffin in order to reduce or eradicate fatalities around paraffin usage. The programme was extended to 80 schools in three provinces in 2019, reaching more than 110 000 learners.

PEOPLE WHO ARE DIFFERENTLY ABLED

We enable people who are differently abled to become intellectually and economically independent, by partnering with organisations/NPO's who provide skills-based training programmes and bursaries as well as job opportunities through various partnerships.

Organisations supported in 2019 include:

- Breede Valley Association for Persons with Disabilities who train and provide job opportunities on site to approximately 150 people;
- Work 4 U whose 2019 bursary programme provided on-site training for 15 youth with varied disabilities to become economically active, while their work placements provided training through partnerships with various retailers.
- Eastern Cape Disability Economic Empowerment Trust provided training to 170 disabled people to empower them to become self-supporting as well as assisting with job placements after training.

ENVIRONMENTAL PROJECTS

In 2019, we celebrated Arbor Month by providing trees and environmental awareness programmes to 10 schools in South Durban close to the Engen Refinery. Furthermore, Engen employees participated in various environmental cleaning initiatives during the year under review.

EMPLOYEE/DEALER OUTREACH

Engen's employees and dealers are actively encouraged to participate in community outreach initiatives in their local communities. In 2019, various community outreach projects, which contributed to the upliftment of disadvantaged communities were supported in different regions.

Engen employees also supported national fundraising events such as Casual Day (for disabled persons) and National Cancer Month initiatives.





OUR CLIENTS NOW ENJOY THE PROCUREMENT SPEND RECOGNITION OF 135% FOR EACH RAND SPENT WITH ENGEN IN THEIR B-BBEE PROCUREMENT SCORECARD.

ENTERPRISE DEVELOPMENT & TRANSFORMATION

Broad-Based Black Economic Empowerment (B-BBEE) is a key enabler to achieve our strategic business imperatives. Our commitment to transform goes beyond compliance as we believe in government's goal of creating an inclusive economy truly representative of the broad demographics of South Africa.

Our transformation strategies across all the B-BBEE elements consider the relevant pieces of legislations, including the Broad-Based Black Economic Empowerment Act 53 of 2003, and related Codes of Good Practice. Also prominently considered is the Liquid Fuels Charter (2000) and the upcoming Petroleum Liquid Fuel Sector Codes (PLFSC) draft, both of which are industry focused.

Engen's strategy objectives are aligned to the objectives of these respective legislative pieces and aims to address the socio-economic challenges through a structured compliance framework.

Our efforts to transform the company is evidenced by our consistent improvement in B-BBEE performance over the years. Engen was recently independently certified as B-BBEE Level 1 by AQRate B-BBEE Verification Services. Our clients now enjoy the procurement spend recognition of 135% for each Rand spent with Engen in their B-BBEE Procurement scorecard.

This is a significant and key transformation milestone in our transformation journey since inception of the B-BBEE Codes of Good Practice. While we all recognise that our Level 1 B-BBEE status is not the end of our transformation journey, we are proud to have achieved this important milestone.

OUR B-BBEE PERFORMANCE

BBBEE ELEMENT	WEIGHTING	2018 B-BBEE POINTS	2019 B-BBEE POINTS
OWNERSHIP	25	24.03	25.00
MANAGEMENT CONTROL	19	13.03	13.05
SKILLS DEVELOPMENT	20	16.14	17.85
ENTERPRISE AND SUPPLIER DEVELOPMENT	40	37.39	39.73
SOCIO ECONOMIC DEVELOPMENT	5	5.00	5.00
TOTAL	109	95.59	100.63
COMPLIANCE LEVEL		2	1
RECOGNITION LEVEL		125%	135%

Engen management remains committed to continued investments in sustainable transformation initiatives that would lead to creation of sustainable jobs, skilled entrepreneurs and communities.



Ownership

Total Weighting Points	OWNERSHIP PERFORMANCE			
	2016	2017	2018	2019
25	21.74	21.67	24.03	25

Engen continues to consistently perform exceptionally well on this element by scoring the full 25 points. In 2018, Engen achieved a total of 24.03 points on this element. Our ownership points are derived from the strategic empowerment transaction that was concluded with a wholly owned black-owned company, Phembani Group.

Phembani has effective black shareholding of 26% in Engen Limited and the remaining 74% is owned by PETRONAS.

Management Control

Total Weighting Points	MANAGEMENT CONTROL PERFORMANCE			
	2016	2017	2018	2019
19	13.87	12.54	13.03	13.05

Engen has achieved a total of 13.05 points out of a possible 19 points. The performance has marginally improved from the 13.03 points achieved in the previous year.

Even though this element is impacted by employee movements in terms of recruitment, retention, promotion and dismissal, Engen has implemented strategic transformation initiatives to address the transformation gaps on each occupational category in line with the Economic Active Population Statistics (EAP) targets as published annually by Statistics South Africa (Stats SA).

Skills Development

Total Weighting Points	SKILLS DEVELOPMENT PERFORMANCE			
	2016	2017	2018	2019
20	17.57	14.29	16.14	17.85

This element was directly impacted by the amendments in the B-BBEE Codes of Good Practice which were published in May 2019 and became effective in December 2019. The amendments provide for bursaries to be measured as a separate indicator with a target of 2.5% for 4 points. We managed to achieve a total of 17.85 points out of possible 20 points. This is an improvement from the 16.14 points achieved in 2018.

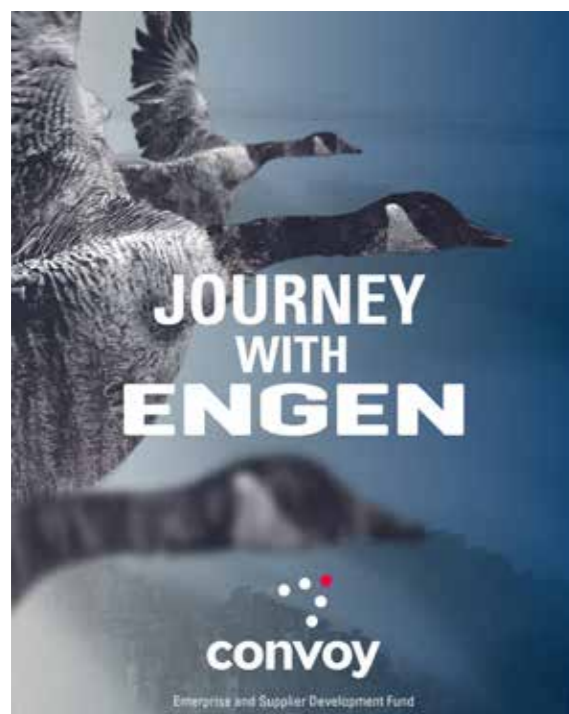
With our skills development interventions, inclusive of Learnerships, we spent approximately 4% of payroll on training and development of employees and non-employees in 2019. Furthermore, we implemented Learnership, Apprenticeship and Internship (LAI's) programmes during the year whereby 55% of the learners on these programmes were absorbed into permanent roles within Engen.

Enterprise and Supplier Development

Total Weighting Points	ENTERPRISE AND SUPPLIER DEVELOPMENT PERFORMANCE			
	2016	2017	2018	2019
40	38.36	36.68	37.39	17.85

This element was also impacted by the amendments to the B-BBEE codes of Good Practice, which were published in May 2018 and became effective in December 2019. The weighting points for procurement from companies that are more than 51% increased from 9 to 11 points. With the changes, we managed to achieve a total of 39.73 points. This is a significant improvement from the 37.39 points achieved previously.

As a company, Engen has implemented several Enterprise and Supplier Development initiatives which aim to introduce new black entrants into our supply chain and contribute to their sustainability through the business development support interventions. In 2019, Engen spent 65.77% of its total procurement spend on companies that are more than 51% black owned and 50.18% on companies that are 30% black women owned. With continued concentrated efforts towards introducing new black owned suppliers into our Supply Chain, our procurement spend is expected to improve in the new financial year.



ENGEN HAS IMPLEMENTED SEVERAL ENTERPRISE AND SUPPLIER DEVELOPMENT INITIATIVES WHICH AIM TO INTRODUCE NEW BLACK ENTRANTS INTO OUR SUPPLY CHAIN.

Below are some of our key strategic programmes implemented to provide support to black entrepreneurs:

Engen Convoy Fund

In 2018, we entrenched our SMME growth fund, renaming it “The Engen Convoy Fund”. Convoy is our Enterprise and Supplier Development Fund to promote B-BBEE with the objective of maximising socio-economic development through supporting sustainable supply chain transformation.

The Engen Convoy Fund supports SMMEs (companies with less than R50m turnover) within and outside of our databases. It provides access to finance for both the capital and business development needs of entities that are at least 51% black-owned and/or black-female owned. To date, Engen has funded black-owned businesses predominantly in manufacturing, tank maintenance engineering, and retail. Since inception, Convoy has a 86% business success rate. Furthermore, these businesses have collectively created 33 jobs since inception of the fund.

Retail Transformation Fund

As we value our collaborations with government and other industry players, we entered into a strategic partnership with the National Empowerment Fund (NEF) in 2009 to establish funds for enterprise development. This partnership is in line with our retail transformation strategy that seeks to promote the transformation of our 1 000+ strong South African service station network.

The Retail Transformation Fund was developed to provide finance to emerging black entrepreneurs who are interested in becoming Engen retail operators. To date, the fund has provided support to a significant number of black-owned retail sites and has created a sustainable number of jobs.

Our retail network performance indicates that 50% of our 1 000+ network is now black-owned. This encouraging move forward is a result of our efficient integration of transformation imperatives in our retail processes, including the availability of the fund.

Socio-Economic Development

Total weighting Points	SOCIO-ECONOMIC DEVELOPMENT PERFORMANCE			
	2016	2017	2018	2019
5	5	4.94	5	5

Engen continues to consistently perform exceptionally well on this element by scoring the full 25 points. In 2018, Engen achieved a total of 24.03 points on this element. Our ownership points are derived from the transformation transaction that was concluded with a wholly owned black-owned company, Phembani Group.

Phembani has effective black shareholding of 26% in Engen Limited and the remaining 74% is owned by PETRONAS.

Our Transformation Journey

CONSISTENT IMPROVEMENT AND A KEY BUSINESS IMPERATIVE



- Compliant with Liquid Fuel’s Charter
- Compliant with the B-BBEE Act
- Compliant with the B-BBEE Codes of Good Practice

CHANGES TO THE LEGISLATIVE ENVIRONMENT

Amendments to the B-BBEE Codes of Good Practice (31 May 2019)

The Department of Trade and Industry (DTI) released new amendments on 31 May 2019 to the B-BBEE Codes of Good Practice in Gazette No: 42496. The amendments became legally binding for implementation from 1 December 2019 by all companies applying the Generic B-BBEE codes. The broad significant change impacts our skills development procurement strategies.

Petroleum Liquid Fuels Sector Code

Engen, as part of the South African Petroleum Industry Association (SAPIA), has along with other major oil companies continued to provide input on the development of the Petroleum Liquid Fuels Sector Code. The aim of the code is to align the B-BBEE Codes of Good Practice and the Liquid Fuels Charter, by addressing industry-specific issues which are not addressed in the generic codes of good practice.

CERTIFICATION OF LEVEL 1 B-BBEE STATUS FOR THE FIRST TIME IN OUR HISTORY.

We acknowledge the progress that has been made by the oil industry in responding to the need for transformation and are continually engaging with SAPIA on the matter.

LOOKING AHEAD

We remain resolutely committed to transformation beyond mere scorecard compliance. Our ultimate goal is to realise improved transformation progress in various areas, including employment equity, communities at large and our business partners. Our goal is to maintain our B-BBEE Level 1 status.



SEAMLESS CUSTOMER EXPERIENCE

In order to live up to our brand promise “With us you are Number One” we anchor our strategy on the Customer’s Lens. Maintaining a relentless “customer-first” mindset ensures that we endeavour to deliver a Seamless Customer Experience in every interaction. This is why we have a series of initiatives across the business to provide the best experience to win the confidence of our customers and maintain their trust in our brand.

CUSTOMERS’ SAFETY AND HEALTH

In treating customers right, we apply strict policies and procedures as we believe that our customers deserve safe, high quality products and services.

Product Offerings

We look to continuously upgrade our retail convenience and expand its offerings to ensure that our customers are never short of options. In 2019, we focused on increasing our food and beverage offerings to transform our Quickshop into a ‘foodvenience’ solution. During the year, we also expanded the footprint of service stations that offer Krispy Kreme and introduced our new inhouse brand ‘Quickshop & Co’. In expanding our offerings, we ensure that quality is never compromised, and we have a stringent process in place to ensure that our appointed vendors adhere to these criteria.

Customers’ Data Privacy

We continually assess and maintain strong governance practices in order to gain greater trust and loyalty from our customers. During the year, we conducted cyber security assessments on Engen payment channels and other digital assets as defined in PETRONAS Information Security Standards & Guideline (PISG).

Moving forward, our Cyber Security Frameworks and Standards will provide the assurance that the existing infrastructure and applications are configured and operated in a secure manner to protect personal information for every transactional activity from emerging risks.

At operational level, we will continuously enhance our risk controls and implement specific activities to secure personal information including:

- Strict control over customers’ information in our database with regular updates on latest security fixes; and
- Data breach preparedness process from investigation to resolution in the event that customers’ privacy is compromised via Cyber Defence Security Incident Management.

Among others, we adopt best practices on all data management by adhering to protocols and guidelines provisioned under the Protection of Personal Information, Act 4 of 2013 (POPI) which is the primary instrument regulating data protection in South Africa.

WE ADOPT BEST PRACTICES ON ALL DATA MANAGEMENT BY ADHERING TO PROTOCOLS AND GUIDELINES PROVISIONED UNDER THE PROTECTION OF PERSONAL INFORMATION, ACT 4 OF 2013 (POPI)

Customer Support and Engagement

We value all our customers and build our relationships as we continuously strive to ensure that the voice of the customer is analysed, by extending customers’ feedback to relevant units within the company, and finally reflected in the development of our products and services.

The constant interactions with our customers have resulted in some of the following initiatives:

- Customised targeted campaigns that were derived from paying heed to customers’ feedback i.e. Blue Monday; Quicksave and Big Red Wallet; and
- Omni-channel communications to enable customers who use our digital payment modes:
 - *Engen 1app, South Africa’s first mobile application that creates seamless on-the-go refuel and retail experience for Engen customers.*

We believe that every feedback counts as we provide other channels including emails, 24-hour Customer Call Centre (CSC) and social media i.e. Facebook, Instagram and Twitter, hence appealing to our customers of multiple demographics. We also continuously look at new methods to serve our various segments of customers as modes of communication evolve. During the year, we worked on improving and upskilling the capabilities of our support team at our CSC to address customers’ experience which is also measured through close monitoring of net promoter scores which inspire us to enhance our business offerings.

MANUFACTURING CAPITAL

KEY HIGHLIGHTS:



REFINING

Located in Wentworth, Durban, the Engen refinery has a nameplate capacity 120 000 barrels per day. Certified ISO9001 (Quality) & 14001 (Environmental), it produces 17% of South Africa's fuel, with a product slate that includes EURO 2 unleaded Mogas (93 and 95 octane) and 50ppm diesel, as well as high quality Jet, LPG, HFO, Bitumen, Aromatic and Aliphatic Solvents, and Sulphur.

A credible HSEQ record grants our refinery its' license to operate. Our key objective is therefore to ensure all employees work safely, follow procedures and work instructions, look out for each other and ensure everyone returns home safely to family and loved ones.

In 2019, we undertook a number of high-risk activities, all of which were managed safely without any incidents. The planned Alkylation Outage and Reformer Regen opportunity work conducted in Q3 was successful. The former was executed effectively, fitting within the planned P2P window. Even though the window was small for the Reformer Regen Opportunity Units, all disciplines pulled together and stuck to the execution plan. This meant all the planned opportunity work was completed within the planned duration and without any incident.

To reduce costs and meet our outage objectives, we completed our first ever inspection utilising a drone for internal inspection of the Fluid Catalytic Cracking Unit (FCCU) regenerator, D2102. This ensured a cost and schedule saving, and reduced risk to personnel. The inspections were successfully completed without any incidents. Traditional inspection methods often result in schedule slippage and late start-up of the FCCU.

Our overall plant reliability plan for 2019 was 97.8% and we realised an actual plan of 98.5%. This good performance is attributed to Engen Management of Change and Root Cause Analysis corrective actions,

amongst others. Piping failures and FCCU unintended downtime were major challenges. Overall Equipment Effectiveness (OEE) in 2019 was 88.38% versus plan of 91.07%. This below plan performance was mainly attributed to unplanned CHD and FCCU outages and Alky slowdowns.

We are proud of the progress made on our Alarm Rationalisation implementation brought about by cross-functional collaboration and careful planning by the Advanced Process Control, Instrumentation, Process Technology Group and Operations teams. The project has positively contributed to OEE and Process Safety by reducing approximately 1 000+ alarms daily, to an average of six alarms per hour for the entire Refinery per console. This is a reduction in excess of 99%. The project required precision planning and spanned several years due to the resources required at rationalisation sessions and implementations, which took place during Refinery shutdowns. This is another positive contribution to a culture of Operational Excellence and Process Safety at the plant.

Another positive development in 2019 was our Refinery's increase in Hexane production. When our Chemicals business requested an increase in Hexane production to 80m3/D, it presented an immense challenge, given that the YTD production was approximately 22m3/D. Our Refinery stepped up and innovated to increase Hexane production to 80-100m3/D, a 400% improvement. By doing this our refinery enabled sales for this high-margin product stream contributing to an increase in revenue.

Our participation in the Engen Operational Excellence (OE) League in the year under review was a phenomenal success, with an Engen Refinery team advancing to the PETRONAS OE League. Our project entered for the PETRONAS OE League was the Ingenious Hub, whose meeting room is a creative working environment that is adaptable to cater for different styles of work. The Engen team competed against other winning teams from PETRONAS' Upstream, Downstream, Gas



and New Energy businesses and achieved second place overall. This further exemplifies our embrace of continuous improvement to enhance our products, services and operational efficiencies on an ongoing basis.

Our Operational Excellence Transformation journey, OER2 is gradually progressing toward final implementation phase. The COMBO Area which is the pilot plant for OER2 implementation, required a score of 50% or more to proceed to the next phase of implementation. The OER2 Operate Facility Work Process (OFWP) team achieved an outstanding score of 72% for the Initial Implementation Assessment (IIA). The Maintain Facility Work Process (MFWP) also managed to advance to the next phase of implementation with a score of 61%.

Intense preparation for the assessments began seven months prior, with teams conducting training and compiling documentation. Implementation took place amid numerous teething problems but what makes this endorsement remarkable is that it was achieved amid a few challenges in the COMBO Area, with one planned and four unplanned FCC unit outages.

Employees are steadily grasping the importance of OER2 and its impact on the long-term sustainability of the refinery. The next phase of implementation is the Practice and Learning Phase, where team members will practice in their assigned roles using digital tools with guidance from a coach for 12 months. Thereafter, a Final Implementation Assessment (FIA) will be conducted where a score of

75% or more is required. We are confident that our team will pass through the final assessment as we continue the journey to World Class Operational Excellence.

LUBRICANTS MANUFACTURING

We own and operate two lubricant manufacturing plants. Both the Engen Lubricants Oil Blend Plant (LOBP) and Zenex Blend Plant (ZBP) are located in Island View, Durban. The former is ISO 9001 (Quality), ISO 14001 (Environmental) and ISO 17025 (Lab Testing) accredited, while the latter is ISO 9001 (Quality) accredited.

LOBP's product range includes engine, industrial, marine and gear oils, while ZBP's includes engine, industrial, rail, transformer, white and gear oils.

Our journey to transition our lubricants manufacturing from "safe and reliable operations" to "world-class manufacturing" operations continued in 2019 with the Lubricants and the Refinery Manufacturing teams continuing with the PETRONAS Operations Excellence for Results 2 (OER2) programme. This included uploading and standardising work processes, restructuring the roles of certain staff to fulfil new roles, and implementing new digital systems.

LOBP and ZBP both passed the external readiness assessment



THE LOBP LABORATORY WAS CERTIFIED ISO 17025 IN 2019.

conducted by PETRONAS Downstream Business Excellence in November 2019. This allows them to proceed with practicing new roles in preparation for final assessment in April 2021.

Our Lubricants team entered seven projects in the PETRONAS OE League competition and achieved the top project award by Engen.

In a first for Engen, the LOBP Laboratory was certified ISO 17025 in 2019. This, along with IATF 16949 and VDA 6.3 certifications, are testament to the well-established quality assurance systems and production processes at LOBP. Furthermore, the LOBP Laboratory achieved #1 position (out of 32 participating Labs) and 100% test results in the Proficiency Test Programme conducted by PERONAS Lubricants International (PLI).

SUPPLY

Our Supply Chain division is responsible for ensuring security of supply and delivering all customer fuel requirements safely, on time, at lowest cost and with no impact to the environment. The division is also responsible for the procurement of the crude oil as feedstock for our refinery as well as importing additional fuels, which we cannot source locally. Furthermore, Supply Chain manages and operates all Engen terminals and depots, and the distribution and bulk transport that services our network of retail service stations and commercial customers.

With fuel demand growing steadily in South Africa, we have responded to our inland and coastal customer needs, with a specific focus on Gauteng where demand is largest, by improving our logistics network efficiency. To this end, we have put in place the building blocks to secure a watertight end-to-end supply chain that reduces costs, improves work efficiencies and maximizes returns.

We do however also rely on third party infrastructure. This often leaves us struggling to service customers timeously and cost effectively in the face of stock out, shutdown and transport complications.

We endeavour to continually improve on OTIF (On Time In Full) as a key measure for customer service. In 2019 our overall OTIF score for fuels was 93%. We had an encouraging year in improving our OTIF performance for our Lubricants customers.

Our OTIF average in this regard improved to 82% in 2019, up from 72% in 2018.

We also secured tankage capacity in the VOPAK Growth 4 at IV Precinct and Lesedi projects at Heidelberg in the Inland area to facilitate ease of importation of finished products whilst also ensuring an improved security of supply in the crucial inland region of South Africa. This tankage is expected to be commissioned in the second half of 2020. These investments provide us with adequate capacity for anticipated growth in demand in the coming years. They also help address any short-term supply constraints.

We also continue to further investigate securing tankage at Coega in the Eastern Cape once industry is moved from Port Elizabeth and the Port of Port Elizabeth is permanently closed. At the Port of Cape Town, Engen continues to operate from our own terminal in Montague Gardens as well as through additional tankage leased from Burgan Cape Terminals to supplement additional supply into the Western Cape.

We also continue to assess technology to improve agility, reduce costs and respond to environmental changes in our Supply Chain.

In 2019, we continued good work started in 2018 in entrenching the Land Transport Management System as per PETRONAS Downstream requirements. This initiative involved completing Site Hazard Mapping and Route Hazard Mapping, training of Transporters, and conducting behaviour observation and audits during loading and unloading of vehicles.

We are pleased to report that there was a marked reduction in transporter related incidents in 2019 with no road injuries or fatalities. This programme will continue in 2020 with more focus on digital monitoring of vehicles, loading and offloading observations.

NATURAL CAPITAL

Through our HSEQ Policy, we have committed to continually enhance ways in which we protect the environment wherever we operate. In cases where impacts do occur, we have emergency response systems in place to mitigate, minimise, and remediate impacts to our natural ecosystems.

In line with our HSE Management System, we strive to comply with all applicable legal requirements. In cases where appropriate, we also apply international and internal standards to minimise impacts and protect environmental resources.

Our environmental performance is enhanced through consistent monitoring and analysis of our emissions and the updating of associated risks and required mitigations. Furthermore, we also have policies and procedures that are reviewed regularly to ensure that all risks are correctly documented and managed. Our dedicated resources for environmental management enable us to effectively and adequately manage the environment.

The PETRONAS Mandatory Control Framework (MCF) remains a critical internal standard that informs how we conduct our business. The MCF ensures the consistent application of systems and processes across our operations, while also providing minimum compliance requirements on key environmental elements.

SOIL AND GROUNDWATER

To protect and minimise the risk of impact to groundwater resources, we have an internal risk management tool, the PETRONAS Environmental Site Risk Ranking Assessment. Through this tool we can identify sites in which the risk of groundwater impact is reasonably high, and we can put measures in place to proactively manage this risk.

Where groundwater impact due to contamination is suspected, we have a phased approach to undertake site assessment. Where contamination is confirmed, we initiate remediation activities which follow the 'Source-Pathway-Receptor' risk-based approach.

ATMOSPHERIC EMISSIONS

We continue our strong focus on atmospheric emission management of all our facilities. Our refinery's key emissions are detailed in the table below. A combination of production rates, the shutdown as well as crude oil diet have an influence on the efficiencies and ultimately the emissions. Notwithstanding, we have maintained our compliance status for atmospheric emissions for all our facilities.

REFINERY AIR EMISSIONS

Atmospheric Emissions (tons per annum)	2015	2016	2017	2018	2019
REFINERY SO ₂	2151	2150	2083.4	2602.30 ^{RA}	2826
REFINERY NO _x	1103	1054	1191.63	952.27 ^{RA}	1048
REFINERY FILTERABLE PARTICULATE MATTER *	84	83	90.3	72.90 ^{RA}	77

* Total Particulate Matter (2015 factors based on US EPA-AP42)
RA - Reasonable Assurance

All Engen sites with listed activities have been issued Air Emissions Licences. We strive to review and update these timeously to maintain legal compliance. The National Atmospheric Emission Inventory System (NAEIS) submission for all of our sites was done within the prescribed timeframes, and passed the audits conducted by the licensing authorities.

All of our facilities with an Atmospheric Emission Licence continue to conduct the Leak Detection and Repair Programme to help reduce fugitive emissions.

THE NATIONAL ATMOSPHERIC EMISSION INVENTORY SYSTEM SUBMISSION FOR ALL OF OUR SITES ... PASSED THE AUDITS CONDUCTED BY THE LICENSING AUTHORITIES.

WASTE MANAGEMENT

We report below on the waste managed by our refinery, which has a comprehensive waste management system in place. The waste that is produced ranges from inorganic to organic waste consisting of spent catalysts, contaminated soil, off-spec product and waste from clean-up operations and shutdowns.

While we continue with our efforts to reduce waste, fluctuations are dependent on projects and shutdown activities where significant amounts of additional waste may be generated. During a shutdown, we take the opportunity to clean out equipment as one of the activities to optimise plant performance.

Our refinery's waste minimisation plan details various initiatives and projects in place to divert waste from landfill. Our waste management approach is based on a Reduce, Reuse, Recycle principle.

Our refinery continues to recycle various waste streams, which includes spent caustic as well as high calorific value waste. We have achieved this by collaborating with companies who provide waste treatment solutions as part of their co-processing of alternative fuels. The technology used destroys waste materials through high temperatures while ensuring a destruction of toxic components. This process preserves non-renewable fossil fuels and natural resources as the energy and mineral value of the waste materials is recovered. In this manner, we support a circular economy.

We have redefined the parameters on our internal waste reporting systems to reflect these recycling initiatives and include internal slop oil recycling in our figures since 2018.

We remain firmly committed to ensuring that we manage our waste from cradle to grave. To this end, the waste disposal facilities that we contract for the disposal of our hazardous waste are audited to ensure that their Health, Safety, Environmental and Quality systems are maintained and all legal requirements are adhered to.

Refinery Waste Management (tonnes)		2015	2016	2017	2018	2019
HAZARDOUS WASTE	Generated	5278	5081	7162	20406	18054
	Recycled	1685	1155	2849	16135	13184
	Disposed	3593	3925	4313	4271	4870
NON-HAZARDOUS WASTE	Disposed	3124	1385	1193	1194	915
	Recycled				1037	520
Total Disposed to Landfill		6717	5310	5506	5465	5785
Total Recycled		1685	1155	2849	17172	13704

WATER MANAGEMENT

Freshwater management remains an item of critical importance for us and we are cognisant of the global concern on freshwater availability. We have therefore been working across our divisions to spread awareness on this and improve understanding of how we use and manage water while identifying ways in which we can use this resource more efficiently.

A number of interventions were identified through this process in 2019 and implementation of quick win solutions was commenced at several of our sites. This includes installation of water efficient devices on taps and cisterns, and tanks for rainwater harvesting. The efforts will continue in 2020 with more awareness drives to change behaviour as well as identification of further interventions.

We have improved our water withdrawal figures in this report as we now are reporting on water use for our refinery, supply and lubricants divisions, as well as our office buildings. While our refinery remains the largest water user within our group - where fluctuations based on production, shutdowns and projects plays a major role in the amount of water needed - we are focusing on all facilities to improve water management practices and manage risk associated with water availability.

WASTEWATER MANAGEMENT

In 2019 we continued with our bioreactor installation programme at some of our 1Stop service stations to improve the quality of wastewater discharged. These bioreactors are capable of treating effluent to General Authorisation standards. A single unit can treat sewage from approximately 100 people.

While various treatment plant technologies have been employed at our sites, the units are built to eliminate odour, offer security and have minimal visual impact. Treatment includes a biological process where micro-organisms, mostly bacteria, digest and absorb the dissolved organic material in the sewage. Treated effluent is chlorinated before being discharged.

ENVIRONMENTAL MANAGEMENT

Our Bunker Terminal in Richards Bay and our Lubricants Oil Blending Plant in Island View; as well as our Refinery and Durban Terminal were recertified for the ISO 14001:2015.

Over and above the external accreditation, internally, we have a PETRONAS Mandatory Control Framework and all facilities are audited on this requirement and any gaps identified are tracked and closed.

The mandatory control framework contains mandatory requirements to be implemented in the PETRONAS group and focuses on 10 areas with significant risks and is managed through PETRONAS HSE-MS. Effective implementation of this management system ensures compliance to the requirements of HSE MCF and to delivery of improved and sustainable HSE performance and culture.

ENERGY MANAGEMENT / CLIMATE CHANGE

As an energy focused company, Engen recognises that we have a responsibility to balance the issue of climate change with the challenge to sustainably produce affordable and reliable energy. Energy Efficiency is thus of critical importance to us. Further reducing on site Scope 1 emissions at our refinery however is no easy challenge as greenhouse gas emissions are inherently linked to processing of crude oil due to the production of Refinery Fuel Gas. As a cleaner fuel, the Refinery uses this fuel gas in all its furnaces and boilers. Prior to 2001, fuel oil was used resulting in higher greenhouse gas as well as other emissions at the time. Hence the switch to using gas was a major step by our refinery to reduce emissions.

We continue to engage with government on all climate change related legislative requirements and continue to meet our obligations in terms of these requirements. Importantly, 2019 saw the promulgation of the Carbon Tax Act with the tax coming into effect on 1 June 2019. All liable entities, including Engen, will be required to pay this Carbon Tax at a rate of R120 per ton of applicable direct emissions. We have been preparing for this and ensuring its determination of emissions is in accordance with the National GHG Reporting Regulations requirements.

In 2020, we will continue to assess and unpack the risks to our operations from the effects of climate change. We recognise that it is important for these risks to be understood and incorporated into our risk management system.

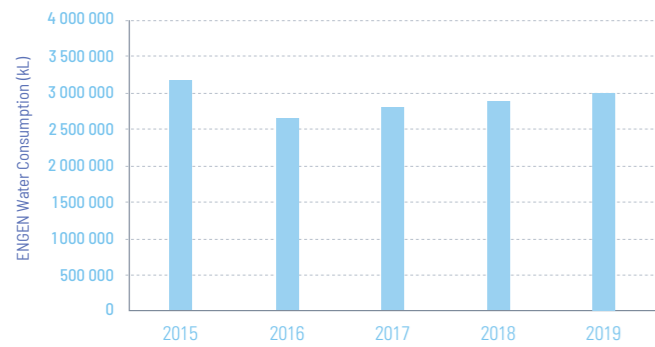
The graphs on page 130 present GHG and Energy performance from owned or controlled sources from our South Africa operations only.

Scope 1 emissions represent direct emissions from fuel combustion, flaring and fugitive emissions, while Scope 2 include emissions associated with purchased electricity. Our emissions and energy in 2018 decreased due to our refinery maintenance shut down.

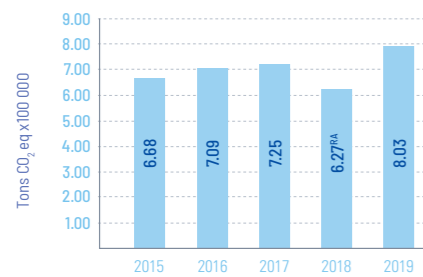
Scope 2 GHG emissions include emissions associated with the purchase of electricity from all our South African sites only. The lower emissions in 2018 in this category is due to our refinery shutdown.

Energy efficiency remains a priority throughout our business. We have ongoing initiatives at our sites involving the switch to LED lighting, motion sensor lighting and timers to further improve. In 2019 our refinery successfully completed a small-scale PV solar project within the refinery site as part of its energy programme. In addition, our Retail division have commenced developing a Solar PV Roadmap for Engen service stations with the aim of introducing renewable energy at sites across our network. In 2020 we aim to complete Solar PV installation at seven of our sites.

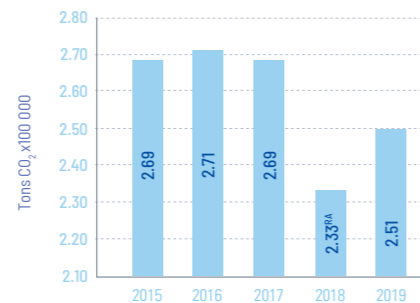
Our total energy consumed includes energy from fuel combusted in stationary equipment such as boilers and furnaces, as well as from mobile combustion via our tanker fleet, employee job-need vehicles and from electricity use.



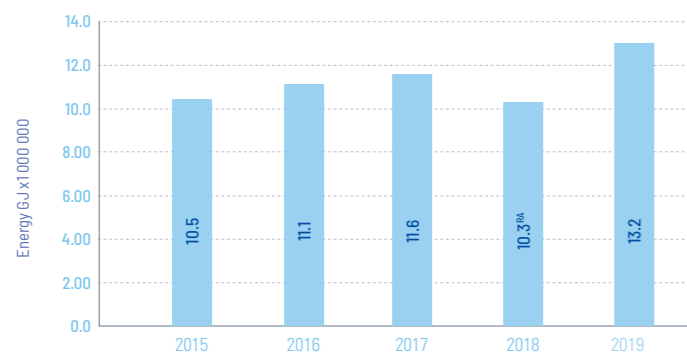
WATER CONSUMPTION (KL) 2015 - 2019



SCOPE 1 GHG EMISSIONS 2015 - 2019



SCOPE 2 GHG EMISSIONS 2015 - 2019



TOTAL ENERGY 2015 - 2019

WE CONTINUE TO ENGAGE WITH GOVERNMENT ON ALL CLIMATE CHANGE RELATED LEGISLATIVE REQUIREMENTS



LOSS OF PRIMARY CONTAINMENT AND SPILLS

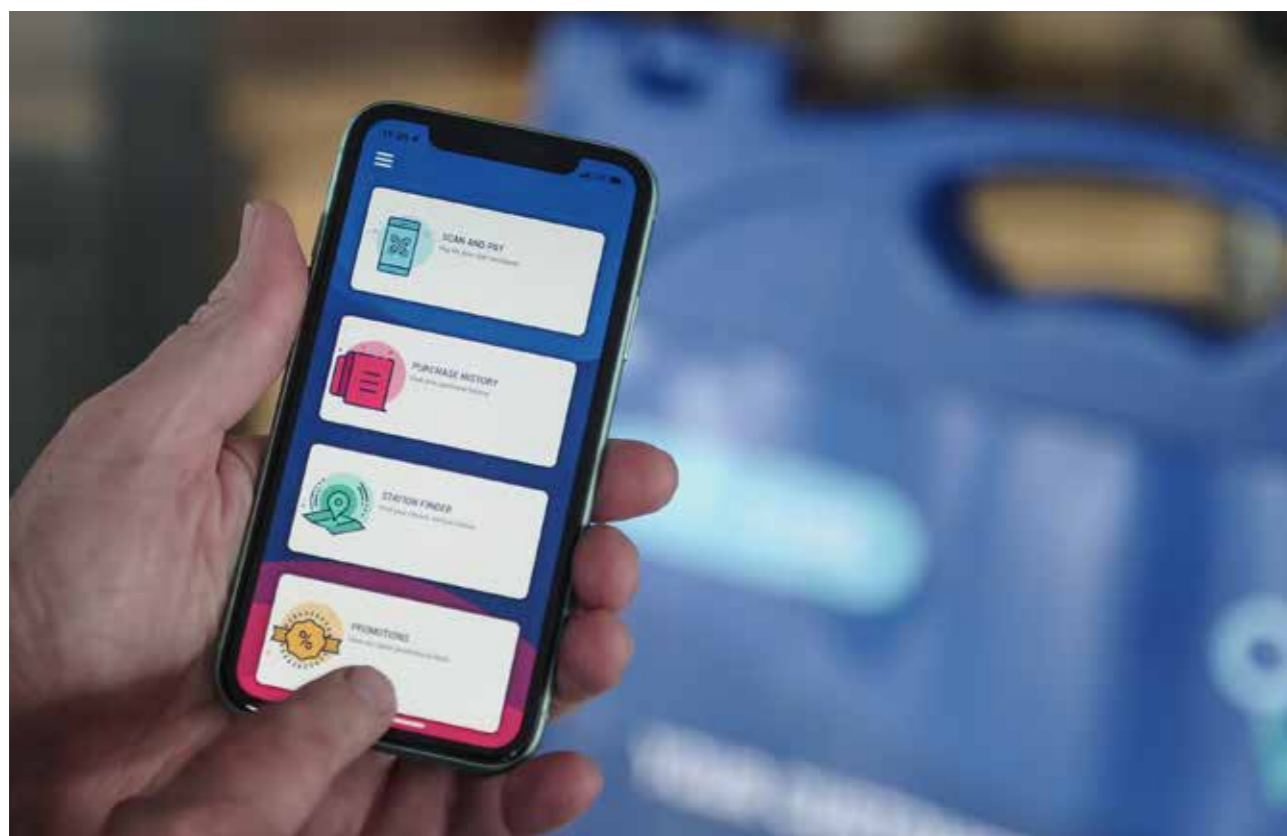
The Loss of Primary Containment (LOPC) refers to an unplanned or uncontrolled release of any material from its engineering containment. If the material released is contained within a designated secondary containment receptacle or bunded area, it remains an LOPC, but is not referred to as a spill. A portion of LOPC that escapes the secondary containment is also logged as a spill. Our LOPC classification takes into account the flashpoint of the liquid as per American Petroleum Institute (API) Standard 754.

As reported previously, we saw an increase in spill incidents in 2017 as a result of land transportation incidents. We initiated an intervention programme and continued with it through 2018 and 2019. A number of actions were completed and many are ongoing.

We are pleased to report that in addition to the reduction in the number of incidents seen in 2018, there were zero major incidents in 2019. This however, has not meant we become complacent. We are continuously working closely with PETRONAS on improving our interventions and have regular engagement on the interventions needed to manage the safety and emergency response aspects associated with transportation of our products to ensure minimum impact to environment and surrounding communities.

Indicator	2015	2016	2017	2018	2019
NUMBER OF MAJOR LOPC	7	6	14	3	0
VOLUME MAJOR LOPCS (KL)	56.6	43	357	46.8	0
NUMBER OF MAJOR ENVIRONMENTAL SPILLS	4	4	5	1	0
VOLUME OF MAJOR SPILLS (KL)	27.4	41	184	8.82	0

IN ADDITION TO THE REDUCTION IN THE NUMBER OF INCIDENTS SEEN IN 2018, THERE WERE ZERO MAJOR INCIDENTS IN 2019.



FINANCIAL CAPITAL

Subdued economic growth, declining key sectors and lower refinery margins presented significant challenges for our financial performance in 2019.

Despite higher global oil prices towards the latter part of the year, the average crude price remained lower than 2018. Coupled with the muted economic environment, this resulted in further erosion of our gross refining margins versus those of recent years.

Outside of South Africa, encouragingly higher marketing volumes and margins were realised in our businesses in Botswana, DRC, Mauritius and Namibia, resulting in a comparatively higher turnover in these countries versus 2018.

The transaction that was entered into with VIVO Energy in 2017 for Engen's businesses in Gabon, Kenya, Malawi, Mozambique, Reunion, Rwanda, Tanzania, Zambia and Zimbabwe, saw change of control effective on 1 March 2019 and excluded the operations in the Democratic Republic of Congo, as previously reported. Also, in March 2019, we completed a transaction that transferred 100% of the shares of Engen Ghana Limited to Motech Ghana Limited for an agreed consideration.

In accordance with IFRS 5, our operations sold form part of the discontinued operations of the Engen business at the end of 2019.

The financial performance overview on page 133 encompasses a comparative year-on-year analysis of the 2019 reporting period. We have restated previously reported results for 2018, as required by IFRS 5, to account for the Engen DRC business which was classified as held-for-sale during 2018 and no longer classified as held-for-sale during 2019 as a result of an expiry of the arrangement during the 2019 year.

KEY FINANCIAL INDICATORS

The key indicators of our financial performance were as follows:

(R MILLION UNLESS SHOWN OTHERWISE)	2019	2018 *	% CHANGE	5 YEAR AVERAGE	% CHANGE
Extract from the Statement of Profit or Loss					
Turnover - Continuing Operations	89,234	86,274	3%	82,292	8%
Operating Profit - Continuing Operations	2,871	2,586	11%	2,942	-2%
Net Profit - Continuing Operations	1,699	1,960	-13%	1,917	-11%

Extract from the Statement of Financial Position	2019	2018			
Total Assets	40,807	43,363	-6%	38,799	5%
Equity attributable to equity holders of the parent	21,417	22,626	-5%	20,579	4%

Sales Volumes (in millions of litres)					
South Africa	7,133	6,833	4%	6,991	2%
International	1,778	2,772	-36%	2,463	-28%
	8,911	9,605	-7%	9,454	-6%

Financial Ratios	2019	2018
Return on Total Assets	5.3%	4.6%
Current Ratio	1.7x	1.7x
Return on Capital Employed	9.9%	8.2%
Debt Equity Ratio	0.09%	0.23%

Crude Cost	2019	2018
Closing Crude Cost (\$/Bbl)	66.83	59.74
Average R/\$ exchange rate	14.47	13.23

* Restated, as required by IFRS 5: Discontinued Operations

**OUR GROSS PROFIT
INCREASED BY
R1,56 BILLION
FROM THE
PREVIOUS YEAR.**

PROFIT AND LOSS

Our Gross Profit increased by R1,561 million from the previous year. This was mainly due to improved operating performance across the board.

Our South African sales volumes showed an upward trend, despite the tough economic environment and higher fuel prices. In our international business (Botswana, DRC, Eswatini, Lesotho, Mauritius and Namibia) that form part of our continuing operations, we experienced volume decline primarily due to the loss of key commercial customers in Namibia.

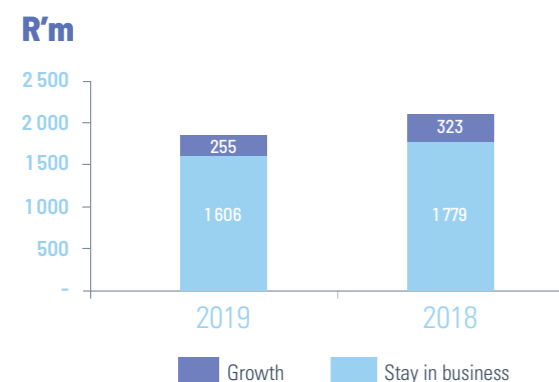
Our expenses increased by 10% in 2019 mainly due to increased provisions for expected credit losses, higher depreciation costs as a result of the capital expansion programmes in our Retail and Commercial +IBD business divisions and the introduction of IFRS 16 leases and increased insurance premiums as a result of higher asset valuations in our Refinery division. In addition, we incurred higher commission costs in 2019, mainly in our South African retail business, due to increased sales activity and the introduction of a loyalty programme with a new partner, Clicks ClubCard.

FINANCIAL POSITION

Our statement of financial position is currently largely ungeared. This presents an opportunity for the funding of significant projects over the longer term. We review our Group's debt to equity position on a semi-annual basis to ensure that our capital management objectives are being met.

Gearing levels may change due to volatility in uncontrollable factors such as currency and commodity price fluctuations. We have earmarked our long-term funding for capital expenditure, while overnight markets are accessed for working capital requirements.

Our Total Assets decreased from the previous reporting period by R2,556m to R40,807m at the end of 2019. This was driven by a R4,637m decrease in net assets held-for-sale as a result of the completion of the VIVO Energy transaction, offset by an increase in lease assets of R2,340m as a result of the mandatory implementation of IFRS 16.



CAPITAL INVESTMENT

We continue to roll out signature convenience offerings across our network, including fast food and restaurant partnerships, franchise bakeries, franchise coffee, alternate payment partnerships and a range of other innovations. In parallel, we have steadily overhauled the networks we acquired from our competitors in recent years.

Significant capital investment continues to be made across our value chain. Capital expenditure at our refinery has a clear focus on the environment, maintenance and reliability, infrastructure, buildings and equipment, future fuels, and profit generating interventions.

CAPITAL EXPENDITURE AT OUR REFINERY HAS A CLEAR FOCUS ON THE **ENVIRONMENT, MAINTENANCE AND RELIABILITY, INFRASTRUCTURE, BUILDINGS AND EQUIPMENT, FUTURE FUELS, AND PROFIT GENERATING INTERVENTIONS.**

VALUE ADDED STATEMENT

Our Value Added Statement measures performance in terms of value added over time by the Engen Group through the collective efforts of our management, employees and providers of capital. The statement shows how value added has been distributed to those contributing to its creation.

R million	31 December 2019	31 December 2018*
Value Added	6,153	5,814
Income from Investments	271	157
Total Value Created	6,424	5,971
Value Distribution		
Employees	2,230	2,168
Equity Capital Providers	1,241	2,264
Loan Capital Providers	129	34
Government	646	455
CSI	17	22
Retained for Future Growth	2,161	1,028
- Depreciation and Amortisation	1,285	898
- Retained Profit	667	(87)
- Deferred Tax	209	217
Total Value Distributed	6,424	5,971

* Restated, as required by IFRS 5: Discontinued Operations



NOTES



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EMPLOYER

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2020

CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

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