

2021

Engen Integrated Report



member of
PETRONAS Group





Moving Beyond

By reinventing the manner in which we do business, we were able to deliver smarter solutions and offer differentiated products to meet and enrich the lives of our customers.



Whilst the Covid-19 pandemic has been a huge challenge, it has also inspired incredible change and innovation across the business landscape. As a progressive organisation, Engen has adapted to this landscape, a demonstration of our agility in facing challenges and our determination to capitalise on key trends in pursuit of progress.

To navigate the change effectively, we re-examined the delivery of our services, adopting new practices and digital enhancements in line with current needs. We leveraged on digitalisation to not only stay competitive in this new business and economic environment but to also create digital solutions and digitally enhanced product offerings for our customers to ensure seamless customer experiences.

By reinventing the manner in which we do business, we were able to deliver smarter solutions and offer differentiated products to meet and enrich the lives of our customers. To deliver on present needs and anticipate future ones, we created progressive solutions that were relevant to our changing needs. In introducing a new product or improving an existing one, we pushed the boundaries of innovation to serve our customers' needs safely and reliably.

As Southern Africa's leading marketer of downstream petroleum products and associated convenience services, Engen always strives to deliver on our enduring brand promise 'With us you are Number One', by aligning with our statement of purpose, as we seek to **MOVE BEYOND** the confines of a traditional fuel company, ensuring a more meaningful tomorrow for all.

member of
PETRONAS Group



The Impact of Covid-19

The pandemic remained a pervasive factor across our operating environment throughout 2021.

A resurgence of Covid-19 cases, which began in the second quarter of 2021, led to the government retaining stringent national lockdown restrictions. The restrictions undermined South Africa's economic recovery, with GDP growth projections for the fourth quarter of 2021 down to 1.2%.

Reduced mobility and business activity negatively impacted demand for both our fuel and non-fuel products.

The gradual lifting of the lockdown levels and movement restrictions helped spur a revival in economic activity in South Africa. However, the emergence of the highly infectious Omicron variant in November led to renewed economic uncertainty as the year drew to a close.

Compliance with the government regulations and other applicable legislation continues to remain a priority for Engen.

Our Duty of Care

The Covid-19 pandemic has severely impacted large sections of society, with many people seeing reduced job security, diminished incomes, unemployment and deeper poverty and desperation.

In 2021, like in the previous year of the pandemic, we responded by redoubling our effort at good corporate citizenship, supporting the communities in which we operate and contributing at national level.

With record unemployment in South Africa and high levels of hunger and food insecurity in the country, all of which

was compounded by the Covid-19 pandemic, Engen sought to demonstrate its caring philosophy by partnering with the following organisations and government bodies in support of relief projects:

- **Gift of the Givers** – R2m fuel support and food parcel support to impoverished communities living close to Engen operations and other remote areas.
- **Food ForwardSA** - R1m fuel sponsorship in support of food security and to enable Food ForwardSA to expand their geographical footprint.
- **South Durban Community** - R500k support of an environmental project around the Engen Refinery.
- **PPE** – R1.5 million worth of Personal Protective Equipment was provided to various NGOs, learners of Engen Maths and Science School and various other partners.
- **Department of Minerals Resources and Energy** - R350k towards partnership projects with DMRE supporting special needs schools with specialized equipment and books.

Outlook

Vaccine hesitancy amongst parts of the population, as well as the slow rollout process, is of concern and increases the possibility of further Covid-19 waves in South Africa. Despite the overall improving outlook, we remain vigilant against the threat of new waves and variants of Covid-19 emerging and will continue to take measures to future-proof our organisation. While continuing to visibly demonstrate a caring company ethos, we will also maintain stringent standard operating procedures to mitigate the risk of further disruption.



About this Report

Thank you for reading Engen Limited's Integrated Report for the year ended 31 December 2021. 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 9th year of our integrated reporting journey with our emphasis on improving the clarity and conciseness of the Report.

Our 2021 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 2021, 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 2020 and 2021 of the Statement of Profit and Loss and Statement of Financial Position are set out on page 74. 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 2021 Engen Integrated Report.

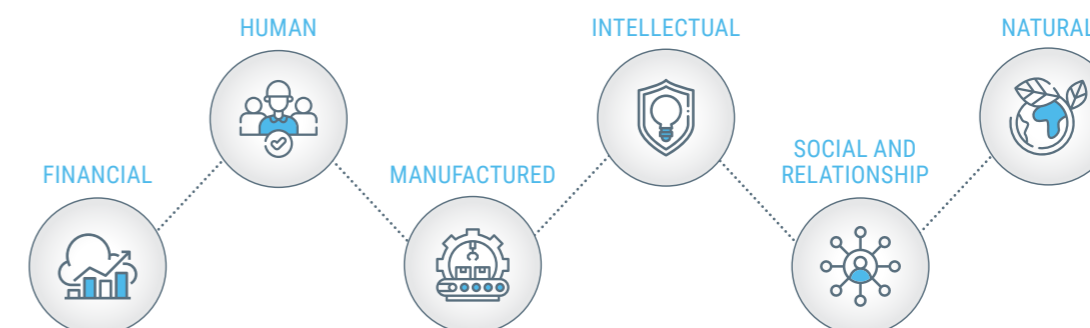
Forward Looking Statements

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 2022. 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.

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



Our Strategic Priorities



Acknowledgement on reliability and completeness of Engen

Engen Limited's Board of Directors acknowledges its responsibility in ensuring the integrity of this Integrated Report, which in the Board's opinion addresses all the issues that are material to the Group's ability to create value and fairly presents the integrated performance of Engen Limited. This report was approved by the Board on 15 June 2022 and signed on behalf of the Board:

AHMAD ADLY ALIAS
Chairman

SEELAN NAIDOO
Acting CEO

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Moving
Beyond

Who We Are & What We Do

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'.

Engen is South Africa's favourite petrol station* and "coolest" petroleum brand**, an industry trendsetter and customer focused market leader. Harnessing human potential, Engen delivers innovative petroleum products, exciting retail convenience offerings and digitally enabled solutions.

As we navigate the challenges of Covid-19, our path forward remains clear – and that is to **Move Beyond**. To this end, we continue to leverage PETRONAS' extensive investments in R&D to deliver world-class downstream petroleum products and strengthen our market presence in our four core business areas.

RETAIL

We operate 1,043 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, Gasoline, Kerosene, and Chemicals.

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 several other sub-Saharan African countries.

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.

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



Loyalty
Loyal to corporation.



Integrity
Honest and upright.



Cohesiveness
United, trust and respect for each other.



Professionalism
Strive for excellence.

PETRONAS Cultural Beliefs



Customer Focused
I deliver solutions from the customer lens.



Innovate Now
I challenge norms and push boundaries.



Be Enterprising
I seek opportunities and make them happen.



Speak Up
I express my views openly.



Courage to act
I take action to progress with pace.

OUR PROMISE: With us you are Number One

* as voted in the 2020 Sunday Times Top Brands survey

** as voted in the 2021 Sunday Times Generation Next survey

What We Offer

Pushing the boundaries of service, technology and innovation is what we do. But why we do it, and who it's for, matter just as much. That is why we strive to be a part of our customers lives in ways that matter. This requires evolving beyond traditional offerings and services.

By delivering on present needs and anticipating future ones, we continuously create progressive solutions that are relevant to our customers' changing needs.

This is our dream for a simpler, better and more meaningful tomorrow for all. Brought to life by being Passionate about Progress.

RETAIL

Offers quality petroleum and non-fuel products and services at 1,043 Engen stations, over 600 Quickshop and various market leading on-the-go food and convenience brands in South Africa. This is complemented by Engen 1 app that provides motorists with a seamless experience. We reward loyal customers through our partnership with FNB eBucks and Clicks ClubCard.

Fuel

- Engen Primax Unleaded with Pro-Drive
- Engen Dynamic Diesel 50ppm with Pro-Drive

Non-Fuel

- Quickshop • Quick service restaurants • Banking ATMs • Courier Services • Car Wash • Truckstop

Engen 1 app

South Africa's first mobile application that creates seamless on-the-go refuel and retail experience.

Rewards Partners

- FNB eBucks • Clicks Clubcard

COMMERCIAL

This fully integrated business focuses on the sales and marketing of bulk petroleum products to various industries and market segments in South Africa.

Products

- Engen Dynamic Diesel with Pro-Drive • Engen Primax Unleaded with Pro-Drive • Jet A-1 • Illuminating Kerosene • Chemicals

Industries Served

- Agriculture • Aviation • Coatings • Construction • Fleet • Manufacturing • Marine • Mining

INTERNATIONAL BUSINESS

Offers retail fuels and services in six countries, namely: Botswana, DRC, eSwatini, Lesotho, Mauritius and Namibia via 230+ service stations, while also focusing on the sales and marketing of bulk petroleum products, lubricants and chemicals across the Southern African region.

Fuel

- Engen Primax Unleaded
- Engen Dynamic Diesel 50ppm

Non-Fuel

- Quickshop • Quick service restaurants • Banking ATMs • Car Wash

B2B Products

- Engen Dynamic Diesel • Jet A-1 • Illuminating Kerosene • Chemicals • Lubricants & Fluids

Industries Served

- Agriculture • Aviation • Coatings • Construction • Fleet • Manufacturing • Marine • Mining

LUBRICANTS

Undertakes all sales and marketing functions of Engen and PETRONAS lubricant products in South Africa. This includes Passenger Car Motor Oils, Commercial Vehicle Lubricants as well as Industrial and Marine Lubricants that cater for consumers and commercial customers.

Key Strategic Brands

- PETRONAS Syntium • PETRONAS Urania
- Engen Xtreme • Engen Dieselube

Automotive Motor Oils

- Fully & Semi Synthetic • Mineral • OEM Genuine Oil

Commercial Vehicle Oils

- Heavy duty diesel engine oil

Auto Functional Fluids

- Auto Transmission & Gear • Greases • Radiator Coolant • Brake Fluid

Industrial Lubes & Fluids

- Hydraulic • Compressor • Turbine • Agriculture • Marine • Metal Working • Industrial Gear

Services

- Fluidlink



Where We Operate

As Southern Africa's leading marketer of downstream petroleum products and associated convenience services, Engen always strives to deliver on our enduring brand promise 'With us you are Number One'.



BOTSWANA

FUEL STATIONS: 66
FUEL DEPOTS/TERMINALS: 2
LUBES & CHEMICAL DEPOTS: 1



DRC

FUEL STATIONS: 67
FUEL DEPOTS/TERMINALS: 3
LUBES & CHEMICAL DEPOTS: 2



ESWATINI

FUEL STATIONS: 6
FUEL DEPOTS/TERMINALS: 1
LUBES & CHEMICAL DEPOTS: 1



SOUTH AFRICA

FUEL STATIONS: 1 043
FUEL DEPOTS/TERMINALS: 24
LUBES & CHEMICAL DEPOTS: 4



LESOTHO

FUEL STATIONS: 26
FUEL DEPOTS/TERMINALS: 1
LUBES & CHEMICAL DEPOTS: 1



MAURITIUS

FUEL STATIONS: 35
FUEL DEPOTS/TERMINALS: 1
LUBES & CHEMICAL DEPOTS: 1



NAMIBIA

FUEL STATIONS: 58
FUEL DEPOTS/TERMINALS: 7
LUBES & CHEMICAL DEPOTS: 1

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Corporate Offices

SOUTH AFRICA

CAPE TOWN
BLOEMFONTEIN
DURBAN (Westville)
JOHANNESBURG (Sandton)
PORT ELIZABETH

BOTSWANA

GABORONE

DRC

KINSHASA

ESWATINI

MBABANE

LESOTHO

MASERU

MAURITIUS

PORT LOUIS

NAMIBIA

WINDHOEK

11

Lubricants & Chemicals Depots

JOHANNESBURG (Isando)

CAPE TOWN (Epping)
DURBAN CHEMICAL
(Island View)

DURBAN (Jacobs)

GABORONE

KINSHASHA

LUBUMBASHI

MBABANE

MASERU

PORT LOUIS

WINDHOEK

3

Manufacturing Plants

LUBRICANTS OIL BLEND PLANT (DURBAN)

ZENEX BLEND PLANT (DURBAN)

38

Fuel Terminals & Depots

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- NORTHERN CAPE

KIMBERLEY
UPINGTON

SA- LIMPOPO

HOEDSPRUIT
MAKHADO
MOKOPANE

SA- MPUMALANGA

NELSPRUIT
SECUNDA
EMALAHLENI

BOTSWANA

GABORONE
FRANCISTOWN

DRC

KINSHASA
KISANGANI-BUKAVU

ESWATINI

MBABANE

LESOTHO

MASERU

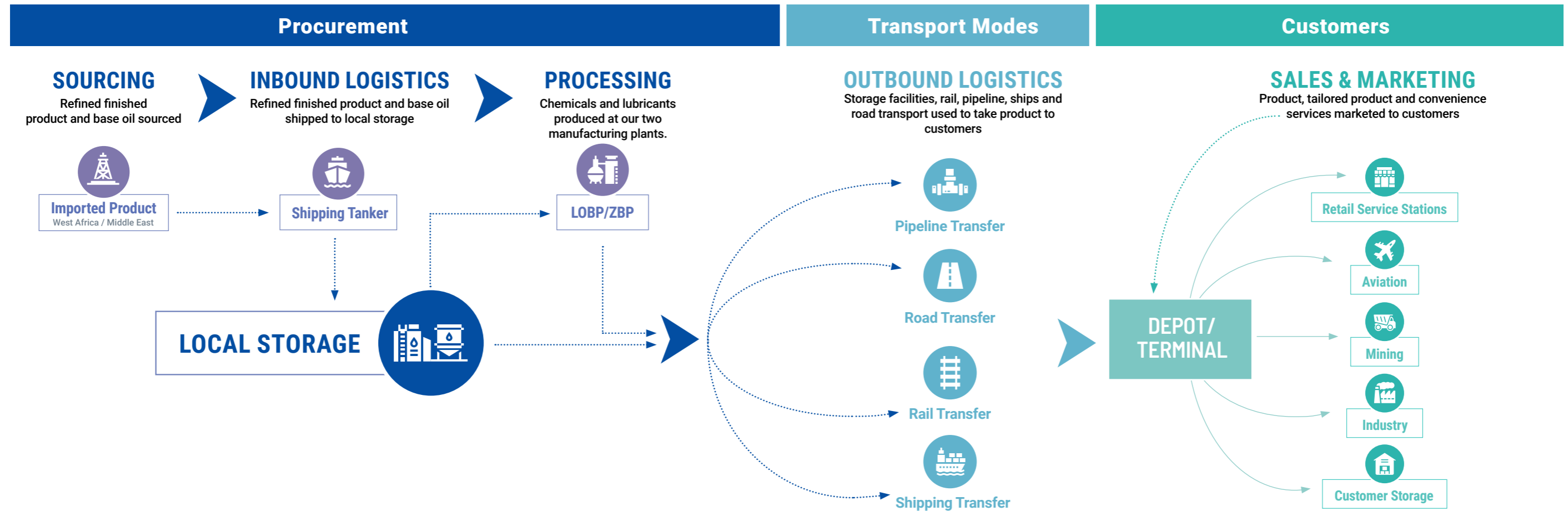
MAURITIUS

PORT LOUIS

NAMIBIA

GROOTFONTEIN
KEETMANSHOOP
LÜDERITZ
ONDANGWA
WALVIS BAY
WINDHOEK
WINDHOEK AIRPORT

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.

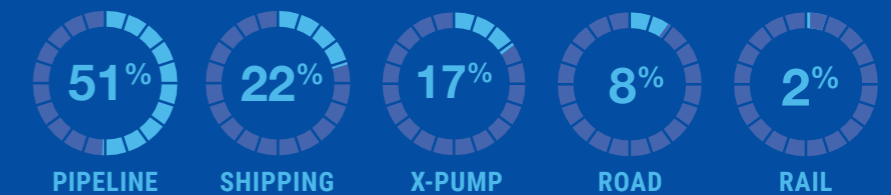


Product Inventory from Source*

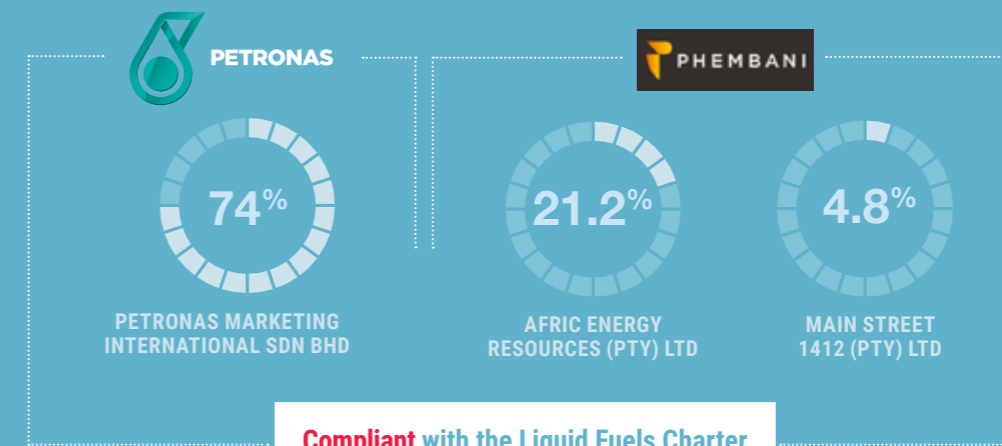
* Approximate annualised average



Primary Distribution



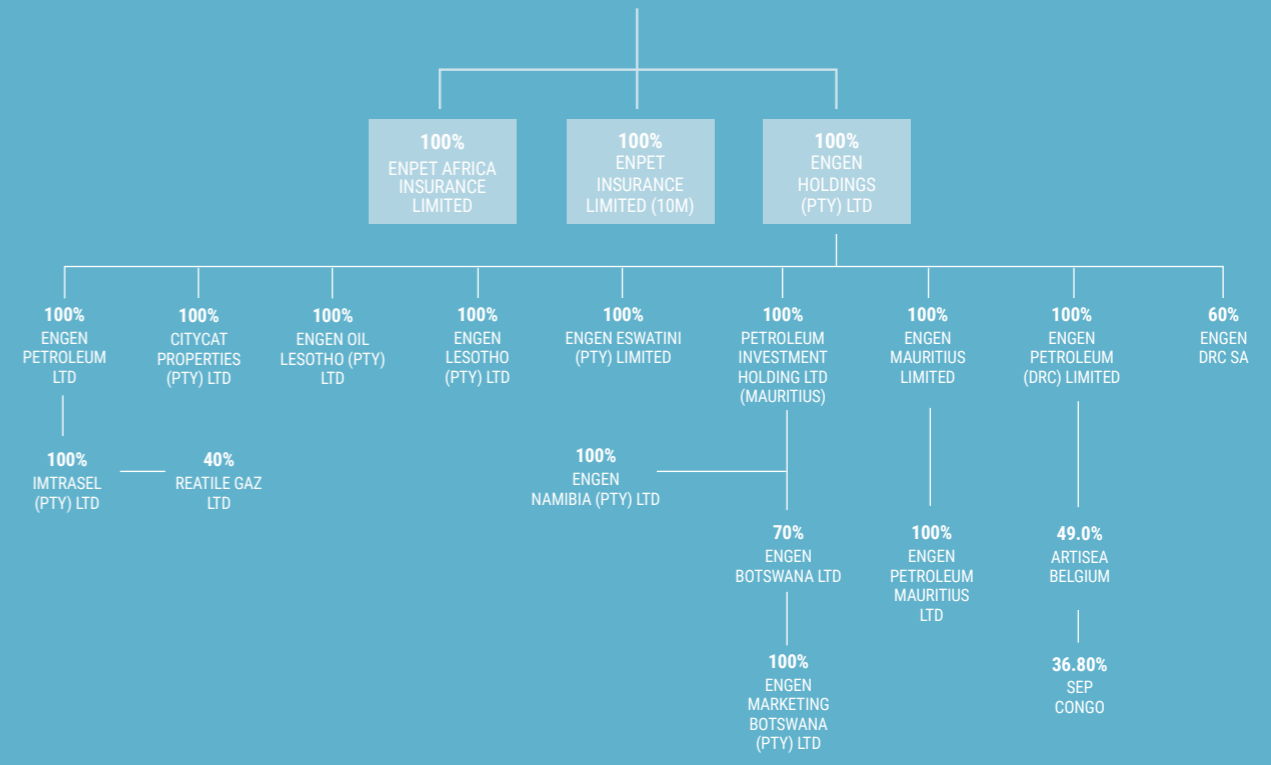
Group Corporate Structure



Compliant with the Liquid Fuels Charter



ENGEN LIMITED





A proud member of **PETRONAS**

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 8 x World Championship-winning Mercedes **AMG PETRONAS** Formula One team.

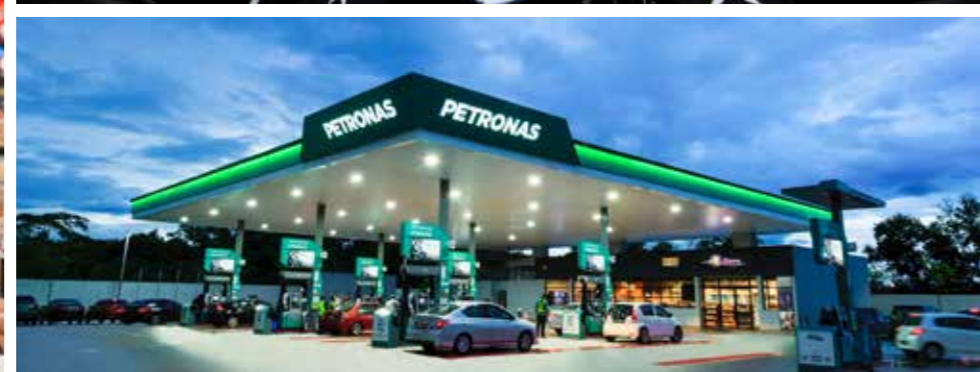
We also market products on behalf of **PETRONAS** Lubricants International (PLI), the global lubricants manufacturing and marketing arm of **PETRONAS**. PLI drives technology as a winning differentiator in responding to the needs of both the automotive and industrial lubricants market, and continues 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 powered the Mercedes **AMG PETRONAS** Formula One team to 8 consecutive World Constructor Championships from 2014-2021. This technical partnership ensures that the products we as Engen offer our customers, have withstood the ultimate Formula One testing ground.

Empowered by Phembani

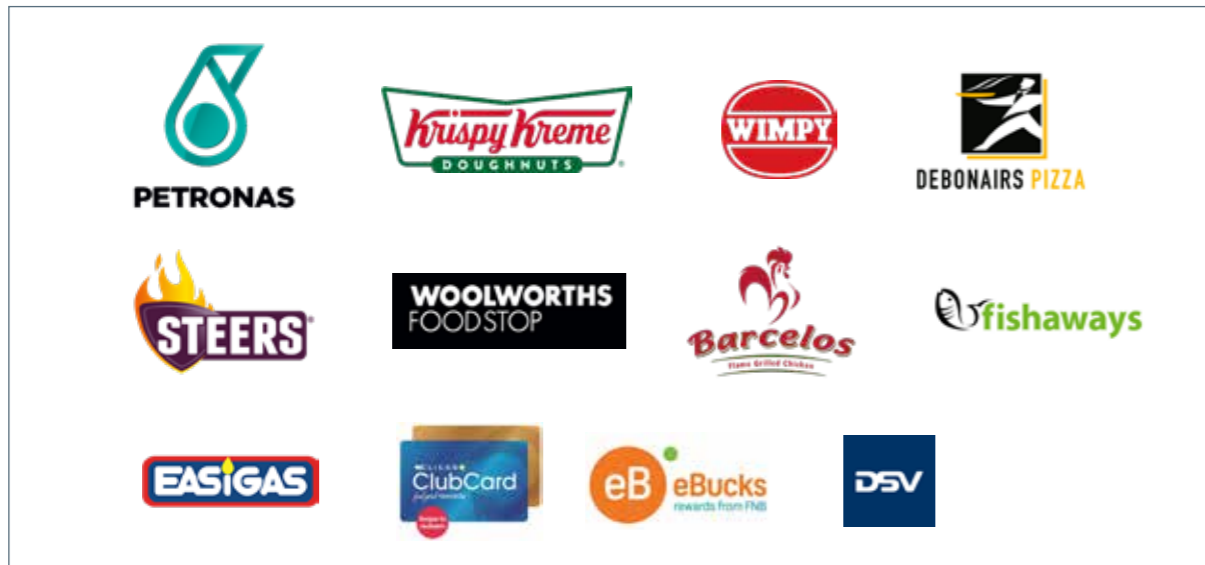
Phembani is a South African based industrial holding company with a focus on investing in, as well as operating businesses and interests in the oil, gas, minerals, mineral resources, metals and infrastructure related sectors in Africa.

With a business philosophy to identify investment opportunities in the energy, resources and infrastructure-related sectors in high-growth markets on the African continent, **Phembani** remains focused on its chosen sectors, seeking out a limited number of larger investments and significantly influencing the strategic direction of the asset.



Strategic Alliances

Business Partnerships



Authorities



Highlights & Challenges

Business Highlights

RETAIL

25% increase in foodvenience income (from 2020)
16 New Stations Added
84.5 Net Promoter Score (2019 - 57.1 & 2018 - 42.4)

COMMERCIAL

18% Sales volumes above plan
41% Increase in Profitability
60% Replacement PBIT above plan

LUBRICANTS

81 Net Promoter Score (48 in 2020)
5.76% Increase in Sales Volumes (RSA)
2.21% Increase in Sales Volumes (IBD)

INTERNATIONAL BUSINESS

Customer NPS **Improvement**
13% Increase in Profitability
13% Increase in Sales Volumes

SUPPLY

Business Continuity Plan Success - Post safe Refinery shutdown & KZN Unrest ensured minimal impact to customers
On Time In Full (OTIF)
96% Fuel & **84%** Lubes

Financial Performance

Sales Volume **8 678** mil. litres
 (3% increase from 2020)

Turnover **28%** increase
 (2021 R85 762m | 2020 - R66 752m)

Net Profit **R5 997m**
 (226% more than 2020)

ROACE **25%**
 [2020 - (18.3%)]

Total Value Created **R9 793m**
 (2020 - R1 212m)

Challenges

3 Major LOPCs

Passing of **6** employees from Covid-19

Refinery **Community Impact**



Sustainability Highlights



HUMAN

R2 335m
Salaries paid

1 804
People trained

R7.5m
Bursaries

R4.4m
Apprenticeships



ENVIRONMENT

85%
DECREASE IN GHG
EMISSIONS

500
trees planted in
South Durban

COMMISSIONED
SOLAR PV AT
**29 RETAIL
SITES**

100%
RECYCLED
GREASE PACKAGING



SOCIAL

**R3m Fuel
Support**
(Gift of the Givers &
FoodForwardSA)

R27m
CSI Spend

**New Engen
Maths &
Science School**
(at Mfuleni, WC)

5 270
Sanitary Towels
Distributed

Awards



Diamond Arrow Award
"The most admired petroleum/diesel
brand in Namibia"

**TOP COMPANIES SOUTH
AFRICA: REPUTATION INDEX -
Winner (Oil & Gas)**



**SA's "Coolest"
PETROL STATION**

for the 11th consecutive year





Chairman's Letter

On behalf of the Engen Limited Board, I am honoured to present to you Engen's Integrated Report for the financial year ended 31 December 2021.

Amidst the worst pandemic in a century, which continued to inflict significant economic, social and health disruptions across the globe, the year under review has seen Engen make significant progress in its efforts to future-proof the organisation.

This allowed the company to benefit from the tentative economic recovery in the latter half of 2021 as countries slowly emerged from the challenges of the past two Covid-19 blighted years. While all at Engen have certainly been challenged by the pandemic, the company has shown incredible resilience, whilst continuing to evolve and push boundaries to ensure that it remains relevant and sustainable in the years ahead.

Whilst we ensured that our core business remains safe, reliable and efficient in 2021, disruptions to supply chains as a result of the pandemic and the social unrest in KwaZulu-Natal and parts of Gauteng in South Africa in July, revealed a major vulnerability for businesses and the country alike. As a company, Engen adapted quickly to this threat by working closely with our suppliers to strengthen and diversify supply chain coverage. This enabled us to optimise inventory management and minimise our exposure to oil price fluctuations and ensure security of supply to our customers.

During 2021 we also continued to deal with disruption from our refinery fire in December 2020. However, our team quickly helped to contain the negative impacts to our business and our pivot to terminal conversion (which I discuss further below) has unlocked significant value for all our stakeholders.



COMMITMENT TO SUSTAINABILITY

As Engen realises its 'Beyond 2020' strategic ambitions, we are cognisant of our need to balance growth with environmental protection and social responsibility. It is why responsible corporate citizenship is embedded into all aspects of our business and operations. This encompasses both our commitment to a sustainable growth model and contributing to the development of the communities in which we operate.

Our approach to sustainability is anchored on the need for us to strike a balance between the three pillars of People, Planet, and Profit. The Board is regularly appraised on Engen's Sustainability agenda and performance and is actively engaged in providing feedback and steering on an ongoing basis.

As part of our commitment to giving back to society throughout the past year, we continued to support relief efforts in times of crisis, including extensive fuel assistance to leading aid organisations, Gift of the Givers and FoodForwardSA. We also actively contributed to the local communities in which we operate through a range of initiatives, including extensive food support to the community of South Durban.

These initiatives, as well as specific innovative solutions that contribute to a reduction in our carbon footprint as we transition towards a low carbon future, are detailed in this report.

Engen adapted quickly to this threat by working closely with our suppliers to strengthen and diversify supply chain coverage.

FULFILLING OUR SAFETY COVENANT

As a company firmly committed to operating safely, responsibly, reliably, and aligning our practices with acceptable business norms and industry benchmarks, my board colleagues and I hold executive management accountable for providing a safe working environment for all employees, contractors, business partners and customers.

We continue to believe that zero harm is possible and we continue to set appropriate parameters to ensure management meets this. Notable decreases in key indices, including LTI frequency and cases, as well as zero fatalities for four consecutive years provide demonstrable evidence that we are on the right trajectory.

REFINERY TO TERMINAL & REPURPOSE PLAN

In April 2021, we announced that Engen will be proceeding with its Refinery to Terminal (RTT) conversion initiative. This carefully considered decision was in response to external market forces and significant business challenges facing our refinery, which necessitated a revision of Engen's operating model.

As a responsible business and a committed corporate citizen, we engaged extensively with the Department of Mineral Resources and Energy (DMRE) and the KwaZulu-Natal Provincial Government, on the future of the refinery in our strategic review process. These engagements and the feedback received from Government were valuable and helped inform our terminal conversion proposal.

Our conversion of the refinery to a world-class import terminal is part of our long-term business sustainability strategy to ensure Engen is resilient against future market threats and can respond with agility to new opportunities. It also has a knock-on benefit of a reduction in Scope 1 and 2 emissions and carbon footprint that will contribute towards our environmental stewardship commitments.

The conversion of Enref to a world-class import and product storage facility is on track to be completed by Q3 of 2023.

There are a number of opportunities to repurpose the refinery site that are currently being evaluated taking into consideration the existing services available and its unique location. The repurposing strategy will focus on opportunities to increase economic growth in eThekweni and create new business and employment opportunities that will help support South Africa's post Covid-19 economic recovery. We aim to create a balanced portfolio of implementable and sustainable business opportunities on the site that leverage Engen's core strengths. One of the opportunities being considered is to develop an eco-industrial hub that will produce new products for supply to the market, thus maintaining economic activity and creating re-skilled jobs. We continue to engage with all relevant stakeholders in relation to the repurpose plan and hope to make more tangible announcements in the coming year.



Conversion of Enref to a world-class import and product storage facility is on track to be completed by Q3 of 2023.

MOVING BEYOND

Engen is cautiously optimistic that the worst of the pandemic years are behind us, albeit dampened by recent geopolitical events in Eastern Europe and the rapid rise in energy costs and resultant inflationary pressures. Notwithstanding these factors, which are beyond our control, we will continue to leverage green shoots in consumer spending, the easing of travel and operational restrictions, and overall market growth.

Challenges do however remain. The potential emergence of new Covid-19 variants continues to create uncertainty, while trends towards new forms of mobility and cleaner forms of energy continue to reshape our competitive landscape.

We are seeing encouraging progress in our efforts to grow our 'Foodvenience' business and have exciting new offerings in the pipeline. Furthermore, our initial steps in the new energy space align

with our firm commitment to transition to a lower carbon world, and are pivotal to putting us on a path to achieve our Net Zero emission ambition.

Engen recognises the scale of the task that we face, but we are confident that we have the right people, systems and strategy in place to continue delivering sustainable value for our stakeholders.

LEADERSHIP AND GOVERNANCE

Engen is committed to maintaining excellent standards of corporate governance and to ensuring application of the King IV™ principles. The Engen Limited Board provides an effective oversight function that empowers management to guide the business effectively and efficiently in delivering on its strategy.

For the Board to support the delivery of our strategic ambitions and create shared value, it is incumbent upon us as a collective to attract and retain diverse talent and have an optimal mix of skills and experience. This is key for us to fulfil our fiduciary duties in the best interests of all stakeholders.

This past year we welcomed Nkosemntu Gladman Nika as Independent Non-Executive Director, and member of the Board Audit Risk and Compliance Committee (BARCC) and the Social and Ethics Committee (SEC), effective 1 January 2021. A Chartered Accountant with extensive experience in the mining, banking, IT and petroleum industries, Engen is already benefitting from Nkosemntu's deep knowledge and skills.

I would also like to welcome Seelan Naidoo as Executive Director, effective 1 April 2022. Seelan replaces Yusa' Hassan, who retired on 31 March 2022, after 37 years of esteemed service to PETRONAS, the last five years which were spent as the Managing Director and CEO of Engen Petroleum Limited, and a valued member of the Engen Limited Board. On behalf of the Board, I convey our sincerest appreciation to Yusa' for his outstanding contribution over the past five years. Yusa' served the Board with distinction, and we wish him all the best for the future.

Datuk Sazali Hamzah resigned as Non-Independent Non-Executive Director on 28 January 2022 after one year and six months service. On behalf of the board, I extend a warm word of appreciation to Datuk Sazali for the guidance and insight he afforded Engen over the course of his tenure.

ACKNOWLEDGEMENT AND APPRECIATION

Sincere gratitude is extended to the South African Department of Mineral Resources and Energy for their continuous support and guidance, as well as to all the other state ministries, provincial governments, agencies, and regulators who have an interest in our business. Engen realises enormous benefit from the regular engagements afforded us by government. These have been highly valuable especially with regards to our strategic review process and the options for the future of the Engen refinery.

Engen has an insightful, passionate, and determined group of executive leaders, all of whom understands the evolving energy landscape and both the challenges and opportunities that await. The strength of our Management Committee has, once again, been demonstrated by the excellent job that they have done in steering our company during the year. I thank them all for their commitment in 2021 and wish Acting CEO, Seelan Naidoo and our executive leadership team every success in the year ahead.

Most importantly, my utmost gratitude is extended to Team Engen's diverse, loyal and dedicated employees who, time and time again, have proven their strength, competence and grit to rise above the most difficult challenges, particularly amid the difficulties caused by the global pandemic.

FINAL WORDS

As our industry undergoes a fundamental shift, the Engen Limited Board is motivated by both the new challenges and opportunities that are arising. Working with my colleagues on the Board and Engen's dynamic leadership team, I am determined to ensure that the company continues to act as a responsible and reliable provider of our core petroleum products, even as it seeks new growth opportunities in the new energy space. I am equally determined to ensure that we continue to enrich our valued customers' everyday lives through our focus on related convenience services and by being firmly committed to acting as an agent of positive of change in the communities in which we operate.

Engen's performance in 2021 has shown that we have the strategic and operational resilience to flourish in a volatile, uncertain, complex, and ambiguous world. In the context of the profound social and economic challenges that we continue to face, I am confident that Engen is well-placed to meet these challenges and continue to deliver on its stated purpose, 'A Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future.'

Ahmad Adly Alias
Chairman





CEO's Statement

The year under review was another challenging period for Engen as we sought to recover from the impact of Covid-19, and from the impact of the unfortunate fire at our refinery on 4 December 2020. We also had to contend with the social unrest that engulfed large areas of KwaZulu-Natal and parts of Gauteng in July and the resultant impact on our supply chain out of the port of Durban to the inland area.

Despite this, the organisation rose to the occasion to skilfully navigate these disruptions. We acted swiftly in activating our Business Continuity Plan (BCP) to ensure an uninterrupted, safe and secure supply of our world-class petroleum and petrochemical products to our customers.

STRONG BUSINESS PERFORMANCE

Amid this challenging operating environment, we mustered our collective strength to deliver strong business results, propelling Engen to achieve one of its best performances in 2021. This substantially stronger showing year-on-year drew from the broad economic recovery, higher energy prices and the impact of our Beyond 2020 strategy.

We recorded R5 997m Profit Before Tax (PBT), which is a growth of 135% compared to 2019, as a comparable year. This is Engen's highest PBT in recent history, an achievement that was made possible by various strategic initiatives across the business, including core business activities, a greater focus on Foodvenience and the Refinery to Terminal conversion, as well as the one-off impact of inventory revaluations.

Our volume performance of 8.7 billion litres was 7% above plan and only 1% behind our pre-pandemic volume performance. This is excellent particularly when considering that across our various markets, economies are still in the early stages of recovery and are only estimated to return to pre-pandemic levels around 2024/2025.

This exceptional volume performance was central to growing our petrol market share to 27.7%. This affirms our Beyond 2020 strategy which places an unrelenting focus on our customer, innovative product offerings and overall superior customer value proposition. [For further information, please turn to page 74 of the report.](#)



STEPPING UP IN TOUGH TIMES

As a key measure of customer service, we endeavour to continually improve on OTIF (On Time in Full), our supply chain reliability measurement of how often Engen delivers the customer order in the agreed time. OTIF allows us to determine how well we service our dealers and commercial customers by measuring how well we fulfill orders that are placed with us.

Despite uncontrollable factors such as the pandemic and the social unrest, including disruptions to the Transnet pipelines, our OTIF average for the year was 96% for fuels, a remarkable improvement under the circumstances from 93% in 2020.

MOVING BEYOND

As part of our 'Stepping Out' strategic initiatives, we continued our Foodvenience transformation journey in 2021, launching new instore offerings to improve performance and customer experience and concluding the de-branding of Corner Bakery.

As a result, we achieved our highest ever Foodvenience revenue of R813m, which was 14% above plan and 25% above 2020. This is a significant achievement and testament to the continued improvement in our Foodvenience offering, the roll-out at new sites and the efficiency of our operations.

We acted swiftly to address the challenges, successfully activating our Business Continuity Plan (BCP) to ensure an uninterrupted, safe and secure supply of our world-class petrochemical products .



POWER OF THE ENGEN BRAND

Though many of our competitors try to emulate us, they come up short in delivering the magic that has earned Engen enduring brand loyalty from our customers.

This is evidenced by our brand equity performance continuing to outpace our competitors. Engen was the only major petroleum brand to have positive momentum on equity over the past year. The gap to the nearest competitor has also widened. This is an outstanding achievement given the prevailing economic climate.

VALIDATION BY OUR CUSTOMERS

Our obsession with customer service and commitment to creating products, processes, policies and a culture that supports customers with a great experience from their initial discovery to point of purchase and beyond was also key to us maintaining our leadership position in our Retail customer Net Promoter Score (NPS) for the past 4 years.

Furthermore, Engen was voted South Africa's Coolest Petrol Station by the country's youth in the Sunday Times Generation Next, for the 12th consecutive year in 2021. Coming amidst a pandemic that has affected all South Africans and particularly altered the lifestyles and financial security of the youth, this affirmation attests to the consistency of Engen's values and commitment to client-centric offerings, innovation, and sustainability.

Engen was voted South Africa's Coolest Petrol Station by the country's youth in the Sunday Times Generation Next, for the 12th consecutive year in 2021.

That the youth continue to appraise the Engen brand so highly speaks to our investment in being able to deliver on their expectations in terms of value for money while simultaneously aligning with their values. Our insights into Generation Z (or those born between 1997 and 2012), indicates that they generally identify with young, tech-savvy organisations, offering services which make their lives easier and saves them money. They also connect with businesses which are aligned with their values and demonstrate heightened concern about the environment, climate change and natural disasters.

REFINERY TO TERMINAL

Following intense deliberation and wide consultation, we announced our decision in April 2021 to convert our Refinery into a world-class import terminal. This decision will result in significant value growth in the business while reducing our Scope 1 and 2 carbon emissions by approximately one million tons per annum.

The decision to accelerate conversion of our refinery also allowed us to progress our Refinery Repurpose initiatives, with the Engen Limited Board approving further evaluation of 5 key mega initiatives as well as a further 6 initiatives to be further developed that will potentially unlock considerable long term value for the business. These initiatives will contribute towards growth of revenue from new sources (albeit integrated with our existing operations) and provide Engen with considerable growth optionality.

Further opportunities for energy efficiency and GHG reduction beyond the RTT project will be considered as our Refinery explores its repurposing activities, and we are also reviewing our business holistically to target energy efficiency improvement opportunities. This signals our commitment to further reduction of CO2 emissions and achieving Net Zero emissions by 2050 in line with PETRONAS' 50.30.0 targets - 50% Value, 30% Growth and Net Zero Carbon Emissions. [For further information, please turn to page 138 of the report.](#)

ENVIRONMENT, SOCIAL AND GOVERNANCE

This is another key focus area for Engen. In 2021, we unveiled our Sustainability Agenda, which has been developed considering the environment within which we operate as well as aligning to PETRONAS' four Sustainability Lenses, which are: Continued Value Creation, Safeguard the Environment, Positive Social Impact, and Responsible Governance.



Nine of the seventeen SDG goals were selected as focus areas and form the basis for the Engen Sustainable Development Framework. Targets and roadmaps for implementation have been developed, with an Engen General Manager appointed as a sponsor to each focus area to ensure momentum and support for the implementation of the initiatives. [For further information, please turn to page 112 of the report.](#)

HSEQ

Ensuring the health and safety of our employees, partners and customers is paramount. The need for effective health and safety measures has never been greater than over the past two years in the face of Covid-19. In 2021, we continued to refine our operating procedures and invest in training to ensure the development of an effective Health, Safety, and Environment (HSE) culture at Engen.

Although we met and exceeded some of our HSEQ key performance indicators (KPI), we regrettably experienced several major LOPCs, which negatively impacted our overall HSEQ performance.

HSEQ remains our licence to operate. We therefore must continue striving for Zero incidents.

[For further information, please turn to page 121 and page 142 of the report.](#)

B-BBEE AND TRANSFORMATION

We continue to make progress in the socio-economic transformation aspect of our corporate strategy, making investments in transformation initiatives that lead to the creation of sustainable jobs, skilled entrepreneurs and community upliftment.

We are very proud that for the second consecutive year, Engen was externally and independently certified as a B-BBEE Level 1 contributor for the FY 2021. This means all our clients can enjoy 135% Procurement benefit recognition for every ZA Rand they spend with us and thereby positively contribute to their respective B-BBEE scorecards.

Our B-BBEE Procurement spend on entities that are more than 51% black owned was 79.8% of total spend in FY 2021, and 75.2% on entities that are 30% black women owned. With concentrated efforts towards introducing new black owned suppliers into our Supply Chain, our B-BBEE procurement spend may improve further in FY2022.

We continue to make progress in transforming ownership of our South African retail network, with 53% of our sites black-owned and 10% black women owned. This is testament to the efficient integration of transformation imperatives in our retail processes.

From an employment equity perspective, we continue to implement strategic transformation initiatives to address gaps on each occupational level in line with the Economic Active Population (EAP) targets published by Statistics South Africa (Stats SA). Approximately 91% of our current workforce are from Previously Disadvantaged groups, with the gender split 66:34 male to female, and 3% of people employed being classified disabled.

OUTLOOK

Engen is cautiously optimistic about the business outlook, notwithstanding several uncontrollable geopolitical factors in early 2022 that are eroding consumer confidence. Our optimism about the outlook for the year ahead is based on a realistic assessment of the potential risks and vulnerabilities that we face as a business. Our strategic direction and refined processes leave us well positioned to manage contingencies.

Our growth will continue to be driven by our Beyond 2020 strategy as we evolve beyond our role as South Africa's leading fuel retailer towards becoming a service provider, dedicated to delivering a seamless customer experience across our business. By making a valuable difference to our customers everyday lives, we will deliver our enduring brand promise of "With us you are Number One".

ACKNOWLEDGEMENTS

Firstly, I wish to thank our customers for their unwavering support of our products and services. Engen is because of you. My team and I are determined to continue working to deserve your confidence and respect.

I would like to thank every Engen employee for their immense effort and commitment in ensuring that the company achieves its objectives. I am heartened by our results for many reasons, but primarily because I know of the crucial role that we all played in our achievement. We did not allow external factors to dictate our performance. We took our destiny into our own hands and worked together to make it possible.

On behalf of the Engen Management Committee, I wish to express our gratitude to our shareholders who have continued to express their confidence in us.

I also express my deep appreciation to my predecessor, Yusa' Hassan, for his skilful steering of Engen during his five-year tenure as Managing Director and CEO, which ended on 31 March 2022.

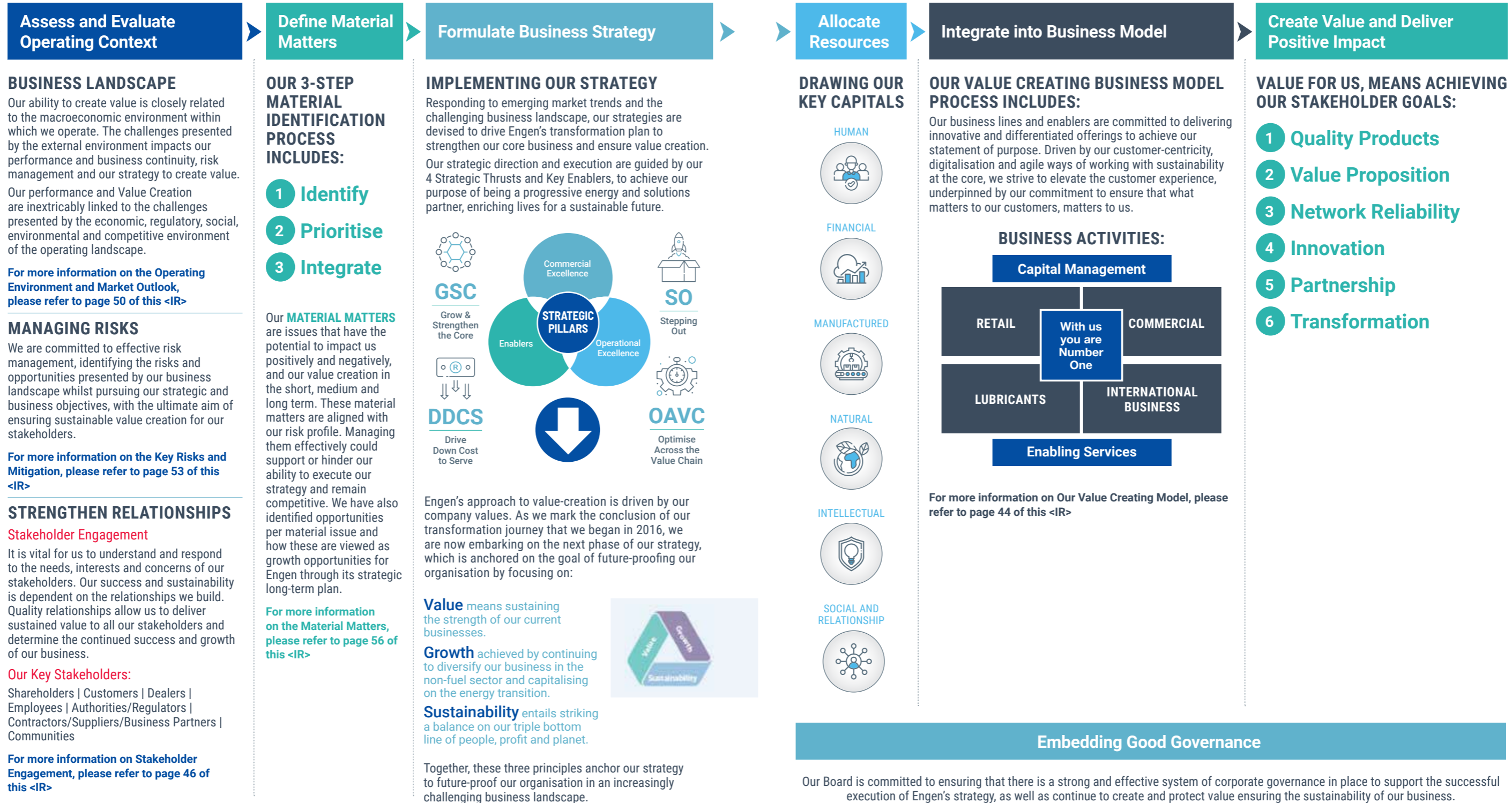
Our results would be praiseworthy under the best of circumstances but to have done so during such a challenging period is testament to Engen's grit and strength of character. We again showed that through agility and resilience we can overcome any hurdle and contribute to the further growth of this formidable organisation; growth that will be driven by our transformation strategy as we embrace the transition to cleaner forms of energy, grow and diversify our non-fuel business and accelerate digitalisation.

Overall, our 2021 performance is commendable and a building block which will propel Engen to greater heights. I have no doubt that we can do it, by working together as we have done over the years, and by focusing on maintaining our momentum to capitalise on the opportunities ahead.

Seelan Naidoo
Acting Ceo



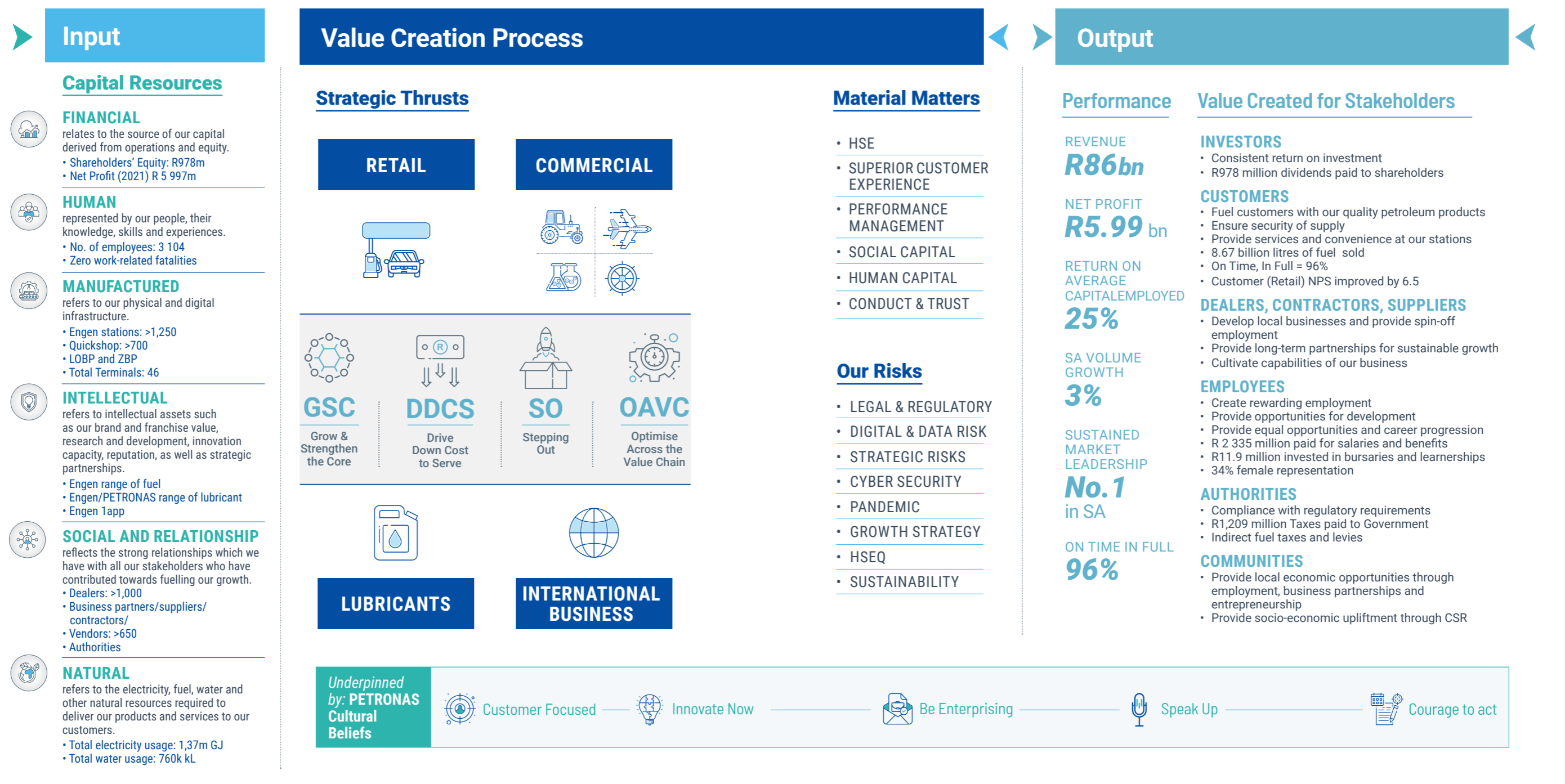
Our Approach to Value Creation



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.

STATEMENT OF PURPOSE: A Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future.



Stakeholder Engagement

Stakeholder engagement is important for Engen in identifying and understanding the expectations of our stakeholders.

As South Africa's leading retailer and marketer of downstream petroleum products, we have 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 as shown below:

SHAREHOLDERS

Why We Engage?

To provide fair, balanced and timely material updates to maintain trust and confidence as well as to allow informed decision making.

Areas of Interest	Engagement Platform	Key Themes (2021)
<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 Strategic Review Value creation Socio-economic transformation 	<ul style="list-style-type: none"> Board & Sub Committee Meetings Quarterly reviews Direct Reporting by MD/CEO Executive Committee Meetings 	<ul style="list-style-type: none"> Optimisation of capital structure Review of balance sheet Strategic guidance Covid-19 impact
		Frequency
		<ul style="list-style-type: none"> Quarterly

CUSTOMERS

Why We Engage?

As a customer centric organisation, we must understand the needs and behaviour of our customers to ensure we deliver solutions that delight them.

Areas of Interest	Engagement Platform	Key Themes (2021)
<ul style="list-style-type: none"> Customer's 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 Business continuity 	<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"> Covid-19 Safety Measures New Fuel Additive Benefits Specials: <i>Quicksave Grab & Go, Everyday Quick Value etc.</i>
		Frequency
		<ul style="list-style-type: none"> Day-to-day

DEALERS

Why We Engage?

Dealers are our critical business partners and an extension of our network so we must ensure our strategies and business plans are aligned.

Areas of Interest	Engagement Platform	Key Themes (2021)
<ul style="list-style-type: none"> Economic outlook Strategic direction, business growth and opportunities Customer experience Operational efficiencies Safety and health Workforce development Governance and business ethics Socio-economic transformation Sustainability matters Technology and digital transformation 	<ul style="list-style-type: none"> Dealer conferences, events, dialogues, roadshows, engagement sessions, station site visits, webinars. Training sessions Dealer Extranet - https://myengen.engenoil.com Corporate website – www.engenoil.com 	<ul style="list-style-type: none"> Covid-19 Safety Measures Inventory Management Marketing Support New Fuel Additive
		Frequency
		<ul style="list-style-type: none"> Weekly Monthly Annually

EMPLOYEES

Why We Engage?

We cascade business direction and performance expectations while enabling open communications to ensure employees are engaged and highly motivated.

Areas of Interest	Engagement Platform	Key Themes (2021)
<ul style="list-style-type: none"> Business direction and performance Employment acquisition retention Work life balance Welfare and benefits Capability and career development Improved diversity and inclusivity Corporate integrity and ethics Health, safety, environment Technology and digital transformation Sustainability matters Human rights Brand ambassadorship Institutionalization of the Stakeholder Engagement Framework Reputation Management 	<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"> Work From Home Covid-19 Safety Measures Engagement with Executive Management (Let's Chat) Section 189 with ENREF staff
		<p>Frequency</p> <ul style="list-style-type: none"> Monthly Quarterly Periodic engagements

GOVERNMENT/AUTHORITIES

Why We Engage?

We operate in accordance with all regulatory requirements to ensure our operations are safe and comply with standards of good practice.

Areas of Interest	Engagement Platform	Key Themes (2021)
<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 National and Provincial economic impact Compliance Licensing 	<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"> Future of refinery Security of Supply Compliance Engagement on Fire Incident
		<p>Frequency</p> <ul style="list-style-type: none"> Periodic engagements Monthly Quarterly Annually

BUSINESS PARTNERS/SUPPLIERS

Why We Engage?

Engaging with our business partners and supply chain providers means that we can ensure effective business collaboration, including upholding our safety standards and compliance.

Areas of Interest	Engagement Platform	Key Themes (2021)
<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 Transformation imperatives Strategic partnerships 	<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"> Covid-19 Safety Measures B-BBEE & Transformation Vendor Management
		<p>Frequency</p> <ul style="list-style-type: none"> Day-to-day engagements Quarterly Periodic engagements Regular interactions

COMMUNITIES

Why We Engage?

We aim to build sustainable mutually beneficial relationship that positively contribute to business viability in the long-term, as well as to demonstrate our commitment to enriching the lives of the communities in which we operate and to protect the environment.

Areas of Interest	Engagement Platform	Key Themes (2021)
<ul style="list-style-type: none"> Corporate Social Responsibility Employment opportunities Local content Safety and health Regulatory compliance Environment Products and services availability Customer experience Technology and digital transformation Sustainability matters Human rights Social Licence 	<ul style="list-style-type: none"> Community engagement and outreach programmes Joint Engen vs Community Engagement Forum 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"> Refinery Fire Social Investment Humanitarian Aid
		<p>Frequency</p> <ul style="list-style-type: none"> Quarterly (via Engen Community Stakeholder Forum) Bi-Weekly (Post Enref Fire)

Our Operating Context

The operating environment constitutes the economic, political, regulatory, technological and broad business environment in which our company operates. Engen's profitability and ability to sustain its performance is strongly affected by its operating environment.

Three key factors influenced Engen's operating environment in 2021, namely:

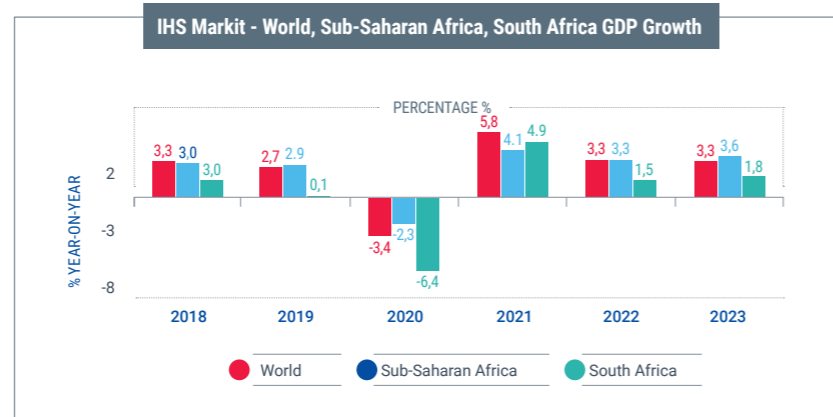
1. Global health pandemic and the economic impact caused by measures to control the spread of Covid-19;
2. Social unrest in KwaZulu-Natal and parts of Gauteng in July 2021; and
3. Transport disruptions, arising from the unrest, a cyberattack on Transnet and resulting damage to the Port of Durban.

A Disrupted Economic Recovery and a Muted Growth Outlook

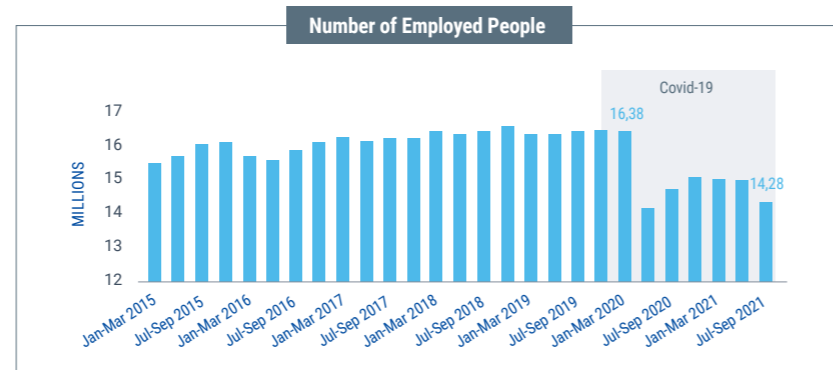
What Happened

Despite periodic waves of Covid-19 infections, global real GDP growth showed a strong recovery in 2021. Growth, supported by strong recoveries in the US and China, was estimated at 5.8% for 2021.

Domestically, mitigation measures introduced to contain the spread of the virus, the social unrest in July 2021 and associated transport disruptions due to the cyberattack on Transnet and the resulting damage to the Port of Durban, and the return of electricity supply disruptions during Q4 2021 had a significant impact on business activity. Against this backdrop, the South Africa economy grew by 4.9% in 2021.



Source: IMF, Stats SA

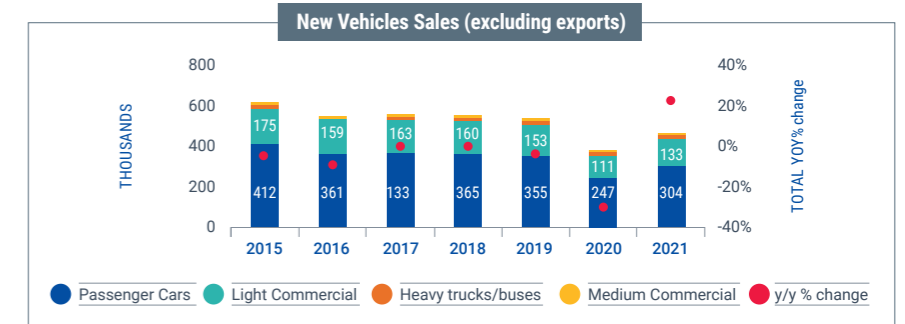


Source: Stats SA

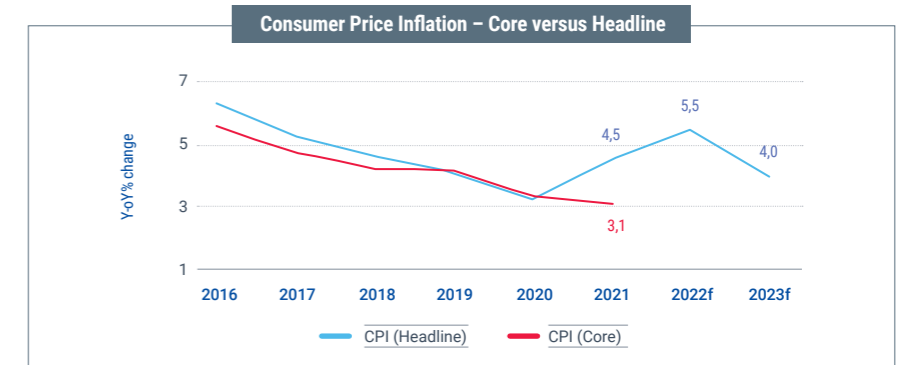
Moderate Recovery in New Vehicle Sales

What Happened

Following a contraction of almost 30% in 2020, year-on-year domestic total new-vehicle sales rebounded by 22% in 2021. Recovery was driven by demand in passenger and light commercial vehicles. However, new passenger car sales were still below pre-pandemic levels in 2021.



Source: Lightstone Autostats

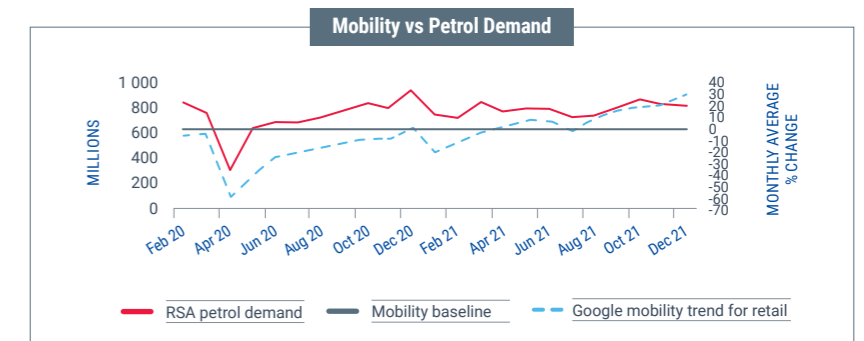


Source: Ber

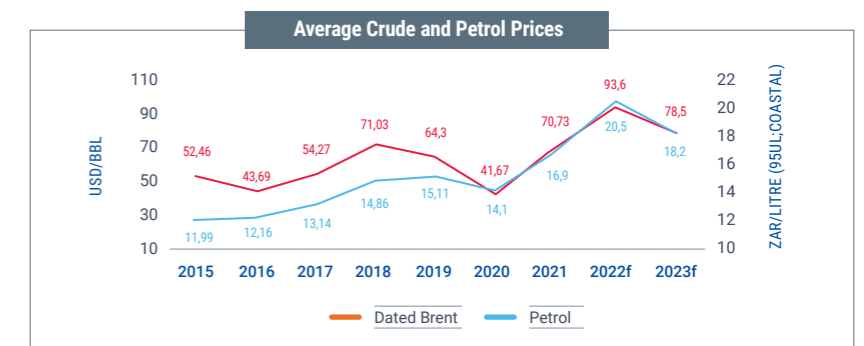
Oil and Oil Product Demand Continue to Recover

What Happened

Following the collapse in global crude oil prices in 2020, driven by a sharp recovery in demand and tight supply fundamentals, prices recovered by almost 70% in 2021. South Africa's petrol prices increased by almost 20% on the back of increasing global crude oil price movements. Softer measures taken to manage the pandemic compared to 2020 supported the recovery in the uptake of transport fuels. Demand for petrol recovered by 7.1% compared to 2020. Whilst Google activity trackers show a sustained increase in mobility, demand for petrol was still 8.5% below pre-pandemic levels.



Source: Google Mobility Trends; DMRE

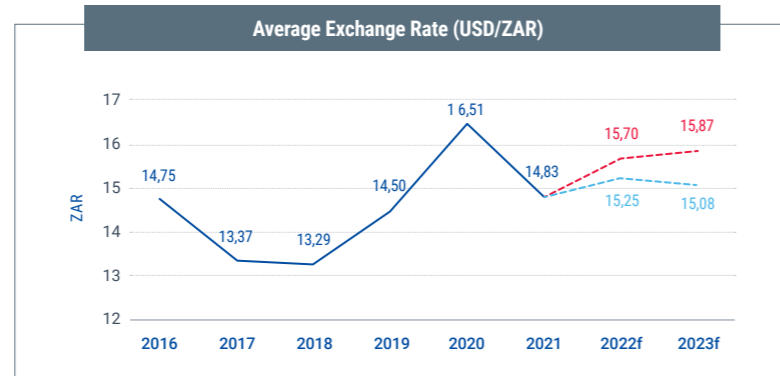


Source: S&P Global Platts; BER

Rand/US\$ Exchange Rate – ZAR Volatility to Continue

What Happened

The local currency strengthened by more than 10% against the US dollar in 2021. The local currency was supported by strong commodity prices during this period.



Risk & Materiality

Engen is committed to becoming a risk resilient organisation. To achieve this, we continuously strive to implement:

- Risk management best practices that protect and create value within set boundaries.
- Risk based decision making by providing a balanced and holistic view of exposures to achieve business objectives.

Engen is committed to ensure effective risk management in pursuit of our strategic objectives. Risk management is embedded into our key decision-making processes and day-to-day activities to ensure that our organisation is resilient and creates sustainable value for our stakeholders.

We apply the PETRONAS Resilience Model (PRM), which is an integrated risk management approach. PRM is aligned to best practice frameworks, including International Standard on Risk Management (ISO 31000) and Enterprise Risk Management (ERM) Framework published by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission. Additionally, the requirements of King IV Report on Corporate Governance for South Africa 2016 (King IVTM) are applied.



GOVERNANCE OF RISK

The Engen Limited Board retains overall accountability for governance of risk, provides direction on risk management philosophy, and approves risk appetite and tolerance levels. The Board has delegated the Board, Audit, Risk and Compliance Committee (BARCC) to oversee and direct effective implementation of risk management through the Enterprise Risk Management function.

The Management Committee ensures organisational resilience through effective mitigation of the impacts of the ever-changing business risks associated with value creation processes within the local and global economies. Through proactive risk management, we anticipate risks and respond with agility to effectively preserve value and realise opportunities.

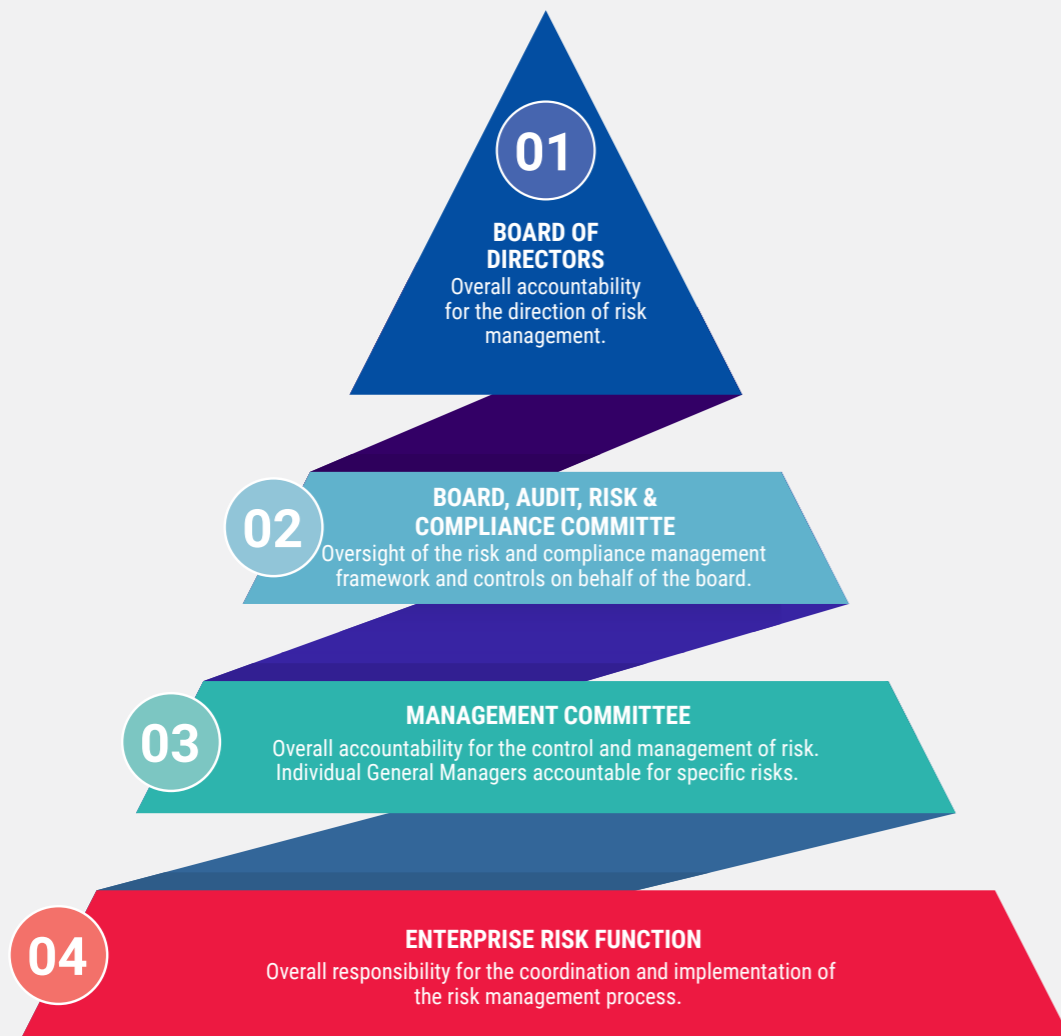
Our goal is to protect People, Environment, Assets and Reputation (PEAR) and to create value through our business and support activities. This requires us to objectively manage risk exposure in all areas of the value chain.

We identify, assess, treat, monitor and report on risks and emerging risks and opportunities in accordance with our ERM Framework, which is designed to ensure that we anticipate and respond to risk in a standardised and systematic way.

Our Integrated Crisis Management Framework and associated plans provide a comprehensive approach to managing crisis arising from an incident or emergency that has significant impact on the organisation's normal operations: impacting PEAR which could result in significant business disruption. Our Business Continuity Management Framework and plan enable building resilience and capability for effective resumption of business after a prolonged disruption to ensure business obligations are met. This ensures that the interests of Engen's key stakeholders, reputation, brand and value-creating activities are safeguarded.

Our goal is to protect People, Environment, Assets and Reputation (PEAR) and to create value through our business and support activities.

Risk Oversight



To achieve this, the BARCC and top management ensures allocation of appropriate resources for risk management. These include:

- People, skills, experience and competence;
- Organisational processes, methods and tools to be used for managing risk;
- Documented processes and procedures;
- Information and knowledge management systems; and
- Professional development and training needs.

Our key risks are monitored through a well-established and entrenched risk management system and process. Three lines of defence work together to ensure effective management of the organisation's risks:

First Line: Risk Owners

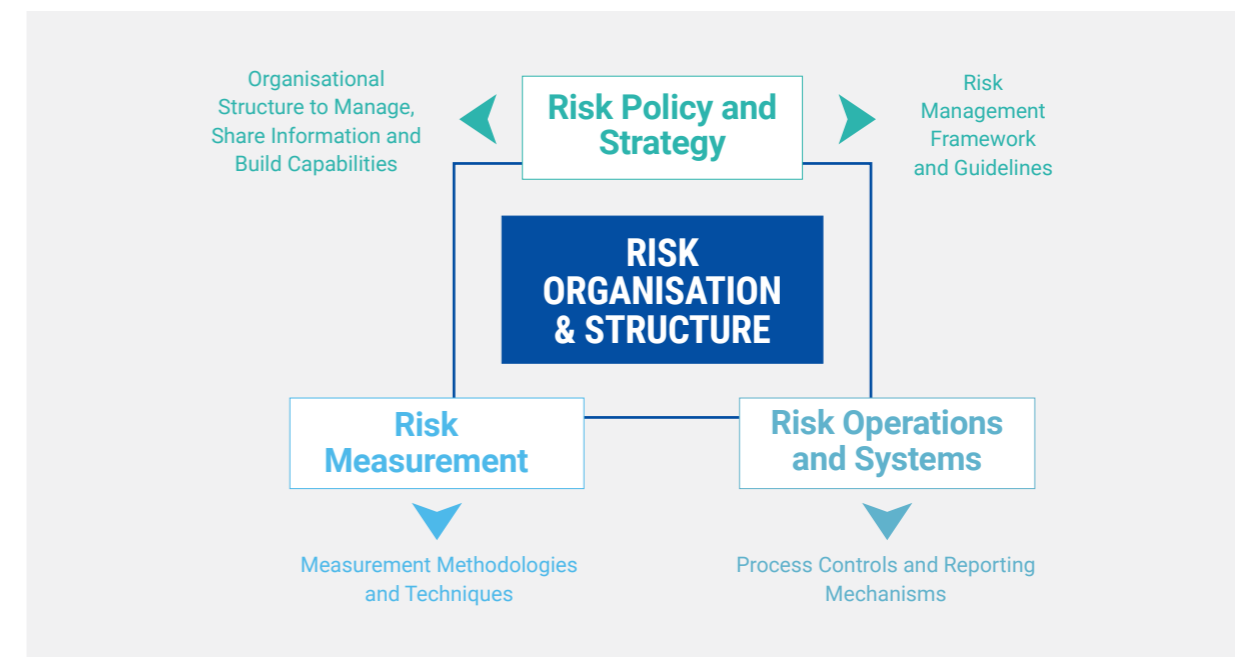
Business leaders perform self-assessments to validate process results against their functions strategic goals.

Second Line: Risk Control and Compliance

Control functions independently verify that processes perform according to defined expectations and adhere to internal and regulatory requirements.

Third Line: Internal Audit

Internal audit, leveraging risk and compliance assessments, conduct independent assurance of processes.



Managing Material Matters

Engen's strategies and decisions are based on material matters that influence the achievement of business objectives. They are the principal economic, social and environmental issues that give rise to opportunities and risks that have the most impact on our ability to create sustainable value for our stakeholders. Our aspiration, however, goes beyond the expectations of our stakeholders by delivering innovative and future-proof solutions. The table below describes the management's approach to addressing these matters for optimal long-term growth.



1. Health, Safety and Environment

Why it is important 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.

What are the Risks

The Covid-19 pandemic introduced more stringent safety and health requirements. Failure to adequately manage HSE risks may result in injury and health issues to our customers, dealers, employees, contractors, 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.

What are the Opportunities

By having a strong HSE performance, prioritisation of areas for continuous improvement, and ability to quickly adapt to new operating environment, we maintain safe and reliable operations which provides us with a competitive edge in the market while managing its impact to our stakeholders and the environment. Attention to our stakeholders' safety, health, security and well-being will be an opportunity for us to continuously operate in a safe and responsible manner.

Our Response

Engen prioritises HSE and aims for Zero HSE incidents. We duly recognise our corporate responsibility as the leading Southern African petroleum company to balance the issue of climate change with the challenge to sustainably produce quality petroleum products. Our team has swiftly responded to the crisis in ensuring the safety of our employees, dealers, partners and customers are not compromised during this period e.g. frequent sanitisations, social distancing at our facilities, and support system to our employees during the Work From Home period.

Capital



Strategy

GSC DDCS OAVC

Stakeholders

Shareholders, Employees, Communities, Dealers, Authorities, Business Partners, Suppliers

2. Superior Customer Experience

Why it is important to us

It is important that our evolving customers' requirements and preferences be addressed as they are the key to our business success. This includes all aspects such as product quality, delivery, differentiated offerings and convenience.

What are the Risks

Addressing the evolving customers' needs and expectations are critical in maintaining our competitive position and to promote growth. We must be quick to adapt to the changing customer's behaviour and digital advancements in order to meet the needs and provide convenience to our customers especially in the next normal. Exposures arising from cyber threats may also lead to a breach of information security and adversely impact our business operations.

What are the Opportunities

By offering products of unparalleled 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 while tapping into the new low-touch economy. This will help us protect our position in core markets as well as extend our reach into emerging markets.

Our Response

Delivering superior customer experience is a strategic priority for Engen, expanding our offerings to cater for the new rising customer's need, while transforming customers experience through digitalisation initiatives and collaboration with partners in order to promote low touch economy and ride on the e-commerce uprising.

Capital



Strategy

GSC SO

Stakeholders

Dealers, Customers, Business Partners, Employees

3. Performance Management

Why it is important to us

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

What are the Risks

We must ensure timely response to changes in the economic and market environment to remain competitive as well as to deliver our strategy and performance. Robust cashflow and inventory management is required to ensure a healthy financial position during crisis. Operational and reliability interruptions including nonavailability of supply and services could lead to business disruption and financial loss.

What are the Opportunities

Striving for operational efficiencies ensures a competitive advantage for our brands in the market. Maintaining healthy cashflow by cutting unnecessary expenses and optimising the value chain ensures we remain robust during times of crisis. The ability to respond quickly to market changes and having flexibility in our strategy allows us to capitalise on new emerging trends and take advantage of lagging competitors' response.

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 maximise cash generation, fuel growth and set the trajectory moving forward.

Value Creation Measurements

- Total Volume
- Profitability
- ROACE
- Cashflow
- Inventory turn-around

Capital



Strategy

GSC DDCS OAVC SO

Stakeholders

Shareholders, Employees, Communities, Dealers, Authorities, Business Partners, Suppliers

4. Social Capital

Why it is important 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. We support the development and well-being of the communities around us.

What are the Risks

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.

What are the Opportunities

Behaving in a socially responsible manner allows us to support the goals of our stakeholders in creating positive social impact. This opens opportunities for collaboration with social entrepreneurs and enables us to develop communities and generate a win-win situation for all parties.

Our Response

Engen continues to invest in CSR programmes as part of our commitment to contribute back to the people and communities residing in areas where we operate. We are also committed to avoid complicity in potential human rights violations in our relationships with dealers, contractors, suppliers and the community. In light of the Covid-19 pandemic, we extend our support to organisations that support social causes.

Value Creation Measurements

- Number of CSR programmes
- Dealers development
- SME development

Capital



Strategy

GSC DDCS OAVC SO

Stakeholders

Investors, Employees, Customers, Contractors, Dealers, Business Partners, Suppliers

5. Human Capital

Why it is important to us

Our employees are key in delivering our strategies, and our most valuable asset.

What are the Risks

We must attract, develop, and retain the best talent to ensure sustainable business performance and deliver growth.

What are the Opportunities

Having the best talent will enable us to be nimble and agile in responding to changes in our operating environment.

Our Response

We continuously invest in the development and capability of our human capital as one of our prime assets to grow together with the Company.

Value Creation Measurements

- Workforce development
- Training
- Internship/Onboarding programme
- Coaching

Capital



Strategy

GSC DDCS OAVC SO

Stakeholders

Employees

6. Conduct and Trust

Why it is important to us

We believe 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..

What are the Risks

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. Safeguarding the data and privacy of our customers and our business is paramount in instilling trustworthy relationships.

What are the Opportunities

Establishing a corporate culture which inculcates ethical conduct and being respectful of our customers, partners, and company's data privacy and security will enable us to build trust with our stakeholders to uphold our image and reputation.

Our Response

We have adopted the PETRONAS CoBE, the ABC and Data Privacy policies with mandatory training to all our employees. These policies ensure that the conduct of Engen and its employees are consistently carried out ethically and with integrity. This is in addition to oversight from the Engen Limited Board for transparent decision making.

Value Creation Measurements

- Total Volume
- Audits
- Training programme related to CoBE/ABC/Data Privacy/Cyber Security/Corporate Liability
- Coaching

Capital



Strategy

GSC SO

Stakeholders

Shareholders, Employees, Communities, Customers, Authorities, Dealers, Business pPartners

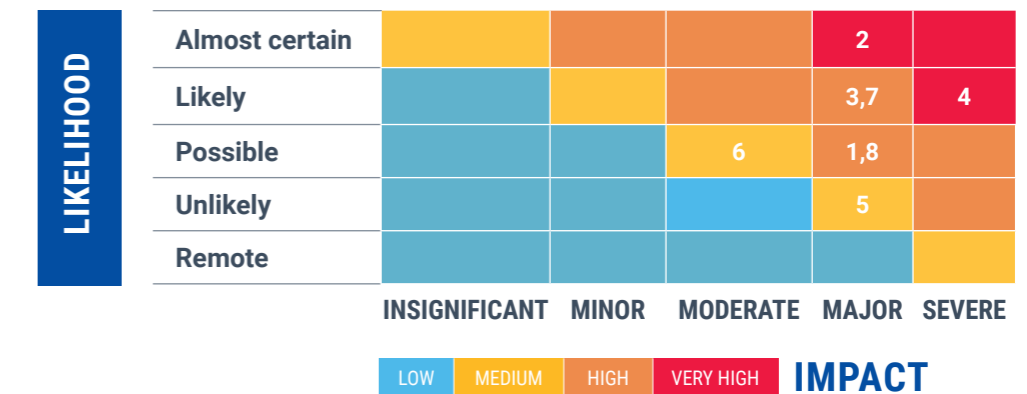


Key Risks and Mitigation

Our risk profile is a critical element of our business strategy. Top risks are identified with due consideration of both our ever-changing external and internal operating context.

The heatmap below sets out our top risks as identified through the risk management process. The risks are mapped according to their residual risk ratings, which is the remaining exposure after all the mitigations have been applied. The current high residual risk ratings are due to the macroeconomic environment, which constitute external factors beyond management's control.






Underpinned by a clear risk appetite, the identified key risks above are actively managed using a consistent approach across the Company, which is aligned with our strategic objectives. The key developments surrounding these risks are explained on the following page:



KEY RISKS SUMMARY	
1. Legal and Regulatory	5. Pandemic
2. Digital & Data Risk	6. Growth Strategy
3. Strategic Risk	7. HSEQ
4. Cyber Security	8. Sustainability

1. LEGAL AND REGULATORY

Changes and complexity of legislation, and changes in the business model could negatively impact the level of compliance with key legislation and potentially increase the cost of compliance and reduce level of competitiveness in concerned industries.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
 <p>GSC Grow & Strengthen the Core</p>  <p>SO Stepping Out</p>  <p>DDCS Drive Down Cost to Serve</p>  <p>OAVC Optimise Across the Value Chain</p>	<ul style="list-style-type: none"> Address risks of non-compliance through sound control and preventive measures; multidisciplinary compliance programmes; proactive monitoring of changes in the regulatory landscape; and compliance with applicable laws and good governance practices A legal compliance culture among employees, and extended to dealers, business partners, and contractors by leadership through ethical code of conduct, policies and procedures 	<ul style="list-style-type: none"> Loss of license to trade Potential to incur fines/penalties Reputational damage
<p>IMPACT TO CAPITALS</p> 		

2. DIGITAL & DATA RISK

Inability of Digital Transformation Programme to deliver its business case goals, and objectives.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
 <p>GSC Grow & Strengthen the Core</p>  <p>SO Stepping Out</p>  <p>DDCS Drive Down Cost to Serve</p>  <p>OAVC Optimise Across the Value Chain</p>	<ul style="list-style-type: none"> Sound programme governance controls that are centralised with an integrated plan to manage all interdependencies and the integration of solutions or initiatives. Project risks, benefits, changes and resource management are actively tracked through a Programmed Management Office Change management practices to achieve organisational data and digital culture that drives new ways of working, enables the offering of differentiated services and creates a sustainable data universe 	<ul style="list-style-type: none"> Financial loss Business disruption Negative impact on customer experience Impeding strategy execution Lost opportunity to monetize value from data and achieve the digital transformation ambition
<p>IMPACT TO CAPITALS</p> 		

3. STRATEGIC RISK

Targeted business opportunities and value creation through new revenue streams that support job preservation aspirations and community upliftment not being realized.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
 <p>SO Stepping Out</p>	<ul style="list-style-type: none"> Strong project governance and monthly steering committee meetings Continuous review of process efficiency and cost optimization Ongoing internal stakeholder engagement Engage government, technology and industry players in various supply chains to secure partnerships for funding, collaboration on localized solutions and other support Active resource management, including retooling, reskilling, and redeployment of employees 	<ul style="list-style-type: none"> Reputational damage Loss of market relevance Financial loss
<p>IMPACT TO CAPITALS</p> 		

4. CYBER SECURITY

Intensifying cyber security risk arising from the ever-changing cyber threat environment and increase in attacks globally and locally, the changing business landscape, and increasing 3rd party data usage may result in business, financial, reputation and opportunity loss.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
 <p>GSC Grow & Strengthen the Core</p>  <p>SO Stepping Out</p>  <p>DDCS Drive Down Cost to Serve</p>  <p>OAVC Optimise Across the Value Chain</p>	<ul style="list-style-type: none"> Prevention of malware delivery and execution Continuous improvement of security maturity Vulnerability and patch management Recovery strategies, including processes for crisis management, disaster recovery and security incident response Maturing the Security Operations Centre (SOC) and integration with the PETRONAS cybersecurity defence and intelligence centre Maturing Engen's risk-based vulnerability management Building an internal cybersecurity skills pipeline Ongoing security awareness leveraging on the PETRONAS SWITCH platform and phishing simulations 	<ul style="list-style-type: none"> Abuse or compromise of privileged user access Supply outages; disruption to the logistic network and trade flows Disruption to business operations and associated losses Loss/leakage of critical data Penalties and damage to reputation Financial loss due to potential fraud Opportunity loss due to system downtime
<p>IMPACT TO CAPITALS</p> 		

5. PANDEMIC

Prolonged Covid-19 impact jeopardising achievement of business targets.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
 <p>GSC Grow & Strengthen the Core</p>  <p>SO Stepping Out</p>  <p>DDCS Drive Down Cost to Serve</p>  <p>OAVC Optimise Across the Value Chain</p>	<p>Several mitigations in the following categories (Financial, Strategy and Sales Volumes, Assets, People) have been implemented and are monitored and the mitigation strategies are adjusted accordingly where necessary, including:</p> <ul style="list-style-type: none"> • Cost containment measures • Daily cashflow planning • Close monitoring of trade receivables • Monitoring of liquidity • Daily monitoring of sales volumes • Align optimal stock with demand changes • Monitoring of market trends to adjust strategy timely • Minimum manning at the plants • Heightened HSEQ measures • Provision of PPE to staff members • Cybersecurity awareness training 	<ul style="list-style-type: none"> • Reduction in demand: low market activity during lockdown in South Africa and the other countries within Engen's ecosystem • Changes in customer behaviour, reduced customer baskets due to high levels of unemployment and other socio-economic effects of Covid-19 • impacting customer disposable income • Compromise to the workforce (Engen and Affiliates, suppliers and customers) • Supply outages; disruption to logistic network and trade flows

IMPACT TO CAPITALS



6. GROWTH STRATEGY

The current depressed economic climate and changing customer preferences could impact the achievement of growth strategy, including Foodvenience.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
 <p>GSC Grow & Strengthen the Core</p>  <p>DDCS Drive Down Cost to Serve</p>	<ul style="list-style-type: none"> • Enhance products and services by expanding new product offerings • Offer competitive pricing and attractive sales packages. • Enhance business strategies to address new needs • Create solutions to continue delighting customers • Diversify business portfolio and strategy focusing on value creation • Digital initiatives and loyalty programmes to encourage sales 	<ul style="list-style-type: none"> • Decrease in profit margin • Loss of market competitiveness • Insufficient cash flow • Missed business opportunities • Unrealised growth targets

IMPACT TO CAPITALS



7. HSEQ

The nature of the Company's 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, including: fatalities, injuries, disruption to business, reputational damage and potential liabilities.





STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
 <p>GSC Grow & Strengthen the Core</p>  <p>DDCS Drive Down Cost to Serve</p>	<p>Address risks on potential hazards through identified control and preventive measures, especially on transport safety, process safety as well as contractor and supplier management. These controls include:</p> <ul style="list-style-type: none"> • Balance of consequences • Rollout of People and Safety culture initiatives associated with land transportation • Work Processes & Management System • Business operations recovery controls, including emergency preparedness <p>Heighten safety and compliance culture among employees and extend to Dealers/business partners/contractors</p>	<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

IMPACT TO CAPITALS



8. SUSTAINABILITY

Failure to execute the sustainability agenda may adversely impact reputation and lead to opportunity loss.

STRATEGIC THRUSTS	HOW WE MITIGATE	IMPLICATIONS
 GSC Grow & Strengthen the Core  SO Stepping Out  DDCS Drive Down Cost to Serve  OAVC Optimise Across the Value Chain	<ul style="list-style-type: none"> Alignment of quest for sustainability to our Statement of Purpose and the development of roadmaps and KPI's towards achieving SDG targets Strengthening of focus on the many established sustainability initiatives while creating new ones in partnership with stakeholders to make a positive impact on communities and the environment while ensuring sustainability of our business 	<ul style="list-style-type: none"> Opportunity loss and reduced competitive advantage if Engen is not seen to be making an impact to the SDGs.

IMPACT TO CAPITALS



Top risks are identified with due consideration of both our ever-changing external and internal operating context.







Our Strategy

Our Beyond 2020 charts our path towards becoming a sustainable business in order to create value for our stakeholders.

Beyond 2020 considers 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."

Responding to emerging market trends and a challenging business landscape, our strategy is rooted on four strategic thrusts:

- 1 Grow & Strengthen the Core
- 2 Stepping Out
- 3 Drive Down Cost to Serve and
- 4 Optimise Across the Value Chain.

Anchored on the Customer's Lens to ensure we deliver a Seamless Customer Experience	STRATEGIC THRUSTS	2021 KEY INITIATIVES	2021 ACHIEVEMENTS	LINK TO	2022 FOCUSED PRIORITIES	
	<p>GSC Grow & Strengthen the Core</p> <p>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.</p>	<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"> 16 new stations added Engen 1app- improved functionality Grew retail petrol market share 18% Volume Growth (Commercial) Gross Profit 41% above plan (Commercial) Expanded AdBlue supply (Lubes) Grew Franchise, OEM and Industrial business (Lubes) Grew High Street market presence (Lubes) Customer NPS improvement (Retail & Lubes) 	<p>CAPITAL:</p>  <p>Material Matters:</p> <ul style="list-style-type: none"> Superior Customer Experience Performance Management 	<ul style="list-style-type: none"> Retail <ul style="list-style-type: none"> Grow petrol/diesel market share Improve average site throughput Commercial <ul style="list-style-type: none"> Digital fleet payment Expansion of Truck Stop network LNG business case development New Extranet utilising Salesforce Lubricants <ul style="list-style-type: none"> Grow market share Re-Energise Fluidlink Retail/Lubes- Improve customer NPS
	<p>SO Stepping Out</p> <p>Strong focus on growth in nonfuel retail with the ambition to add LNG and renewable energy to our customer offering.</p>	<ul style="list-style-type: none"> Refinery Repurpose Foodvenience 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"> Leveraged refinery repurpose engineering services to deliver Fluidlink APM offering Increased private label product range Commissioned Solar PV at 29 retail sites Rollout of DSV solutions in retail Click and Collect Rollout of fresh foods at non-Woolworths sites 	<p>CAPITAL:</p>  <p>Material Matters:</p> <ul style="list-style-type: none"> Superior Customer Experience Conduct and Trust Social Capital 	<ul style="list-style-type: none"> Investment decisions on initial Refinery Repurpose projects (Q4 2022) Increase income from non-fuel retail Click & Collect Renewables Opportunities Rollout of solar PV, WW Foodstops, coffee strategy Enhancement of Quickshop bakery and hot food Convenience/Food partnerships in Namibia and DRC
	<p>DDCS Drive Down Cost to Serve</p> <p>By focussing on the efficient management of our integrated supply chain and the implementation of digital procurement practice.</p>	<ul style="list-style-type: none"> Supply Chain Procurement 	<ul style="list-style-type: none"> Supply Chain Procurement 	<ul style="list-style-type: none"> Zero major HSE incidents across terminals OTIF 96% for fuels 	<p>CAPITAL:</p>  <p>Material Matters:</p> <ul style="list-style-type: none"> HSE Superior Customer Experience Performance Management Conduct and Trust Social Capital 	<ul style="list-style-type: none"> Cost to serve increase below inflation Cost to source below BFP
	<p>OAVC Optimise Across the Value Chain</p> <p>This will be achieved through enterprise optimisation and sourcing, organisational integration, OER2 and Refinery optimisation.</p>	<ul style="list-style-type: none"> EO Sourcing Organisational Integration OER2 Optimised BCP 	<ul style="list-style-type: none"> Organisational collaboration Refinery to Import Terminal Government Engagement 	<ul style="list-style-type: none"> Business Continuity Plan - Full Import Mode 	<p>CAPITAL:</p>  <p>Material Matters:</p> <ul style="list-style-type: none"> HSE Performance Management Social Capital Conduct and Trust 	<ul style="list-style-type: none"> Refinery to Import Terminal Optimised costs Safe operations Standardised processes
KEY ENABLERS		KEY ENABLERS				
PEOPLE & BUSINESS PROCESS		CULTURAL BELIEFS		BBBEE ACCREDITATION		
				DIGITAL		
Health, Safety, Environment and Quality				Health, Safety, Environment and Quality		

Key Performance Indicators

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

METRICS	UNIT	OBJECTIVE	2021	2020	HOW WE MEASURE	2022 PRIORITIES
Grow And Strengthen The Core						
Turnover	ZAR	Income generated from normal business operations.	R85 762m	R66 752m	Based on Engen's Group Audited Financial Statements.	Maximise income generation from normal business operation
Profit after Tax	ZAR	PAT is a primary measure of financial results and the organisation's sustainable business growth.	R5 997m	(R3 762m)	Based on Engen's Group Audited Financial Statements.	Prudent spending
Total Volumes	Mil. litres	To measure Engen's growth from normal business operations.	8 678	8 268	Based on Retail, Commercial and International Business sales volume.	Maximise sales from normal business operations and sustain market leadership in retail
ROACE	%	Increase efficiency in generating profits from the available capital base.	25%	-18.3%	PAT divided by Average Capital Employed.	Ensure optimal return from capital investment
Optimise Across The Value Chain						
Business Continuity Plan (BCP)	%	Provide continuous and sustainable supply of critical products (petrol, diesel, JET, DPK, CBF, IK) in the absence of refinery production.	124%	n/a	Improvement of refinery production volume replacement on a month-on-month basis (Refinery base plan of 83kbd Crude Rate and typical yields) based on the infrastructure capability immediately post Incident. Plan = 73% of planned production	Inventory Management and Optimal Sourcing.
Refinery to Terminal (RTT)		Creation of a world-class import terminal by Q3 2023 as well as repurposing of the refinery site.	On plan	n/a	As per detailed project plans.	RTT to continue to track against project timeline.
Drive Down Cost To Serve						
Cost to Serve	%	Reduce cost of doing business	Tracked Inflation (inflation = 3.1%)	Tracked Inflation (inflation = 3.3%)	Sum total of: <ul style="list-style-type: none"> • Transshipping (primary terminal to other terminals / depots). • Pipeline, rail and road • Storage & Handling (depot operating cost) • Secondary distribution cost (from depot to customer). 	<ul style="list-style-type: none"> • Strengthen the security of supply • Optimise delivery cost
On Time, In Full (OTIF)	%	Deliver customers' order quantity in the agreed timeline	96% (Fuels) 84% (Lubes)	93% (Fuels) 82% (Lubes)	OTIF (%) = # OTIF deliveries / # total deliveries	Focus on supply optimisation and transport reliability

METRICS	OBJECTIVE	2021	2020	HOW WE MEASURE	2022 PRIORITIES
Enablement					
People & Business Process	Improve Employee Engagement to drive growth and performance.	eNPS score up by 4 points to 31 (from 27 in 2019)	eNPS not conducted	Conduct an assessment of the employees' level of satisfaction with the organisation and willingness to promote the company as a place of work	Response rate >=70% Score = >34 points (+3) vs 31 (2021)
PETRONAS Cultural Beliefs	To create and entrench a 'Generative Culture' by doing the right thing, even when no one is watching and through rolling out of Shared Values and PCBs.	<ul style="list-style-type: none"> • 33 Culture Champions • Socialised Shared Values • Power Up X conversations • Culture conversations • Playback/Unpacking of feedback 	<ul style="list-style-type: none"> • 20 Culture Champions • New Shared Values • Refreshed PETRONAS Cultural Beliefs 	Adoption and application of Culture Management Tools and Culture Management assessments (i.e. POCS, iNPS).	<ul style="list-style-type: none"> • 70% new PCB roll out • 25% increase in PCB Champions • Entrenchment of R2C2 Balance of Consequence • Track and measure adoption of PCB/SVs • Unpack iNPS feedback
B-BBEE Accreditation	To consistently improve our Transformation credentials.	Certified Level 1	Certified Level 2	Ownership, Management Control, Skills Development, Enterprise & Supplier Development, and Socio-Economic Development.	Maintain Level 1 BBB-EE status
Engen Journey (Digital)	The Engen Journey is a strategic enabler to sustain core ERP for business operations as well as to achieve digital and data objectives.	Engen Journey: <ul style="list-style-type: none"> • SAP S4 HANA • Coupa • Salesforce • Blue Yonder Information Lifecycle Management: Engen Data Framework Cybersecurity: Mobility Device/Applications Management 1App: <ul style="list-style-type: none"> • Resolve security & access management issues • Tip & Attendant & Gamification 	<ul style="list-style-type: none"> • Business Case Approval: - Digital Procurement - Salesforce • Established Reporting, Analytics and Digital roles • Partnered with PETRONAS Data Science Academy • Enterprise Data Analytics Strategy 	As per detailed project plans	Engen Journey: <ul style="list-style-type: none"> • Recovery • Reorganisation • Roadmap Strategic Positioning: <ul style="list-style-type: none"> • IT of the Future • Digital • Cybersecurity • Data & Analytics • Ways of Working Other: <ul style="list-style-type: none"> • 1App development, including Operating Structure & Loyalty Functionality; Site and Lubes Locator enhancement; Logbook editor; 3rd party loyalty.

METRICS	OBJECTIVE	2021	2020	HOW WE MEASURE	2022 PRIORITIES
Health, Safety and Environment					
Fatalities	p/100 million-man hours The figure represents the number of fatalities in a given period compared to the total number of hours worked during that period.	0	0	Rate of total number of recordable fatalities (staff, contractor and third party) from all incidents per one hundred million man-hours.	Aim for ZERO Fatality
L.T.I.F.	p/1 million-man hours The figure represents the number of lost time injuries in a given period compared to the total number of hours worked during that period.	4	8	An injury sustained by a worker that resulted in Fatality, Permanent Total Disability, Permanent Partial Disability and Lost Workday Case.	Aim for ZERO LTIF
Major LOPC	Number Allows company to account for increases or decreases of pollution over time.	0	0	Unplanned or uncontrolled release of liquid or solid associated with current operations from primary or secondary containment, into the environment.	Aim for ZERO Spills
Major Fire	Number The figure represents the number of major fires in a given period.	0	1	Direct damage cost from \$100k - \$10m	Aim for ZERO Fire
Greenhouse Gas Emissions	Tons CO ₂ eq x100 000 Allows company to account for increases or decreases of emission over time.	1.30	8.48	Quantities of GHG emissions from both Scope 1 (Direct) and Scope 2 (Indirect) Emissions Sources from refinery.	To reduce emissions and conduct independent verification

Financial Performance

Significant progress was made in 2021 to overcome the challenges brought on by the COVID-19 pandemic in 2020 and the resulting collapse of the oil price in early 2020.

As economic activity ramped up in the second half of 2021 and countries began to reopen their borders, Engen increased turnover by 28% and reported a net profit in FY2021 compared to a net loss in FY2020.

This significant turnaround was attributable mainly to inventory revaluation profits because of significant increases in crude and product prices as well as higher marketing sales volumes in South Africa and in our affiliate businesses in Botswana, DRC, Eswatini, Lesotho, Mauritius and Namibia.

The financial performance overview on page 74-75 encompasses a comparative year-on-year analysis of the 2021 reporting period.

Engen increased turnover by 28% and reported a net profit in FY2021 compared to a net loss in FY2020.

KEY FINANCIAL INDICATORS

(R million unless shown)

	2021	2020 Restated*	% Change	5-YEAR AVERAGE	% Change
OPERATING RESULTS					
Turnover from Contracts with Customers	85 762	66 752	28%	79 502	8%
Operating Profit/(Loss) - Continuing Operations	6 665	(4 162)	260%	2 619	154%
Net Profit/(Loss) for the Year - before Taxation	5 997	(4 764)	226%	2 347	156%
Net Profit/(Loss) for the Year - after Taxation	4 458	(3 817)	217%	1 517	194%
KEY BALANCE SHEET DATA					
Property, Plant and Equipment	10 919	10 602	3%	11 302	-3%
Total Assets	43 244	35 380	22%	40 815	6%
Total Borrowings	3 012	1 220	147%	873	245%
Total Liabilities	24 115	19 811	22%	20 339	19%
Share Capital and Share Premium	927	927	0%	927	0%
Shareholders' Equity	19 129	15 569	23%	20 476	-7%
SALES VOLUMES (IN MILLIONS OF LITRES)					
Local	6 932	6 719	3%	6 915	0%
International	1 746	1 549	13%	2 082	-16%
FINANCIAL RATIOS					
Return on Revenue	5%	-6%			
Return on Total Assets	12%	-9%			
Return on Capital Employed	25%	-19%			
Debt to Equity Ratio	16%	8%			
CRUDE COST					
Closing Crude Cost (\$/Bbl)	75.88	52.00			
Average R/\$ Exchange Rate	14.83	16.49			

*Restated, due to correction of prior period error

PROFIT AND LOSS

Engen's Gross profit increased by R8,750 million from the previous year. The 2021 gross profit was impacted by inventory revaluation gains that arose from the increases in crude and product prices and the favourable impact of the ZAR/USD exchange rate during 2021.

Comparatively, significant inventory revaluation losses were incurred during 2020 because of decreased crude and product prices.

Furthermore, higher marketing sales volumes were noted during 2021 in South Africa and in the six affiliate countries, whereas in 2020 sales volumes were negatively impacted by the COVID-19 pandemic and the resulting lockdown.

This was offset by a lower refinery margin on a replacement basis compared to FY2020 due to the Refinery remaining shut down post the fire incident in December 2020 and the subsequent decision by the Engen Limited Board in April 2021 to not conduct any repairs on the Refinery and to proceed with conversion of the Refinery to a world-class import terminal.

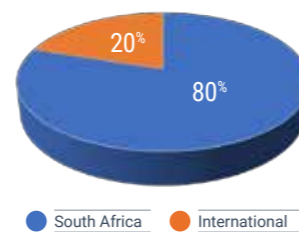
There were also lower marketing margins in our six affiliate countries, mainly due to currency translation impacts in DRC and Mauritius.

Expenses decreased by 2% in FY 2021 mainly due to lower depreciation because of a lower asset base compared to the prior year.

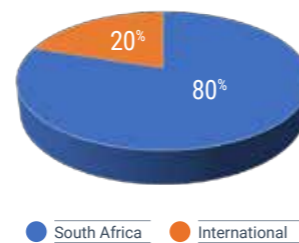
Higher marketing sales volumes were noted during 2021 in South Africa and in the six affiliate countries.

The graphs below depict the Revenue contribution for the Engen Group:

REVENUE SPLIT -2021



REVENUE SPLIT -2020

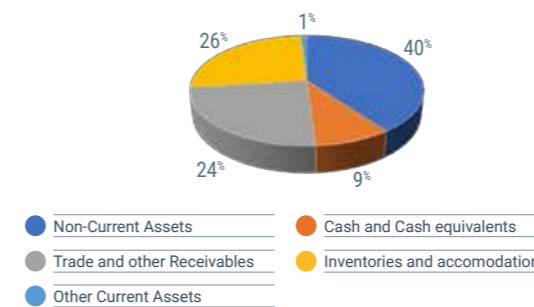


FINANCIAL POSITION

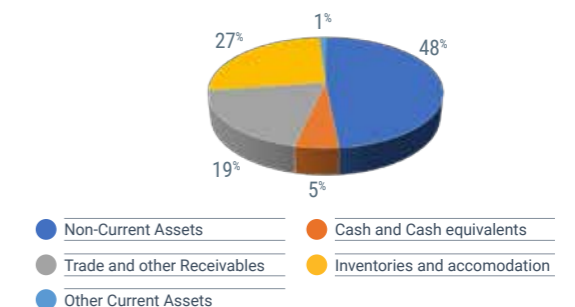
Engen reviews its debt-to-equity position on a semi-annual basis to ensure that its capital management objectives are being met. Gearing levels may change due to volatility in uncontrollable factors such as currency and commodity price fluctuations.

The Engen Group's Total Assets increased by R7,864 million in 2020 to R43,244 million at the end of 2021. This was mainly driven by an increase in trade and other receivables and the full drawdown of the syndicated term loan facility, which increased cash and cash equivalents.

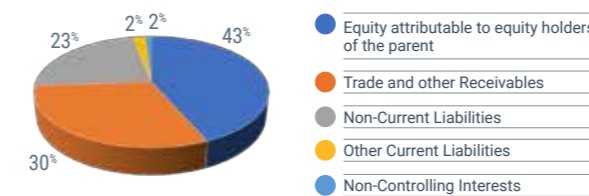
ASSETS - 2021



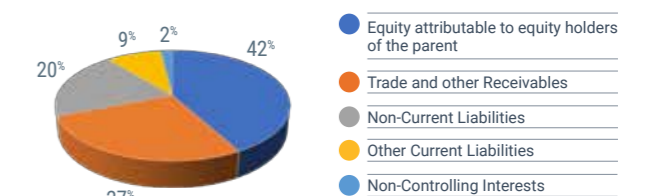
ASSETS - 2020



EQUITIES AND LIABILITIES -2021



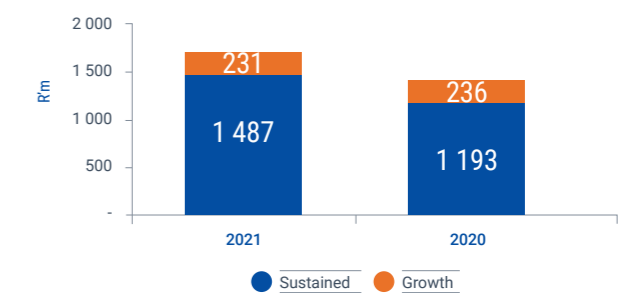
EQUITIES AND LIABILITIES -2020



CAPITAL INVESTMENT

During 2021 Engen underwent a capital expenditure review exercise as part of its efforts to manage the impact of COVID-19 and the decision by the Engen Board to not repair the Engen Refinery after December 2020 fire incident and to proceed with the conversion of the Engen Refinery to a world-class import terminal.

The syndicated term loan facility will continue to provide opportunities for the Engen Group to continue making significant capital investments across its value chain into the longer term.



VALUE ADDED STATEMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2021		
Rm	31 December 2021	31 December 2020*
Turnover from Continuing Operations	85 762	66 752
Paid to Suppliers for Materials and Services	76 113	65 659
Value Added	9 649	1 093
Income from Investments	144	147
Total Value Created	9 793	1 240
Value Distribution		
Employees	2 335	2 195
Equity Capital Providers	978	2 098
- Equity Holders of the Parent	855	1 989
- Non-Controlling Interest	123	109
Loan Capital Providers	213	214
Government	1 209	281
CSI	27	15
Retained for Future Growth	5 031	3 563
- Depreciation, Amortisation and impairment	1 221	3 580
- Retained Profit	3 480	5 915
- Deferred Tax	330	1 228
Total Value Distributed	9 793	1 240

*Restated for correction of prior period errors



Total Assets
increased by R7,864
million in 2020 to
R43,244 million at
the end of 2021



RETAIL

Despite the challenges presented by the COVID-19 pandemic, the Engen Retail team prioritised the safety, convenience and well-being of our customers and business partners. True to our proud history of innovation and customer service, we launched an exciting new private label convenience brand called Quickshop & Co. in early 2021, with all products in the range locally sourced and offering good quality at a great price. Our innovative 1 app also introduced an exciting first-of-its kind new feature called 'Tip an Attendant', which enables motorists and Quickshop customers to tip Engen petrol attendants and cashiers for efficient service. Engen Dealers deserve special mention for stepping up and doing some incredible work in their local communities throughout 2021.

- **ENOCH HERMANUS** - (Acting) General Manager: Retail

WHO WE ARE AND WHAT WE DO

Our Retail business offers **FUEL AND CONVENIENCE** products and services to consumers through our network of **1,043 Engen service stations and 600+ Quickshops** across South Africa.

- Our FUEL offering comprises premium products - Engen Primax Unleaded with Pro-Drive 93/95 and Engen Dynamic Diesel 50ppm with Pro-Drive - developed in partnership with the Mercedes-AMG PETRONAS Formula One™ team.
- Our CONVENIENCE offering comprises on- the-go consumer products and services, which include partnerships with various leading Quick Service Restaurant brands, food solutions including our own Quickshop, banking facilities, courier services, car wash and other convenience offerings.
- Our customers are rewarded through our loyalty partnerships with rewards industry leading eBucks and Clicks Clubcard.
- Engen service stations are operated by dealers, who are appointed through a stringent selection process and provided with continuous training.
- Engen service stations are managed via two categories of dealerships – COMPANY-OWNED/ DEALER-OPERATED and DEALER-OWNED/DEALER-OPERATED.

KEY HIGHLIGHTS

- 3.7 bn litres of fuel pumped
- 16 new service stations added
- Launch of 'Tip an Attendant'
- Launch of private label, Quickshop & Co.

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 options 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



The year under review was characterised by challenging trading and business conditions exacerbated by stringent lockdown restrictions to combat the third wave of Covid-19 infections, the social unrest in KwaZulu-Natal and parts of Gauteng in July, and the subsequent transport and supply chain disruptions arising from the unrest.

In addition, on the back of a soaring international oil price the petrol price increased by over R5 a litre, with a record high pump price in South Africa in December 2021. Despite the impact of this, and other market eroding factors, the South African petroleum market grew during the 12-month trading period to December 2021, versus the same period in 2020.

On the back of our market leading South African service station network and by putting our customers first, Engen's retail business grew its petrol market share in 2021. In addition, we also continued to grow our convenience business, resulting in an overall improved transaction count and basket size year-on-year.

With the health and safety of our customers of primary concern during the pandemic, we continued to focus on stringent hygiene across the Engen network to maintain a safe and customer focused service, in what has become a 'new normal' environment.

In 2021, we introduced an easy way for our customers to say "Thank You" for great service by adding a 'Tip and Attendant' function on the Engen 1 app. The Engen 1 app, which offers a safer customer experience via cashless transactions with no touching of devices or use of cards, now also allows motorists and shoppers across South Africa to tip deserving Engen staff for the service they received.

Our long-term focus on growth and improvement was evident in the addition of 16 new service stations to our network footprint. A number of these world-class new sites are in high growth areas.

Furthermore, we continued to harness our key loyalty partnerships with Clicks ClubCard and FNB eBucks. These programmes are viewed as critical for both customer retention and attraction, while supporting our objective to differentiate our engagement in the highly competitive retail fuels environment.

Our continued focus on putting our customers first and living our brand promise "With us you are Number One" was reflected in an improvement in our Net Promoter Score (NPS) for 2021. Our score of 84.5 was up from 78.0 in 2020 and 57.1 in 2019. This affirms our strategy, which is anchored on the customer's lens and aims to deliver a superior and differentiated customer experience.

OUTLOOK

Our ambition remains to stay Number One in the South African fuels market. This will be achieved through our core product quality and superior and differentiated customer experience offering. We will also continue to grow our convenience value proposition and establish Engen as the leading 'Foodvenience' retailer in SA. This will be achieved by maintaining a consistent look and feel across our network, service station staff that 'go the extra mile', and deployment and leveraging of smart technology.

LONG-TERM KPI'S



Awards



COMMERCIAL

"Our Commercial business continues to build on our strengths, and we achieved an excellent financial performance in 2021 despite the challenges of the Covid-19 pandemic. Despite these setbacks, we persevered and bounced back strongly by effectively executing our recovery and rebound strategies to capitalise on market regrowth."

- **DRIKUS KOTZE** - General Manager: Commercial + IBD

WHO WE ARE AND WHAT WE DO

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

- We offer a wide range of quality fuel solutions such as Diesel, Gasoline, Jet A-1, Illuminating Kerosene, Chemicals and Special Products.
- Market segments served include: Agriculture, Aviation, Construction, Fleet, Manufacturing, Marine and Mining, amongst others.
- Our key competitive advantage is our extensive distribution network including terminals, storage depots and transportation to reach and serve businesses and industries across South Africa.

KEY HIGHLIGHTS

- Volumes - 18% above plan
- Gross Profit (after distribution) - 41% above plan
- Replacement PBIT - 60% above plan

VALUE CREATED



Diversify

Fuel solution partner by providing superior products and services to support customers' needs



Create

Leading market position despite challenging market environment with sustainable financial returns



Cultivate

Cultivate the capabilities of our valued business partners



Diversity

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



Network

Maintain a strategic partnership with stakeholders to unlock value potential



Despite the challenging economic environment that was exacerbated by the Covid-19 pandemic and the national lockdown, our Commercial business maintained strong performance across its volume and financial indicators on the back of effective execution of its recovery and rebound strategies.

This was achieved by powering sales to capitalise on post lockdown demand recovery and maximising volume and value in defined sectors. We also secured new customers and renewed existing contracts to expand our customer and volume base.

The intensifying competition on the back of demand erosion that resulted in excess product in the market was countered by providing comprehensive packaged offerings to improve our value proposition for customers, and by effective channel management to strengthen market position. This enabled Commercial to navigate the challenging market environment.

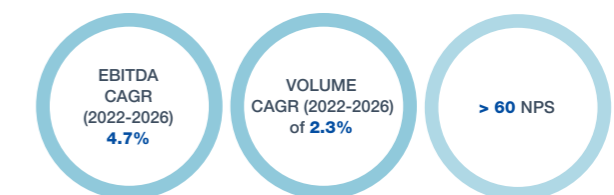
Commercial's total sales volumes were above plan by 18% at 3 153 million liters for the year under review. This was achieved by securing new supply contracts and collaborating with our channel partners despite the competitive business environment.

This translated into gross profit after distribution at R1 544 million vs a plan of R1 093 million (41% above plan), which also translated into the replacement profitability before tax (RPBIT) of R1 340 million against a plan of R839 million (60% above plan). This remarkable performance was delivered by intensifying our focus on our customers to provide them with an unrivalled level of service and value adding solutions.

OUTLOOK

Moving forward, our Commercial Business will accelerate execution of our growth strategy to establish Engen as the partner of choice by providing fuel and chemical products supported by value added solutions. To achieve this, we will continue to leverage on synergies, technology, and partnerships. This will allow us to expand in defined markets and provide customer driven value propositions that are supported by value added solutions, all of which deliver our brand promise to customers that 'With us you are Number One'.

LONG-TERM KPI'S



INTERNATIONAL BUSINESS

"Robust business performance in our six affiliate countries was achieved in 2021, notwithstanding the challenges presented by the Covid-19 pandemic. Covid-19 had a significant impact on the majority of our affiliates, which placed sales volumes under pressure. However, overall profitability still exceeded expectations."

- **DRIKUS KOTZE** - General Manager: Commercial + IBD

WHO WE ARE AND WHAT WE DO

In six geographies, the business provides a fully integrated portfolio of Retail, Commercial Fuels and Lubricant sales and marketing.

- Countries in which we operate: Botswana, D.R.C, Eswatini, Lesotho, Mauritius and Namibia.
- Serve both retail and commercial customers through our network of approximately 230 forecourts and other commercial channels to market.
- Retail portfolio includes petrol, diesel, lubricants and convenience offerings.
- Commercial business predominately supplies Diesel, Jet A-1, Illuminated Kerosene (IK), chemicals and lubricants.

KEY HIGHLIGHTS

- 13% increase in profitability (2% above plan)
- 13% increase in volumes
- Customer NPS improvement

VALUE CREATED



Quality

World-class quality fuel and carefully selected non-fuel solutions for our customers



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

Maintain long-term partnerships with stakeholders



Environment

Enhanced engine and plant efficiency contributing to cleaner environment



Our approach to building the businesses in our affiliate countries has allowed us to remain resilient in maintaining our operations to weather the various uncertainties brought on by the Covid-19 pandemic and restrictions placed on the movement of citizens.

We achieved robust business performance in our six affiliates in 2021, notwithstanding the challenges presented by the pandemic.

Sales volumes were placed under severe pressure due to Covid-19 restrictions. However with resilience, our affiliates volumes managed to grow by 13% to 1 745 million litres in 2021 from 1 549 million litres in 2020. Despite the difficult operating environment, overall profitability exceeded expectations, with Profit Before Tax of R1 162 million, which was 13% higher than in 2020.

This encouraging performance was achieved through a focus on working capital, and expense and margin management, while our strong focus on maintaining a strong customer first mindset, coupled with innovative thinking made a positive contribution to a significant improvement in our Net Promoter Score (NPS).

Safety has always been a top priority across Engen's International Business. A firm focus on "safety-first" continues to be implemented across the six Engen affiliates. As such, we conducted numerous

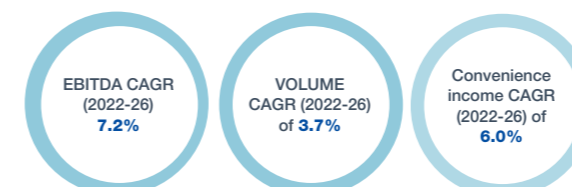
Health, Safety, and Environment (HSE) related training and awareness programmes throughout the year, to help establish and maintain a HSE Generative Culture.

As we continue to reinforce our zero-incident target, we need to remind ourselves that good HSE practices are always a collective responsibility. Strict compliance with the rules and policies, coupled with a mindset that requires us to look out for one another, will help us achieve our HSE goals.

OUTLOOK

Moving forward, we will continue to seek opportunities in this evolving market to cater to unforeseeable challenges like the Covid-19 pandemic and fluctuating product prices. Our affiliate operations are equipped with robust strategies that will help to continuously position Engen at a competitive advantage. Furthermore, our integrated value chain and advanced infrastructure will support our operations in delivering high value products and solutions for a seamless and frictionless customer experience.

LONG-TERM KPI'S



Awards



Diamond Arrow Award

"The most admired petroleum/diesel brand in Namibia"

LUBRICANTS

"Despite the challenges brought on Covid-19 in 2020 and overlap into 2021, the Lubes team remained resilient and focussed on growth. The year experienced unprecedented increases in Base Oil prices, driven by supply constraints, and soon after the additive market followed. These challenges prompted us to rethink our Customer Value Proposition and focus on a solutions-focussed mindset to enable our customers to win in their markets. Despite the disruptions, we remained a committed and reliable supplier. And notwithstanding the head winds, we also entrenched our market position by increasing our High Street (Auto Specialists and Independent Workshops) market penetration and solidified our position in the agriculture and reseller sectors. Moving forward, we will continue to leverage technology such as Fluid Technology Solutions, which is a winning differentiator in responding to the needs of our customers, OEM partners and the industry. Our newly launched Fluidlink APM services now provides a more holistic Reliability and Asset Management Focus allowing us to be a true solutions provider to our valued customers. As we navigate into the future, we are mindful of our commitment to the Sustainable Development Goals (SDG) and have made this a fundamental pillar of future Lubricant's strategy."

- Sharveen Maharaj - General Manager: Lubricants

WHO WE ARE AND WHAT WE DO

Our Lubricants business undertakes all sales, marketing, manufacturing and technical services related to lubricants and fluids in South Africa and selected countries in sub-Saharan Africa.

- Our range of high-performance lubricants and fluids are purpose-suited to a spectrum of industries and are designed and manufactured according to approved global technologies, which are supported by numerous industry standard specifications as well as official original equipment manufacturers approvals.
- 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 Formula One™ team.
- Our market-leading distribution footprint and technology combine to offer a 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 test and apply stringent quality controls throughout the manufacturing process and comply with the international ISO 9001:2000 production standard. Our LOBP & ZBP lubricant production facilities comply with ISO 9001:2015. LOBP also complies with IATF 16949:2016, VDA 6.3, PIAQA and ISO 14001:2015. In addition, our laboratory is accredited to ISO 17025:2017.
- These quality controls are applied throughout the manufacturing process, from the receipt of the raw materials to product delivery. 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. Our packaging also undergoes a rigid qualification programme before introduction.

KEY HIGHLIGHTS

- 76.02m litres sold (excluding IBD volumes)
- Expanded and enhanced Fluidlink offering
- Continued growth of footprint in Africa through Distributor partnerships
- Promotion and increased digital presence of SYNTIUM
- Significant Customer NPS improvement

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 options 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

Amidst an economy dealing with the impact of Covid-19 in 2020, our South African lubricant business drove volume recovery of 5.76% in 2021, resulting in 76.02 million litres (ml), improved from 71.87 ml in 2020, excluding lubricant volumes in our International Business.

In terms of our International Business lubricant sales, we recorded growth of 2.21%, from 6.43ml in 2020 to 6.57ml in 2021. Our International Business economies have been slower to recover from the pandemic, further exacerbated by the volatile Base Oil market of 2021.

Our Net Promoter Score for Lubricants increased from 48% in 2020 to an outstanding 81% in 2021.

DIRECT AND INDIRECT SALES

Our Lubricant growth in 2021 was led by our Direct business as the Mining sector experienced a strong recovery from 2020, underpinned by the improvement in underlying commodity prices. Mining continues to be a focus market for Engen in 2022 as we expand our footprint across the Northern Cape, having successfully onboarded multiple customers in 2021.

We also continued to grow our Franchise, OEM and Industrial business with multiple customers onboarded in addition to the expansion of our Air 1 Adblue supply.

In line with Engen's statement of purpose, we have redesigned our Fluidlink offering to encompass a much wider range of services to our customers. This enhanced service offering, Fluidlink Asset Performance Management (APM), is scheduled for roll out by June 2022.

We have also partnered with our New Energy team to introduce Clean Energy solutions, currently focused on Solar installations, tailored for Direct customers.

We continued to grow our presence in the High Street market by signing independent spare groups that have national footprints, leveraging Trade Marketing as a key differentiator. In addition, product mix enhancement continues to be driven through the High Street as PETRONAS and PETRONAS Syntium branded products continue to grow, delivering a total of 257 534 litres in 2021 compared to 172 670 litres in 2020.

The Indirect business was also highly focused on delivering an improved Customer Experience at our Engen forecourts. Alongside the Trade Marketing team, they developed and delivered enhanced Merchandising, Planogramming and Point of Sale material with increased visibility of the strong PETRONAS brand.

SUB SAHARAN AFRICA (SSA)

We continued to strengthen our portfolio of SSA distributors in 2021 with the appointment of a key distributor in Zambia, bringing our total number of distributors to 9. These strategic partners delivered 4.6ml, as compared to 1.5ml in 2021.

MARKETING

In 2021, we disrupted the market and displaced competitors with innovative B2B and B2C initiatives that addressed our customers' pain points. The team successfully positioned Fluidlink as a total plant reliability service provider, leveraging

the Refinery Repurpose engineering services to deliver asset management and reliability engineering services as part of the Engen Fluidlink APM offering. The team continued to focus on sustainable business practices and introduced 100% recycled grease packaging, which will lead to significant carbon emission reduction.

We also gained ground through customized marketing communication, re-focusing on servicing the informal sector by rolling out the 'Kasi Mechanic' lubricants campaign across strategic media platforms- yielding significant engagement from our target market.

SUSTAINABILITY

As an organisation, we recognise our responsibility to the country's prevailing sustainability agenda and economic growth. We are in the process of conducting Life Cycle Assessments (LCAs) and Extended Producer Responsibility requirements to understand the environmental impact of our value chain. As part of our sustainability efforts, we have identified substances of very high concern (SVHCs) in line with the UN SDGs and have employed the use of REACH compliant chemicals in the manufacturing of our products. Moreover, we are committed to the reduction of our carbon footprint through waste reduction initiatives throughout our value chain and the use of recycled plastics for our packaging requirements where applicable.

The energy and industrial sectors have contributed to the highest growth in carbon emissions from the use of fossil fuel as an energy source. As the country's energy landscape rapidly changes with the growth of renewable technologies in the broader energy generation spectrum, we are focused on providing Lubricant technology solutions that support alternative energies and power generation systems such as the Wind energy, Hybrid and Electric vehicle sectors.

OUTLOOK

Global supply chains are expected to adapt to the post-Covid economies with various supply constraints noted in the Base Oil and Additive markets.

To counter this and support our growth vision, we will focus on:

- Increasing our market share in specific sectors;
- Ensure sustainable improvement in profitability;
- Retain security of supply through our world-class suppliers; and
- Adopt enabling digital solutions like Salesforce (CRM) to improve customer experience.

Our ambition is to be the leading lubricants solution provider in South Africa and selected African markets. To achieve this, we will offer the automotive market state-of-the-art customer solutions and technologically advanced lubricants combined with a delightful customer experience, while suppling the industrial market with reliable and high-performance products coupled with tailored solutions and value enhancing technical services.

LONG-TERM KPI'S



Leadership & Governance

Engen is committed to maintaining excellent standards of corporate governance and to ensuring application of the King IV™ principles. The Board provides an effective oversight function that empowers management to manage the business effectively and efficiently in delivering strategy.

OUR BOARD AT A GLANCE

Nationality	6 SOUTH AFRICAN	2 NON-SOUTH AFRICAN	
Age	4 50-55 YEARS	1 56-60 YEARS	3 60+ YEARS
Gender	6 MALE	2 FEMALE	
Tenure	4 1-3 YEARS	3 4-6 YEARS	1 10+ YEARS
Race	4 BLACK SOUTH AFRICAN	2 INDIAN SOUTH AFRICAN	2 FOREIGN NATIONAL
Designation	4 NON-INDEPENDENT NON-EXECUTIVE DIRECTOR	3 INDEPENDENT NON-EXECUTIVE DIRECTOR	1 EXECUTIVE DIRECTOR

INDUSTRY EXPERIENCE

 OIL & GAS	 RETAIL	 BANKING & FINANCE
 LOGISTICS	 INTERNATIONAL	 MEDICINE
 MINING	 AUTOMOTIVE	 INFORMATION TECHNOLOGY
 EDUCATION	 TELECOMS	

Engen Limited Board



Ahmad Adly Alias

Chairman* Non-Independent Non-Executive Director

AGE: 53 **GENDER:** Male **NATIONALITY:** Malaysia

DATE OF APPOINTMENT: 28 July 2020

LENGTH OF SERVICE: 1 year and 5 months

Academic / Professional Qualification

- Bachelor of Science (Business Administration) - State University of New York
- MBA (Corporate Finance and Investment) - State University of New York

Present Directorships

- PETRONAS Lubricants International Sdn Bhd
- Pengerang Refining Company Sdn Bhd
- Pengerang Petrochemical Company Sdn Bhd
- PETRONAS Marketing International Sdn Bhd

Industry Experience

OIL & GAS/INTERNATIONAL/BANKING & FINANCE/AUTOMOTIVE/EDUCATION

Past Experience

- VP: LNG Marketing & Trading, Gas & New Energy Business - PETRONAS
- CEO: PETRONAS LNG Ltd
- Head, LPG Trading, PETRONAS Trading Corporation (PETCO)



Phuthuma Nhleko

Non-Independent Non-Executive Director

AGE: 62 **GENDER:** Male **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 28 February 2019

LENGTH OF SERVICE: 2 year and 10 months

Academic / Professional Qualification

- Bachelor of Science in Civil Engineering - Ohio State University
- MBA - Atlanta University

Industry Experience

INTERNATIONAL/BANKING & FINANCE/TELECOMS/OIL & GAS

Present Directorships

- Chairman Tullow Oil plc
- Chairman Johannesburg Stock Exchange
- Director IHS Holdings Limited
- Chairman Phembani Remgro Infrastructure Fund.

Past Experience

- Chairman/Interim Pres & CEO MTN Group Ltd
- Chief Executive Officer- MTN Group Ltd
- Director: Anglo PLC | BP PLC | Alexander Forbes | Nedbank | Old Mutual | Bidvest
- International Advisory Board - MTN



Mohd Yusri bin Mohamed Yusof

Non-Independent Non-Executive Director

AGE: 55 **GENDER:** Male **NATIONALITY:** Malaysia

DATE OF APPOINTMENT: 2 August 2017

LENGTH OF SERVICE: 4 years

Academic / Professional Qualification

- Registered Professional Engineer, Board of Engineers Malaysia
- Fellow (FICHEM), Institution of Chemical Engineers, UK
- Bachelor of Science in Chemical Engineering - Oklahoma State University
- Advanced Management Programme - Wharton School, University of Pennsylvania

Industry Experience

OIL & GAS/INTERNATIONAL

Present Directorships

- PETRONAS Chemical Group Berhad
- PETRONAS Refinery and Petrochemical Corporation Sdn Bhd
- Pengerang Petrochemical Company Sdn Bhd
- Pengerang Refining Company Sdn Bhd
- BASF-PETRONAS Chemicals Sdn Bhd

Past Experience

- VP, Refining & Trading, Downstream Business, PETRONAS
- Head Manufacturing, PETRONAS Chemicals Group
- MD/CEO, PETRONAS Chemicals Derivatives Sdn Bhd



Aman Jeawon

Non-Independent Non-Executive Director

AGE: 51 **GENDER:** Male **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 1 January 2015

LENGTH OF SERVICE: 6 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

INTERNATIONAL/BANKING & FINANCE/
MINING/RETAIL/TELECOMS

Present Directorships

- Executive Director - Global Acquity Holdings
- Director - North American Growth Fund 1 Ltd
- Director - Leap Serve Solar

Past Experience

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



Nombulelo Thokozile Moholi

Independent Non-Executive Director

AGE: 61 **GENDER:** Female **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 20 February 2018

LENGTH OF SERVICE: 4 years and 6 months

Academic / Professional Qualification

- Bachelor of Science in Engineering (Electrical & Electronics) University of Cape Town

Industry Experience

INTERNATIONAL/BANKING & FINANCE/MINING/RETAIL/
TELECOMS

Present Directorships

- Independent Non-Executive Director - Anglo American
- Independent Non-Executive Director - Woolworths
- Chairman: Santam Insurance

Past Experience

- Group CEO – Telkom
- Group Executive: Strategy, Marketing and Communications – Nedbank
- Chief Sales and Marketing Officer – Telkom



Carol Winifred Nosipho Molope

Independent Non-Executive Director

AGE: 57 **GENDER:** Female **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 4 July 2011

LENGTH OF SERVICE: 10 years

Academic / Professional Qualification

- Bachelor of Science (Med) - University of the Witwatersrand
- Bachelor of Accounting Sciences (Hons) - Unisa
- Chartered Accountant (SA)

Present Directorships

- Independent Non-Executive Director - EOH Holdings Ltd
- Independent Non-Executive Director - Investec Property Fund Ltd
- Independent Non-Executive Director - MTN Group Ltd
- Independent Non-Executive Director - Old Mutual Ltd
- Independent Non-Executive Director - Old Mutual Life Assurance Company Ltd
- Independent member of Council - University of Johannesburg

Industry Experience

INTERNATIONAL/BANKING & FINANCE/
TELECOMS/AUTOMOTIVE/LOGISTICS/
EDUCATION/MINING

Past Experience

- Chief Operations Officer - Financial Services Board (FSB)
- Group Finance Executive - Viamax Group



Nkosemntu Gladman Nika

Independent Non-Executive Director

AGE: 63 **GENDER:** Male **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 1 January 2021

LENGTH OF SERVICE: 1 year and 6 months

Academic / Professional Qualification

- Chartered Accountant (SA)

Present Directorships

- Sibanye Stillwater Limited - Independent non-Executive Director
- Trollope Mining Services (Pty) Ltd
- Coega Dairies (Pty) Ltd
- Foskor (Pty) Limited
- Grinding Media SA (Pty) Ltd

Industry Experience

MINING/information technology/BANKING
& FINANCE

Past Experience

- CFO & Finance Director - PETROSA
- CFO - Development Bank of SA
- Corporate Executive Audit Manager - ESKOM



Seelan Naidoo

Executive Director

AGE: 53 **GENDER:** Male **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 01 April 2022

LENGTH OF SERVICE: 2 months

Academic / Professional Qualification

- Bachelor of Commerce - UNISA

Present Directorships

-

Industry Experience

OIL & GAS/INTERNATIONAL

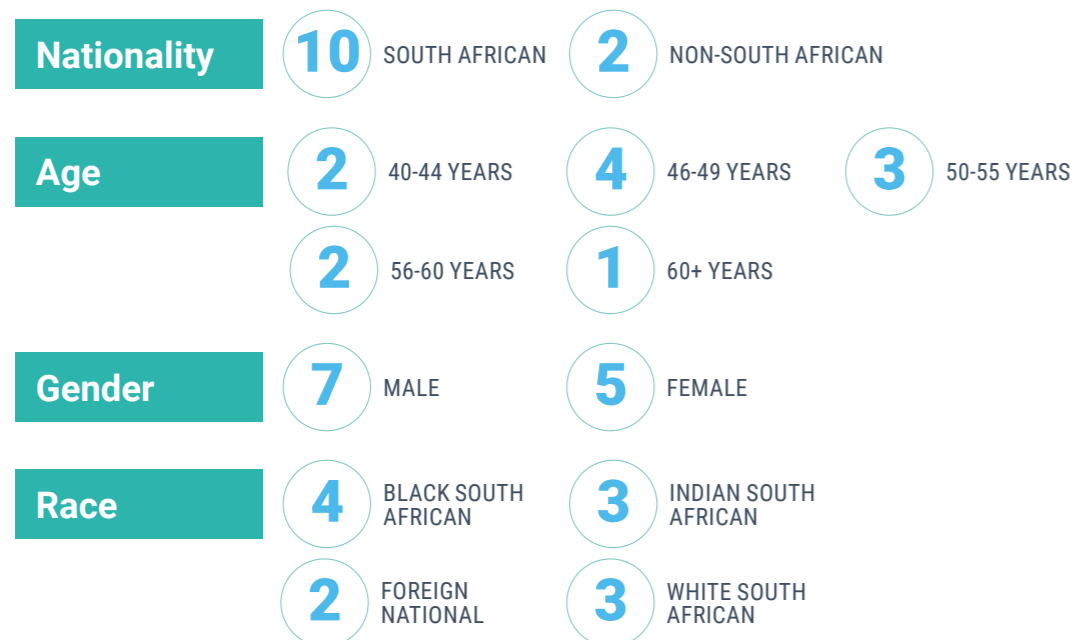
Past Experience

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





OUR MANAGEMENT COMMITTEE AT A GLANCE



Engen Management Committee



Seelan Naidoo

Acting CEO

AGE: 53 **GENDER:** Male **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 1 April 2022

LENGTH OF SERVICE: 2 months

Academic / Professional Qualification

- Bachelor of Commerce (Unisa)

Key Responsibilities

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

Past Experience

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



* Replaced Yusa' Hassan who retired on 31 March 2022 after a distinguished 37-year career at PETRONAS, the last five years spent at Engen.



Sandra Koen

General Manager: *Finance*

AGE: 58 **GENDER:** Female **NATIONALITY:** South Africa

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



Enoch Hermanus

Acting General Manager: *Retail*

AGE: 45 **GENDER:** Male **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 1 April 2022

Academic / Professional Qualification

- Bachelor of Commerce (Rhodes University)
- Post Graduate Diploma - Labour Law (UCT)
- Candidate MBA (UCT)

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: Sales and Operations (Coastal), Engen
- Employee Relations Manager, Engen



Shirley Moroka-Mosia

General Manager: *Health Safety, Environment and Quality*

AGE: 54 **GENDER:** Female **NATIONALITY:** South Africa

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)
- MSc in Energy Policy (University of Sussex)

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



Drikus Kotze

General Manager: *Commercial + International Business*

AGE: 56 **GENDER:** Male **NATIONALITY:** South Africa

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*

AGE: 47 **GENDER:** Male **NATIONALITY:** Malaysia

DATE OF APPOINTMENT: 1 January 2019

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.*



Ivershini Reddy

General Manager: *Human Capital*

AGE: 55 **GENDER:** Female **NATIONALITY:** South Africa

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



Fiona Gumede

General Manager: *Company Secretariat, Legal and Security*

AGE: 48 **GENDER:** Female **NATIONALITY:** South Africa

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)

Past Experience

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

Key Responsibilities

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



Sykry Hassim

General Manager: *Refinery*

AGE: 47 **GENDER:** Male **NATIONALITY:** Malaysia

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. Responsible for delivery of RTT and Refinery Repurpose projects.

Past Experience

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



Steve Williams

General Manager: Supply Chain

AGE: 61 **GENDER:** Male **NATIONALITY:** South Africa

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



Sharveen Maharaj

General Manager: *Lubricants*

AGE: 41 **GENDER:** Male **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 1 October 2021

Academic / Professional Qualification

- Executive Strategic Excellence Programme (Duke University)
- Advanced Oil & Gas Management (Stellenbosch Business School)
- BSc Chemical Engineering (Hons) (University of KwaZulu-Natal)

Key Responsibilities

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

Past Experience

- Head: Direct Sales (Lubricants), Engen
- Head: Logistics & Distribution (Supply Chain), Engen
- Head: Maintenance & Turnaround (Refinery), Engen



Siphokazi Vabaza

General Manager: *Enterprise Risk and Assurance*

AGE: 44 **GENDER:** Female **NATIONALITY:** South Africa

DATE OF APPOINTMENT: 1 January 2020

Academic / Professional Qualification

- Chartered Accountant (SA)
- Certified Internal Auditor (IIA)
- Bachelor of Commerce (University of Port Elizabeth)
- Bachelor of Commerce (Honours) Accounting (University of KwaZulu-Natal)
- IRM Certificant

Past Experience

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

Key Responsibilities

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



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	

GOVERNANCE

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

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 December 2021.

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 May 2021.

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 10 members (reduced to 9 members in February 2022), including six non-executive directors (reduced to 5 in February 2022), three independent non-executive directors, and one executive director. (See page 91 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 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.

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 Molohe (Chairman) Ms. Nombulelo Moholi Mr. Nkosemntu Nika 	<p>Members</p> <ul style="list-style-type: none"> Ms. Nombulelo Moholi (Chairman) Ms. Nosipho Molohe Mr. Mohd Yusri Mohamed Yusof 	<p>Members</p> <ul style="list-style-type: none"> Mr. Aman Jeawon (Chairman) Mr. Nkosemntu Nika 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>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>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>Meetings</p> <ul style="list-style-type: none"> Minimum of 4 meetings per year Additional meetings may be held <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>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>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"> 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"> 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 (ERA) 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).

ERA 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 audit plan includes reviews of digital project implementations, information, and cyber security. Internal Audit views the risk associated with cyberattacks as a priority area and, as such, 2021 saw further significant investment in cyber security prevention and protection. Regular communication to staff on the issue also ensured raised awareness, especially during the Covid-19 Pandemic.

To strengthen information and cyber security controls across the group, we engaged the services of third parties to support Internal Audit to perform information / cyber security and privacy reviews. The results were reported to the MARCC 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.

Our annual audit plan includes reviews of digital project implementations, information, and cyber security.



COMPLIANCE

POPIA Road Map

The Protection of Personal Information Act, 4 of 2013 (“POPIA”) came into effect into full force and effect on 1 July 2021. To enhance Engen’s ongoing efforts to comply with POPIA, we updated our regulatory compliance framework with a specific POPIA compliance framework. This bespoke POPIA framework outlines practical implementation action items to achieve reasonable levels of compliance. It is referred to as our POPIA Road Map.

Our POPIA Road Map is reviewed periodically to ensure that it remains relevant and up to date. This is also in keeping with the fact that POPIA and most international data privacy laws are principle-based pieces of legislation, which allows for changes in compliance activities in keeping with changing technology and social norms.

Our POPIA Road Map is implemented in tandem with the controls identified in the PETRONAS Legal Compliance Framework pertaining to Data Privacy. These set of minimum controls (i.e. the PETRONAS Legal Compliance Framework) apply to each operating unit within the PETRONAS group of companies.

Implementation of the POPIA Road Map is a long-term process and significant strides have been taken within Engen to realise its objectives. Whereas several elements within the framework have been implemented, we have additional ongoing initiatives which help ensure that compliance is maintained and enhanced where possible.

ISO 37001 Anti-bribery Management System Project Commencement

Implementation of governance processes aimed at curbing bribery and corruption continue to be critical for businesses in South Africa and globally.

It is anticipated that the South African Government will continue to place resources to root out corruption, particularly in the wake of the various commissions looking into matters associated with state capture and general allegations of corrupt behaviour in the public and private sectors, including those instances of corruption uncovered relating to COVID-19 procurement

Engen has a zero-tolerance policy against all forms of bribery and corruption. We have adopted the PETRONAS Code of

Conduct and Business Ethics (“CoBE”) which sets out the core principles of our commitment against bribery and corruption. Additionally, we have also adopted the PETRONAS Anti-bribery and Corruption Manual (“ABC Manual”), which elaborates upon the principles set out in CoBE and which provides guidance concerning how to best deal with improper bribery and other corrupt activities and issues that may arise during business.

To demonstrate Engen’s commitment against all forms of bribery and corruption, we embarked on a process aimed at implementing an anti-bribery management system in conformance with the ISO:37001 Anti-bribery Management System standard. This will enable Engen’s ability to demonstrate that it has embedded anti-bribery controls and will also enable Engen to demonstrate its commitment to the UN Social Development Goals, particularly Goal 16 which focuses on Peace and Justice Strong Institutions. This is an on-going process, and it is Engen’s aim to achieve this certification by 2023.

ISO 9001

Engen has several ISO 9001:2015 compliant listed sites, which include:

- Zenex Blend Plant
- Refinery precinct
- Isando Depot
- Epping Depot
- Durban Chemical Plant
- Lubes Oil Blending Plant

These sites continue to comply with the requirements for a Quality Management System. 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.” Engen has adopted the continuous improvement approach. This refers to continuously tracking and improving our 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 achievement of the intended quality objectives.

Sustainability

Engen's Sustainability Agenda has been developed taking into account the key challenges and environments within which we operate.

SUSTAINABILITY AT A GLANCE

MATERIAL MATTERS	INDICATORS	UNIT	2021	2020	2019	2018	
Environment and Climate Change	Greenhouse Gas (GHG) Emissions	'000 tCO2e	1.30	8.48	10.54	8.60	
	Total Energy Generated from pilot Retail Solar Installation	MWh	594.6	510	-	-	
	Major Environmental Spills	Number	0	0	0	1	
	Hazardous Waste Generated	Tonnes	9 657	18 848	18 054	20 406	
	Hazardous Waste Recycled	Tonnes	2 557	16 458	13 184	16 135	
	Hazardous Waste Disposed	Tonnes	1 260	2 390	4 870	4 271	
Safety and Health	Fatalities	Number	0	0	0	0	
	Fatality Accident Rate	Recordable fatalities per 100 million man-hours	0	0	0	0	
	Lost Time Injury Frequency	No. of LTI per one million man-hours	0.36	0.74	0.33	0.42	
	Total Reportable Case Frequency	No. of Total Reportable Case per one million man-hours	1.17	2.32	2.25	1.68	
	Total Employees	Number	3 107	3 385	3 680	3 485	
Human Capital	Female Employee Composition						
	• Total Workforce	%	34%	33%	30%	27%	
	• Leadership Team	%	42%	42%	42%	42%	
	• Board Composition	%	22%	20%	20%	20%	
	People with Disabilities	%	3%	3%	3%	2%	
	Manpower Investment (salaries and benefits excluding training)	R million	2 335m	2 091m	2 230m	2 168m	
	Training Beneficiaries	Number	1 804	2 644	1 974	3 132	
	Investment in Bursaries & Learnerships	R million	11.9m	9.2m	10m	10.35m	
Human Rights	Employees under Collective Bargaining Agreements	Number	669	697	648	584	
Corporate Social Responsibility	EMSS	No. of Learners Enrolled (Gr10-12)	1 529	1 527	1 543	1 622	
	EMSS	No. of Learners who wrote matric	429	483	463	532	
	EMSS Matric Pass Rate	%	77%	84%	96%	93%	

SUSTAINABLE DEVELOPMENT GOALS PROGRAMME

The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations for the year 2030. They represent the world's ambitious 2030 agenda for Sustainable Development. The 17 SDGs are defined in a list of 169 SDG Global Targets. These global targets help to guide on the requirements and key areas that need attention.

While the SDGs agenda primarily target governments, they bring together a range of organizations, and shape priorities and goals for sustainable development efforts around a common framework.

The SDGs also recognize the key role that business can and must play in achieving them. It has been said that 'the success of the SDGs hinges on the ability to engage the private sector and unleash their innovative power'.

Engen is therefore recognizing and acknowledging our obligations and has embarked on an SDG Programme in our bid to make a positive contribution to several of the SDGs.

Engen's Sustainability Agenda has been developed taking into account the key challenges and environments within which we operate as well as aligning to PETRONAS 4 Sustainability Lenses, which are:

- Continued Value Creation
- Safeguard the Environment
- Positive Social Impact
- Responsible Governance

ENGEN'S SUSTAINABLE DEVELOPMENT FRAMEWORK

In 2020, Engen embarked on a project to consolidate initiatives throughout the business, identify SDG focus areas and develop the Engen Sustainable Development Goals Framework, including targets and roadmaps for implementation.

Subsequently, nine of the seventeen goals were selected as focus areas (as per the graphic below) and formed the basis for the Engen Sustainable Development Framework.



The Engen SDG Framework was formally launched within the organisation in 2021.

To ensure momentum and support the implementation of initiatives aligned with the SDGs, each focus SDG has been assigned an Engen General Manager as a sponsor. The sponsor champions the SDG, guides the setting of targets, identification of gaps, and development and implementation of roadmaps.

Furthermore, focal persons from the various business divisions have been assigned to each SDG to assist the GM Sponsor with the identification and ongoing oversight on the implementation of initiatives.

Work has commenced by all nine SDG teams to unpack the requirements of the SDGs, analyse the global targets, and identify further opportunities for Engen to contribute through initiatives.

Milestones and targets have been set where possible and roadmaps developed.

In some cases, baseline data required improvement. Hence the focus in 2021 was on work to consolidate information and develop baselines so that meaningful targets can be set. These have now been comprehended in the roadmaps.

SDG No.	SDG Scope	Business Sponsor
3	Good Health and Well-being	Shirley Moroka-Mosia
4	Quality Education	Ivershini Reddy
5	Gender Equality	Khalid Latiff
6	Clean Water and Sanitation	Siphokazi Vabaza
7	Affordable and Clean Energy	Drikus Kotze & Enoch Hermanus
8	Decent Work and Economic Growth	Sandra Koen
12	Responsible Consumption and Production	Stephen Williams
13	Climate Change	Sykry Hassim
16	Peace, Justice and Strong Institutions	Fiona Gumede

The table below provides a high-level summary of the focus areas associated with each of the nine SDGs.

SDG Initiatives		
	Good Health and Well-being	<ul style="list-style-type: none"> • Healthy lifestyle promotion through MESTIfit4health; • Hazardous Chemicals Management; and • Land Transport Safety
	Quality Education	<ul style="list-style-type: none"> • Quality Education for future generations through Engen Math & Science Schools; • Bursary and learnership scheme; and • Educational Assistance
	Gender Equality	<ul style="list-style-type: none"> • Employment Equity; and • Diversity & Inclusion
	Clean Water and Sanitation	<ul style="list-style-type: none"> • Focus within Engen on: <ul style="list-style-type: none"> - Water Vulnerability; - Protection of Water Resources; and - Water Efficiency
	Affordable and Clean Energy	<ul style="list-style-type: none"> • Feasibility studies on Renewable Energy; • Retail Solar PV installations; and • Energy efficiency opportunities within Engen operations
	Decent Work and Economic Growth	<ul style="list-style-type: none"> • Creation of decent work through training and development • SMME Development and Support
	Responsible Consumption and Production	<ul style="list-style-type: none"> • Product safety and impact to people through RAWMIR (Raw Material Information Request); • SDS Data Gaps Closure; • Human Health Risk Assessment (HHRA); • Waste Management - Plastics Reduction
	Climate Change	<ul style="list-style-type: none"> • Reducing risk and vulnerability to Climate Change for all Engen facilities; • Developing Climate Change adaptation plans
	Peace, Justice and Strong Institutions	<ul style="list-style-type: none"> • Implementation of Voluntary Principles for Security and Human Rights; • Sustainable risk mitigation solution for RSA social unrest; • Adoption of the ISO 37001 Anti-bribery Management System

A Steering Committee comprising of the Engen Management Committee and project support team, chaired by the Engen Managing Director and CEO has been established and meets quarterly to review progress on all the SDG roadmaps.

Human Capital

With 2021 being a year of significant change, our Human Resources focus progressed to areas where our leaders needed to be supported to succeed through the Covid-19 business recovery.

KEY HIGHLIGHTS

EMPLOYMENT EQUITY (SA):

56% Black **20%** Coloured **15%** Indian **8%** White **1%** Non-SA

GENDER: Male **66%** Female **34%**

PEOPLE WITH DISABILITIES 3%

TOTAL WORKFORCE:

Permanent **91%** Contractor **9%**

GENERATION

73% >= 35 Years **25%** <= 35 Years

NATIONALITY:

99% South African **1%** Non-SA

TOP EMPLOYER CERTIFICATION

Certification achieved

Our HR strategy evolved in parallel and complementary to our corporate strategy and developed a solid vision of what needed to be achieved and aligned to company's objectives.

The importance of our HR strategy generating an integrated view of projects and initiatives - and to add real value - was imperative as the organisation transitioned to a post Covid-19 era.

Engen's HR Strategy has been - and continues to be - about creating an innovative path for 'HR of the Future' with increased business agility built into our existing people strategies.

TOTAL WORKFORCE (INCLUDING AFFILIATES)

	CONTRACTOR			PERMANENT			GRAND TOTAL		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Non-SA	3	3	6	220	223	224	223	226	230
SA	506	450	425	2 656	2 622	2 449	3 162	3 072	2 874
Total	509	456	431	2 876	2 845	2 637	3 385	3 298	3 104

IMAGINING THE POSSIBILITIES

With all the uncertainty behind and ahead of us, Engen was faced with an unprecedented scenario of tough economic times, strategic alignment, and decision-making under uncertain or negative conditions - which was elevated from essential to survival.

To support our growth strategy and ensure our long-term sustainability, while ensuring that the business can weather the challenges and economic volatility, it was imperative that Engen employees remained high performing, innovative and motivated. As such, we focused on equipping our people and supporting them in making business decisions during dynamic and difficult economic times. This enabled employees through these tough times and set us on a path of sustainability.

COVID-19, CIVIL UNREST AND SOCIAL IMPACT OF ECONOMIC STRAIN ON OUR PEOPLE

The Covid-19 pandemic, political polarisation, and social unrest thrust human resource specialists into uncharted territory. Many were faced with unpredictable and unrelenting difficulties. Being able to proactively react was, and continues to be, critical to alleviating additional strain on our organisation.

Engen's HR function heightened awareness and the requirement to evaluate the impacts of what may happen, acting with speed, agility, and structured coordination to implement changes when required.

Outcomes

- Our leaders promoted an "employee-first" stance throughout their efforts to navigate the impact of the Covid-19 pandemic.
- We built resiliency as part of our leadership support because resiliency is a key skill required during disruptive times. This enabled our leaders to quickly adapt to new situations and uncertainty. It also ensured that they maintained a positive outlook and supported employees to do the same.
- Consciously driving inclusion to support a "new normal" and hybrid teams and the need to focus on creating inclusive teams in which employees feel their voices are heard to both drive better business performance and meet employee expectations for diversity.
- HR worked with the leadership to ensure inclusion as a priority for their teams and operations. This helped leaders understand the actions to take and to foster an inclusive team environment.

HUMAN RESOURCES STRATEGY

Our Human Resources Strategy seeks to develop a workforce that is empowered, enabled and agile. This is done by building on the principles of GREAT TALENT, GREAT ENVIRONMENT and GREAT LEADERS, and supported by our PETRONAS Cultural Beliefs and our Values.

By reshaping our leadership to prepare for the future aligned to Engen business processes means Engen's HR function continues to evolve to play a more strategic role that impacts bottom line results.

Our HR Strategy highlights the HR functions role as a strategic partner - driving and supporting the goals of the organisation.

- HR Strategy will shape Engen's workforce of the future, nurture a purpose driven culture through strategic growth objectives that create jobs, and design a "customer" employee experience through innovation and leveraging analytics and evidence-based insights to achieve these goals.
- Becoming more future focused and purpose led.
- Adapt to an ambiguous and unpredictable future by exploiting data and analytics to answer questions about future talent needs, adopting agile solutions to test new approaches, and rapidly course correcting based on observed outcomes.
- We approach the Key Focus Areas by identifying the Customer and Problem and deliver the solution - leveraging innovation.

HR's role has evolved towards the next development level in our business strategy, which addresses challenges and deals with issues related to change, growth, competencies development and organisational structural dynamics as the business environment changes. HR competencies continue to evolve becoming a strategic partner to the business by being integrated into the business, enabling our alignment to the organisational strategy.

Engen's changing business model requires an ongoing focus on HR's immediate medium and long-term goals, enabling the company to keep the short-term business plan in focus while not losing sight of the longer-term business plan requirements.

The customer drives our decisions which are aligned to the evolving business dynamics, which continue to change with pace during business changes and challenges.

Underpinned by the company's culture, the behaviour and values embedded in our performance processes are recognised in our achievements, and in line with our values.

OUR EMPLOYEES

Our employees continue to be key in driving and maintaining Engen as a GREAT place to work.

Engen recognised the need to have alternate working arrangements (which required employees to work from home) as part of the Engen Value Proposition prior to Covid-19. With an almost overnight change, we were faced with managing remote work motivation and culture as one of our key priorities.

As we progress to embedding this new way of working, post Covid working time, productivity and result-based performance will become a key focus and output. Covid-19 has forced us to also rethink all 'best practices' that we have been accustomed to. Business conditions are very different from trends and benchmarks that we have been familiar with before, with many predicted trends becoming non-existent, which HR continues to evolve while moving forward.

Over and above the HR trends, we monitor the industry, competitors, and business operations to evaluate emerging future trends.

How we Engage and Respond

We have experienced a remote working environment and its related challenges. As we move into the “new normal” of a ‘Hybrid Working Arrangement’, we recognise and understand the differences in employee mindsets that this new dynamic will bring.

Automation and the hybrid model is expected to bring work-life balance and flexibility into working hours, while more importance will be given to collaboration and feedback. This also presents the need to actively focus on various working styles and career goals to design suitable work policies.

The change in the way we work will influence work schedules and benefit schemes. These flexible arrangements, due to increased work autonomy, mean that we must ensure that we understand the shift from long-term employment to maintain agile practices and efficiency. This will require an ongoing review of our policies, procedures and practices.

Our focus on data-driven HR and analysis through HR analytics continues to be the cornerstone of ensuring that deep insights lead us towards making informed predictions.

We are heavily invested in reskilling and upskilling to build a high performing organization. We are also committed to developing new ways to manage performance levels. This will require that we move towards continuous performance management, supported by our employees’ need for constant and consistent feedback.

Another major facet of our reskilling of employees will be for roles for the future. A real-time performance report and personalised coaching where employees become the focus of attention will be recognised.

OUR PEOPLE WILL BE THE DIFFERENCE

At Engen, we are committed to provide our people with the knowledge to develop a competitive advantage for the organisation. To this end, we provide ongoing learning through development, training, coaching and mentoring.

We have developed People Development Councils to prepare employees not only for their current role but also for future assignments. Employee development activities and training makes an employee aware of the latest happenings and what is happening around them.

Through our Self Development and Learning Strategy, as well as access to the PETRONAS Learning Platform, our people development creates a learning culture in the organisation where every employee is motivated to learn new skills and acquire new learnings.

RETHINKING THE WAY WE WORK

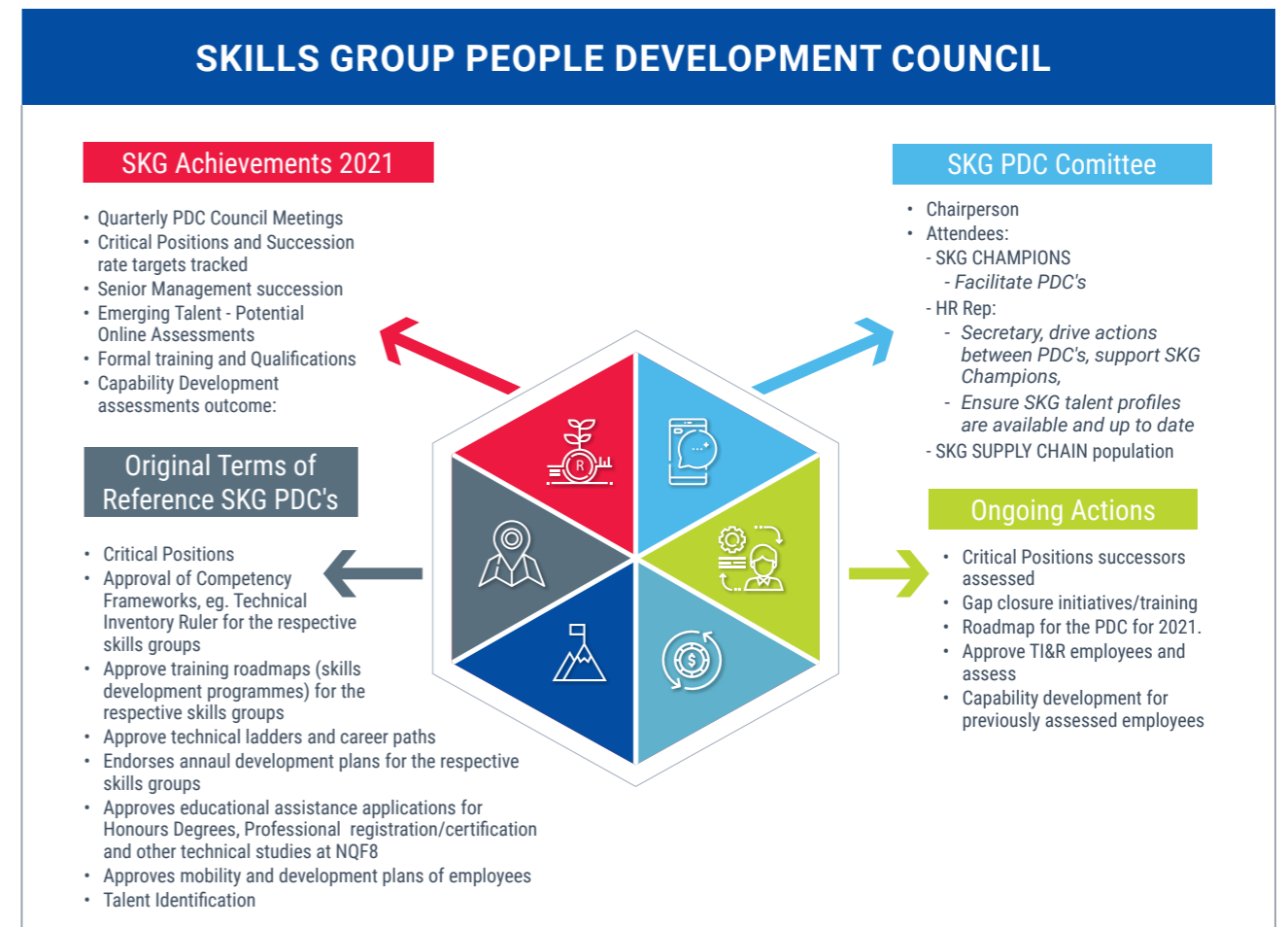
A clear positive for Engen from the effects of the Covid-19 pandemic is that we have challenged the status quo and have had to pivot as employees from a “business as usual” scenario. Our top of mind focus as an organisation has been on employee health and wellbeing. We have prioritised safety first, with physical and mental health brought to the forefront.

At the same time, we have had to find innovative ways of communicating and staying connected, amidst the challenges of building and maintaining relationships via digital platforms. Knowing the responsibilities many have had to juggle has engendered wide-spread empathy at all levels of the organisation. This has forced many to achieve a work-life balance and defined sense of purpose.

Agility, innovation, and resilience are three key skills that we will all require in the post pandemic era. We have had to ensure that we have prepared our employees to build these skills and continue to support and train these skills.

We have also had to become more trusting, empathetic and inclusive in everything we do. Our management levels continue to support each other, lead with empathy and have made employee wellbeing a priority.

We are heavily invested in reskilling and upskilling to build a high performing organisation



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

SKILLS DEVELOPMENT	YEAR	A	C	I	W
TRAINING BENEFICIARIES	2021	993	352	274	185
	2020	1 514	507	398	225
	2019	1 058	413	326	177
	2018	1 858	622	457	195
	2017	1 271	488	269	227
	2016	1 449	647	455	364

Our Approach to Young Talent

Bursaries, Graduate Development and Learnerships

We continue to create and develop a pipeline of future talent by awarding bursaries to undergraduate students and investing in Learnership Programmes.

In 2021, our investment in these areas increased to R11.9 million. This was due a focus in implementing Learnerships for our full-time employed staff.

Further to this, we are also seeing a growth in the uptake of Engen Maths and Science School (EMSS) learners that qualify to be integrated in the Engen Bursary Scheme. This is by far our biggest achievement in 2021.

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 a young talent programme could support future skills in the organization.

Our 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. It is also targeted at young learners in high schools across the country who have Oil and Gas related career aspirations.

In 2021, 534 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 corporate offices for their experiential vacation work in the months of July and December.

Engen’s Graduate Development Programme (GDP) is aimed at exceptionally talented but previously disadvantaged young people.

In 2021, we offered 51 young graduates the opportunity to hone their business acumen and be part of the Engen family.

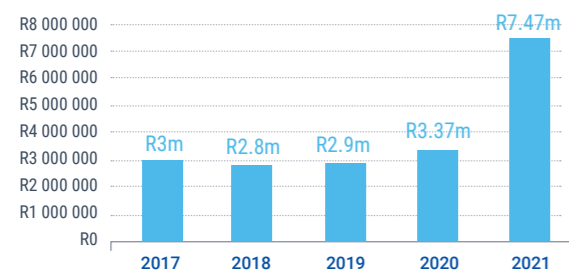
Our GDP focus in 2021 was providing young students an opportunity to obtain an additional digital related qualification through a relationship with the Graduate Institute of South Africa (GISA).

We also involved the graduates in some of our critical business projects, such as the Engen Journey. Thanks to the mentorship of some of our dedicated leaders, the graduates spent the year gaining vital experience about the working world.

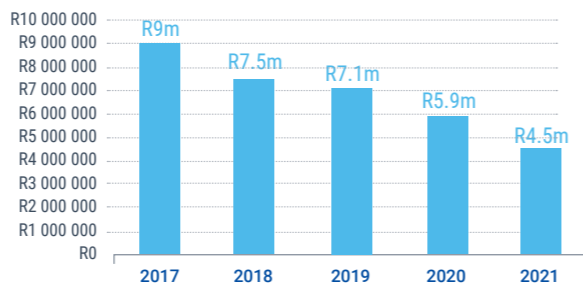
Our Learnership and Apprenticeship programmes are designed to respond specifically to scarce skills identified within our sector, and other vacancies in the business that prove difficult to fill.

Our investment in bursaries and learnerships in 2021 increased to R11.9 million from R9.27m in the previous year. Bursary Spend for 2021 was R7.5m and Learnership Spend was R4.4m (excluding annual salaries).

BURSARY SPEND

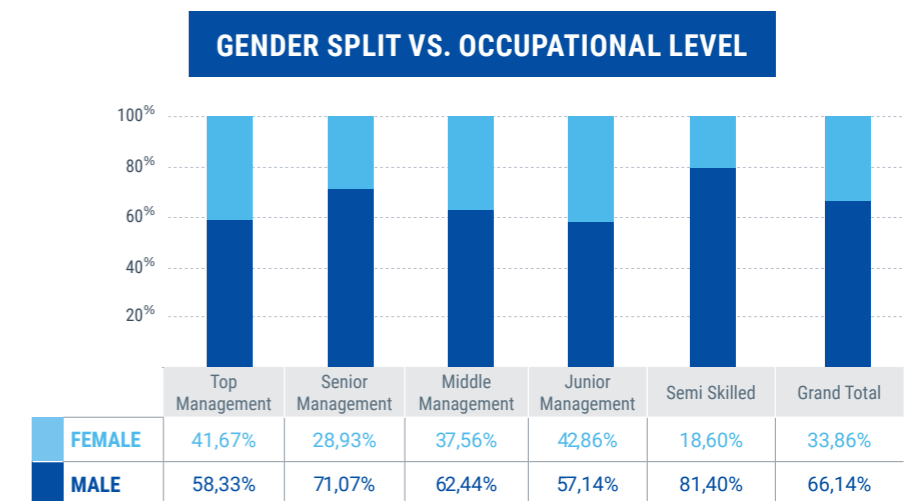


APPRENTICESHIP/LEARNERSHIP SPEND



Gender Diversity

We remain committed to delivering our mandate of ensuring that there is a strong sense of gender equality, either perceived or felt, within our organisation i.e., we had a significant number of females who were promoted in the previous year coupled with other initiatives.



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 Bargaining Council for the Chemical Industry (NBCCI).

The National Petroleum Employers' Association (NPEA), of which we are a member, engages with Employee Representatives (The Recognized Trade Unions) at the Bargaining Council.

In other countries, the collective bargaining processes are managed in line with applicable country legislation.

In the year under review, 669 Engen employees were employed under Collective Bargaining Agreements.

TOTAL WORKFORCE (31 DECEMBER 2021)

OCCUPATIONAL LEVELS	MALES				FEMALES				FOREIGN NATIONALS		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	2	2	3	0	1	1	3	0	12
Senior Management	24	15	20	21	14	4	7	9	6	1	121
Professionally Qualified	239	136	154	76	183	90	47	44	5	3	977
Skilled Technical	247	101	87	31	203	94	36	18	2	0	819
Semi-Skilled	448	69	34	9	101	22	4	1	3	0	688
Grand Total	958	321	297	139	504	210	95	73	6	4	2 617

PEOPLE WITH DISABILITIES TOTAL WORKFORCE (31 DECEMBER 2021)

OCCUPATIONAL LEVELS	MALES				FEMALES				FOREIGN NATIONALS		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	1	0	1	0	0	0	0	0	0	2
Professionally Qualified	3	0	3	2	3	3	0	1	0	0	15
Skilled Technical	3	6	2	0	4	5	1	1	0	0	22
Semi-Skilled	3	6	1	0	2	7	1	0	0	0	42
Grand Total	9	13	6	3	9	15	2	2	0	0	81

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 areas 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 our guiding principles in managing risks and hazards relevant to the business operations.

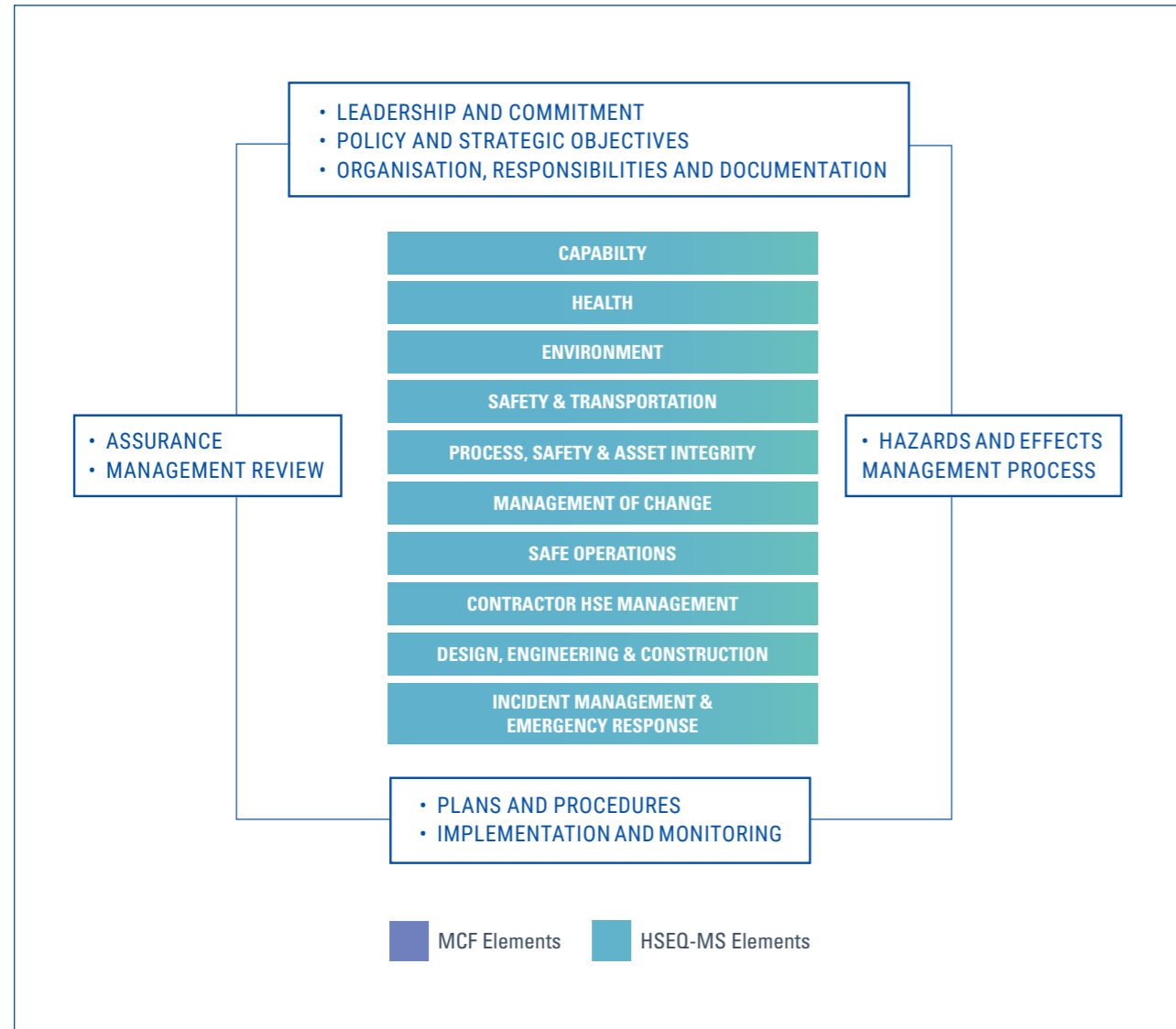
We oversee the governance of HSE through application of our HSE Management System. Our Management Committee upholds and drives safety excellence through their leadership values, competencies, and behaviours. They are responsible for understanding and mitigating risks as well as maintaining and assuring 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 incidents. HSE risks, incidents, performance, and issues are deliberated by our Management Committee monthly and discussed in detail during HSE Steering Committee meetings chaired by our MD/CEO and subsequently reported to the Engen Limited Board. In addition, an 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 worksite 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)



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 2021, 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.

Creation of a Generative HSEQ Culture

In 2021, we continued our HSEQ transformation journey towards a Generative HSEQ Culture through a systematic approach to managing behaviour and mind-set. Recognising the integral role of our workforce in creating the right experiences to achieve and sustain Generative HSEQ Culture, the focus for the year under review was to develop capabilities at all levels through the Engen "CHOMMIE" programme. Our goal is to build a system where everyone throughout the organisation embodies the five Generative HSE Culture Behaviours, namely: Role Model HSE, Feedback Truthfully, Empower Through Capability, Act Interdependently and Engage Authentically.



Safety

We have put several initiatives in place to improve our safety performance. These span our key focus areas of people and culture, work processes and management systems, land transportation, and contractor management. In the year under review, we implemented actions to improve visible leadership across the company and rolled out our Enhanced Behaviour Safety programme. We also encouraged and promoted teamwork to further improve our safety performance. In 2022, we will continue to focus on creating a strong Process Safety Culture across Engen.

We implemented new programmes in 2021 to reduce LOPCs and contaminations at our retail sites.

Transport Safety

During 2021, we continued to entrench our 11-Point plan for Land Transport. PETRONAS continued to support us with 11-Point plan requirements. Furthermore, we implemented new programmes in 2021 to reduce LOPCs and contaminations at our retail sites. These programs include onsite training for retail forecourt staff, on deliveries, contaminations, and slow speed moving on sites.

We continue to review our land transport contracts. These are updated with additional requirements and get audited annually for compliance. The business is currently reviewing the number of contractors being used to better utilise our own fleet.

Contractor Management

We had a challenging year in 2021 with HSEQ Contractor Management. Following an external audit, a refocus was conducted on our HSEQ Contractor Management. This was implemented and will be entrenched in 2022. A new audit approach was used in 2021 throughout Engen business and now will continue as the bases for contracts going forward.

Over the long-term, this aims to ensure Engen contractors demonstrate effective and sustainable HSE capabilities, performance and compliance to Engen's safety standards. We also continue to communicate with our contractors through various platforms including inductions, contractor forums and various trainings interventions. These engagements provide our contractors with the opportunity to upskill their capabilities and remain in compliance with our standards.

Our Safety Performance

We recorded zero fatality cases, four reportable Loss Time Injuries (LTI), and zero Major Fire in 2021. Of the four LTI cases, the most common causes were human factors or noncompliance to Engen HSEQ requirements.

KPIs (Lagging)	2021	2020	2019	2018	2017
Manhours	11.11m	10.78m	12.00m	16.70m	13.14m
FAR (per 100 mil. Manhours)	0	0	0	0	15.22
No. Fatalities	0	0	0	0	2
LTI Frequency (per 100 mil. Manhours)	0.36	0.74	0.33	0.42	1.60
LTI Cases	4	8	4	7	21
TRCF (per 100 mil. Manhours)	1.17	2.32	2.25	1.68	3.27
Major Fire	0	1	0	0	0

All LTI incidents were investigated, and corrective actions were recommended, monitored and tracked for closure. This is a testament to our deep commitment to safeguard our valuable workforce and assets by vigorously strengthening HSE compliance, managing HSE risks and improving HSE monitoring at sites, despite restrictions on movement during the Covid-19 pandemic.

Refinery Fire Investigation

In 2021, we continued with our investigation into the recorded Major Fire of 4 December 2020, remaining firmly committed to conducting and completing a thorough investigation of the incident, in line with Section 30 of the National Environmental Management Act 107 1998. To this end we appointed an independent, experienced and suitably qualified team, in line with the requirements of the issued eThekweni Municipality Notice.

Internal findings indicate that the incident emanated from vendor supplied equipment. Challenges in obtaining crucial information and cooperation from the equipment vendor caused delay in finalising the root cause analysis. The investigation has been completed and the report was issued to the authorities in July 2021. We await results of the external investigation.

As Engen, we will continue to improve our HSE controls and sharing of lessons learnt with employees as well as contractors to prevent recurrence. As we continue to make safety a priority across all our business activities, our intense focus on contractor management in 2022 will ensure our contractors are fully compliant with Engen's HSEQ Management System requirement.

We will also continue enhancing our HSEQ risk management by leveraging on Safety System of Work Tier 1 Assurance, developing a Generative HSE Culture through our "CHOMMIE" programme, and provide contractor training at all working levels, while always re-enforcing Stop Work Authority for any Unsafe Acts/Condition.

ORGANISATIONAL HEALTH

Engen's overall organisational health service comprises various health-related activities, channelled mainly through two support functions, namely: 'Occupational Health & Industrial Hygiene' and 'Employee Wellness'. These dovetail with other Engen roles such as Risk Management, Legal Compliance, Human Resources, and Industrial Relations.

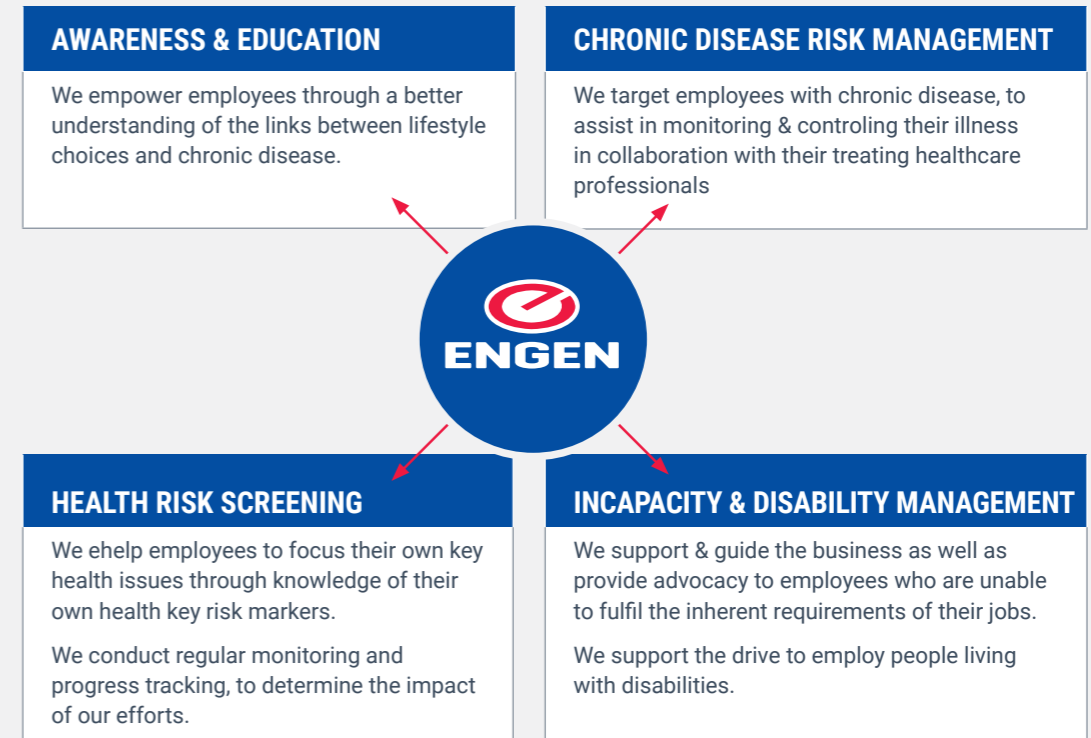
The Occupational Health & Industrial Hygiene service supports Risk Management and Legal Compliance, whereas the Employee Wellness service supports efforts to optimise employee wellbeing and productivity as well as effective incapacity and disability management.

Employee Wellness Service

The Covid-19 pandemic has brought the importance of employee wellness into sharp focus. Recognition that chronic illness and excess body weight place individuals at high risk of serious complications of Covid-19 has served as a stark reminder that preventing these "comorbidities" really matters. In response, Engen has channelled its efforts into reducing the impact of Covid-19 through the 4 focus areas illustrated below.

INTEGRATED WELLNESS

4 FOCUS AREAS



Awareness & Education is driven through personal one-on-one engagements with Engen's occupational health staff and via online group engagements. Through these, we highlight the importance of healthy living and Covid-19 vaccination as measures to mitigate the impact of SARS-CoV2. This aligns with the principles of the PETRONAS "MESTI" (Move Right, Eat Right, Sleep Right and Think Right, Individual Right) programme that are already embedded in Engen's wellness strategy.

Mental health received particular attention to support many employees struggling to cope with the challenges created by lockdowns, school closures, working from home, threatened livelihoods and the personal tragedies of lost lives. As Engen, we initiated professionally facilitated sessions aimed at developing employee resilience, which were well received and will continue into 2022. In the second half of 2021, the focus shifted to providing an intensive vaccine education and awareness campaign. The success of these was demonstrated by the proportion of vaccinated individuals which rose steadily and by early 2022 exceeded 70%.

Occupational Health and Industrial Hygiene Service

Whilst the Employee Wellness area of our Organisational Health service focussed on people, our Occupational Health & Industrial Hygiene service focussed on the workplace. This translated into actively driving non-pharmaceutical

interventions such as ventilation, crowd-avoidance, social distancing, physical barriers, sanitation, and mask-wearing.

The success of these non-pharmaceutical interventions was evident in the minimal cases of occupationally acquired Covid-19 during 2021.

Furthermore, Engen's leading approach to adequate ventilation received national recognition, in which we played a pivotal role in ventilation standard setting and introducing important innovations such as real-time monitoring of ventilation efficacy via carbon dioxide tracking.

The pandemic created a challenge for dealing with workplace ergonomics, because for many Engen employees, the workplace was transferred to their homes. With this, employee's workstations were no longer the purpose-designed desks and chairs available at Engen corporate offices, but in many instances laptops at dining room tables or on bedroom dressers. We actively embraced the task of minimising these ergonomic difficulties through online education sessions, written standards and by enabling access to suitable equipment.

As we move into the final phases of the Covid-19 pandemic, Engen recognises that we will have to consider new ways of working as the new normal. However, we view opportunities in these challenges, such as smarter office space utilisation and better indoor air quality management, which can firmly support the company's long-term sustainability goals.

CORPORATE SOCIAL RESPONSIBILITY

The broad purpose of our Corporate Social Responsibility (CSR) is to contribute to the wellbeing of society, thereby enriching lives for a sustainable future. As a responsible organisation, we are driven to create value for communities impacted by our operations in ways that are meaningful and sustainable. To this end, we strive to achieve a balance between economic, social and environmental imperatives.

Engen's CSR strategy seeks to support worthy causes that aside from making a meaningful contribution to society, are also aligned with our company strategy, the country's National Development Plan (NDP), and in line with the UN's Sustainable Development Goals (SDG's).

We recognise that responsible corporate citizens play a major role in alleviating poverty, addressing unemployment and inequality, and contributing towards inclusive socio-economic growth.

Our CSR projects focus on Education; Health Safety & Environment; Community Wellbeing and People who are differently abled. All projects aim to create value for all parties concerned, including – but not limited to - society, stakeholders, partners, NGO/NPO's, government and other collaborators.

Health, Safety, Community Wellbeing & Environment:

Record unemployment rates and high levels of hunger and food insecurity in South Africa (estimates place approximately 54% of the population living below the bread line), compounded by the Covid-19 pandemic, compelled Engen to demonstrate its caring philosophy by partnering with the following organisations and government bodies in support of relief projects:

- **Food ForwardSA** - R1 million fuel sponsorship in support of food security and to enable Food ForwardSA to expand their geographical footprint.
- **Gift of the Givers** – R2 million fuel support and food parcel support to impoverished communities living close to Engen operations and other remote areas.
- **South Durban Community** - Support of Environmental project around the Engen Refinery area (R500k)
- **PPE** – R1.5 million worth of Personal Protective Equipment was provided to various NGOs, learners of Engen Maths and Science School and various other partners.
- **Department of Minerals Resources and Energy** - Partnership projects with DMRE totalling R350k supporting special needs schools with specialized equipment and books.

Education & People who are Differently-abled

Engen Maths and Science Schools

The Engen Maths and Science Schools (EMSS) have been helping underprivileged children to realise their full potential for over 35 years.

EMSS provides supplementary Mathematics, Science and English classes to grade 10-12 learners, with a larger aim to spur future economic growth and address South Africa's skills shortages.

We are proud to announce that another EMSS was added in 2021. The EMSS based in Mfuleni area of Western Cape at Manzombotho High School is our 10th school in South Africa and our second in the Western Cape. We will be adding another centre in the Bakgatla area of North West Province in 2022.

EMSS classes are also hosted at Belgravia High School in Cape Town, as well as in Port Elizabeth, East London, and Cala in the Eastern Cape, and in Johannesburg. In KwaZulu-Natal classes sit at Fairvale High School, Ganges High School, Howard College, and Mangosuthu University of Technology.

The introduction of e-learning and technology has become a key enabler for educators and learners, especially in rural areas. We are therefore proud to announce that Phase1 of upskilling and introducing EMSS educators to e-learning methods across the country was completed in December 2021.

The high-quality learning experience offered to the 1 529 learners enrolled in the EMSS programme in 2021, also included educational materials. The 2021 EMSS matric class attained an 77% overall pass rate, versus the South African national average of 76.2%

Caring 4 Girls

In 2021, Engen's support of the Imbumba Foundation's 'Caring 4 Girls' initiative helped distribute 11 402 sanitary towels to female learners in 22 schools located close to Engen storage facilities in Mpumalanga, Limpopo, North West Province, Free State and KwaZulu-Natal.

Our collaboration with the Imbumba Foundation ensured that we helped restore the dignity of girl children so that they were able to focus on their schoolwork and did not miss out on school days due to lack of sanitary towels. UNICEF Research has shown that on average female learners miss at least 5 days of schoolwork per month due to sanitary health issues, which in some cases contributes to school dropouts.

The Engen Computer School

The Engen Computer School, located in South Durban, is run in collaboration with Added Advantage Academy. In operation since 2009, it offers SETA accredited computer literacy courses on a quarterly basis, which aim to uplift and empower unemployed persons who reside in areas adjacent to the Engen refinery. Approximately 260 people are put through these courses on an annual basis, with a recorded average of 30% who completed the courses finding employment.

Tembaletu School for Learners with Special Educational Needs

Minister in the Presidency for Women, Youth and Persons with Disabilities, Ms. Maite Nkoana-Mashabane, visited various schools around the country after South African President Cyril Ramaphosa's State of the Nation Address on 14 February 2020.



Ms. Nkoana-Mashabane's itinerary started with a visit to Tembaletu School for Learners with Special Educational Needs in Gugulethu in Cape Town. The office of the Presidency requested collaboration and support from Engen to make a positive difference to the marginalised and disadvantaged learners of the school.

The contribution made by Engen was towards new equipment for neurological and exercise therapy, electronic devices and sports facilities. This helped aid the school's learners to become inclusive, contributing members of society and to allow them to chart their own destiny by upskilling them to become self-sufficient, and intellectually and economically independent.

In 2021, Engen continued supporting Tembaletu School for Learners with Special Educational Needs by upgrading the school's play area, including levelling the gravel section, installing synthetic grass, soccer goal posts, and benches for learners.

Environmental Projects

In 2021, we collaborated with the Ethekwini Municipality's Parks and Recreation department to celebrate Arbor Month by planting 350 Spekboom trees and 150 Fever trees around the Engen refinery precinct. We also installed public benches in areas identified by the community.

Employee/Dealer Outreach Initiatives

The Covid-19 pandemic saw Engen's employees and dealers actively participating in community outreach initiatives in 2021.

Employees supported national fundraising events such as Casual Day (for disabled persons), National Cancer Month, various Mandela Day initiatives and National Food Awareness Day.

In July 2021 the Department of Mineral Resources and Energy (DMRE) as part of its outreach programme planned to commemorate Mandela Day, by contributing to meeting the needs of vulnerable South African senior citizens. The Mthimkhulu Centre for the Aged in Emalahleni was identified. Engen partnered with DMRE and contributed by providing food supplies.

Engen dealers continued to show their caring side in 2021. Amongst the highlights was the Engen Queens Convenience Centre who made a positive difference in helping uplift the Queenstown community, with dealers Lucy and Saji James providing financial assistance to parish priest, Father Thulani Gubula, who runs a soup kitchen for the local community.

Engen Monte Visa Convenience Centre dealer, Chris Faure answered a call from Metswalle Outreach to support and assist Filia School, which caters for learners with physical and intellectual disabilities. Faure supported their Step-by-Step/Mandela Day School Shoe Project and helped facilitate the handover of 100 pairs of school shoes.





As Covid-19 restrictions were relaxed over the course of 2021, and the country began to return to some normalcy, the EKOC was brought back to the field of play. A compact event, closely guided by SAFA's Covid-19 unit, was staged in September and October to rebuild the momentum of the tournament.

A tournament for girls was introduced to the EKOC in 2020. Unfortunately, Covid-19 restrictions saw the inaugural event held virtually with no physical play taking place on green turf. It was therefore exciting to see the girls compete for the first time in 2021 and was the realisation of a long-held dream for Engen, and yet another source of pride as we strive for inclusion and equal opportunity.

In 2022, we look forward to hosting a full EKOC tournament in what will be the event's 20th anniversary. Engen remains firmly committed to sports development and will seek to partner with clubs, ambassadors, and legends, whilst creating even playing field for girls and boys.

SPONSORSHIP

Engen Knockout Challenge

Passionately followed by over 265 million people worldwide, soccer is the world's most popular sport – by a long shot. From boys and girls aiming at upright bricks on township street corners, to star players dribbling across packed stadiums, the beautiful game produces some of life's most exciting moments.

The beauty of the game, of course, is its accessibility. Any boy or girl who has ever trapped a ball, turned, and passed, has imagined doing that in front of a cheering arena of fans. But for those who take all that running, kicking, and cooperating seriously, there is a springboard that can thrust them onto their rightful place amongst the stars.

That springboard is the Engen Knockout Challenge (EKOC).

It is through this platform that Engen continues to provide opportunities to boys and girls across the country to showcase their skills to a wider audience and possibly graduate to the next level of football stardom.

Rugby

Given the size of the sport, Engen is proud to be associated with the South African Rugby Union (SARU) as the official 'Fuel Sponsor' of the world champion Springboks as well as their official 'Get Into Rugby' (GIR) development partner. As such, our 2021 campaigns were aimed at creating awareness around Engen's partnership with the national team as well as our involvement in the sport's youth development.

Covid-19 meant restrictions in sports participation, particularly in 2020. This forced a halt of the 'Get Into Rugby' development programme due to the moratorium on school sports and on-field play for the Springboks. Despite these challenges, we were able to renegotiate our 2020 rights benefits such as an increase in player appearances, which we were able to distribute across the business in 2021.

As a result of the lifting of Covid-19 restrictions, on-field play resumed in 2021. This allowed Engen to fully reactivate our activities with the South African Rugby Union. Our development programme, GIR, resumed through the Valke Rugby Union Blitz

Festival which took place on Heritage Day, 24 September 2021. This provided Engen with much anticipated on-field exposure seen on both traditional and digital media.

Our support for the national team extends far beyond our borders. The 2021 Rugby Championship was the ninth edition of the annual southern hemisphere competition. During the matches abroad, Engen spurred the Springboks on through messages of support on social media platforms.

Coinciding with Heritage Month, a season synonymous with braaing – which is synonymous with rugby... there came the cue for our social media campaign in support of the Boks. A Braai Day campaign ran throughout the month of September on Engen's social media pages. Words of encouragement were shared before and after each game, enjoyed by players and fans alike.



Motorsport

Engen is majority owned by PETRONAS. It has been the aim of the Engen team to build and leverage off this brand association, especially in light of PETRONAS sponsorship of the Mercedes-AMG F1 team. We have made significant strides in building this association despite our reduced investment in media.

Guided by the international association between Mercedes and PETRONAS, Engen and Mercedes Benz SA are working to forge a local partnership. This opportunity will progress the relationship beyond lifestyle events to include the PETRONAS Lubricants as well as our commercial and retail divisions to communicate the Engen Mercedes brand association.

At the 2021 Styrian Grand Prix in Australia, Stephanie Travers was celebrated on the podium alongside Lewis Hamilton as he took top honours. Travers is a Formula 1 PETRONAS trackside fuel engineer and is the first black woman to stand on the winner's podium in the sport's 70-year history. This moment worked seamlessly in our favour as it helped drive the theme of 'The Maths & Science Behind F1'.

As we eagerly anticipate the 2022 F1 season, Engen continues to build the association with PETRONAS through digital media platforms. We look forward to another successful season for the Mercedes-AMG PETRONAS F1 team.

ENTERPRISE DEVELOPMENT & TRANSFORMATION

We are proud of the progress that we have made over the years in the socio-economic transformation aspect of our corporate strategy. Our efforts have continued to change lives in communities across the country. As a company, we remain steadfast in our view that socio-economic development is an ethical and strategic business imperative.

Our socio-economic transformation approach continues to be based on following three pillars:

- Legislative Compliance.
- Commercial Growth and Sustainability.
- Social Justice.

Our strategy is guided by the principles of the Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003, as amended by Act 46 of 2013 and related B-BBEE Codes of Good Practice, and the Liquid Fuels Charter (LFC) (2000).

This legislation was passed to facilitate effective socio-economic growth for the South African petroleum industry.

Engen management and its shareholders remain committed to making investments in sustainable transformation initiatives that lead to the creation of sustainable jobs, skilled entrepreneurs and communities.

Engen was externally and independently certified as a B-BBEE Level 1 contributor for the FY 2021 for our continued commitment to B-BBEE transformation. This is the second consecutive year that we have achieved B-BBEE Level 1 status. This means all our clients can enjoy 135% Procurement benefit recognition for every ZA Rand they spend with us and contribute to their respective B-BBEE scorecards.

Our achievement of B-BBEE Level 1 is the result of strategic and collaborative efforts. We therefore acknowledge and appreciate all our stakeholders who continue to support and partner with us in the implementation of our strategic transformation initiatives.

OUR B-BBEE SCORECARD PERFORMANCE

B-BBEE ELEMENT	WEIGHTING	2020 B-BBEE POINTS	2021 B-BBEE POINTS
Ownership	25.00	25.00	23.64
Management Control	19.00	12.98	14.75
Skills Development	20.00	14.88	17.12
Enterprise And Supplier Development	40	42.57	40.39
Socio Economic Development	5.00	5	4.31
Total	109 (118 BP)	100.43	100.21
Compliance Level		1	1
Recognition Level		135%	135%

(B-BBEE RATING PERFORMANCE: Independently Verified by AQRate Verification Services)

Engen's B-BBEE Procurement spend on entities that are more than 51% black owned was 79.77% of total spend.

OWNERSHIP

TOTAL WEIGHTING POINTS	Ownership Performance			
	2018	2019	2020	2021
25	21.67	24.03	25.00	23.64

Due to changes in the shareholding structure of Phembani Group, Engen Petroleum's second-largest shareholder, Engen's ownership decreased from 25 points to 23.64.

As a result of the Flow-Through Principle, EPL has an effective black shareholding of 22.21%, while Modified Flow-Through resulted in EPL's black shareholding going to 32.31%. Black Women Voting Rights were verified at 15.13% and Black Women Economic Interest at 14.29%.

MANAGEMENT CONTROL

TOTAL WEIGHTING POINTS	Management Control Performance			
	2018	2019	2020	2021
19	12.54	13.03	12.98	14.75

Engen achieved 14.75 points out of a possible 19 points, an improvement of 1.77 points achieved in the previous year.

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

SKILLS DEVELOPMENT

TOTAL WEIGHTING POINTS	Skills Development Performance			
	2018	2019	2020	2021
20	14.29	16.14	14.88	17.12

This element was directly impacted by the amendments to the B-BBEE Codes of Good Practice, which were published in May 2019 and became effective from December 2019. The amendments provide for bursaries to be measured as a separate indicator with a target of 2.5% for 4 points - and Engen achieved 0.40%.

With our Skills Development interventions, including our extensive Learnership and Apprenticeship programmes, Engen trained a total of 301 black people, which led to achievement of 17.12 out of a possible 20 points. This is an improvement from the 14.88 points achieved in the previous year. Moreover, Engen has managed to absorb 17 learners into the company.

ENTERPRISE AND SUPPLIER DEVELOPMENT

TOTAL WEIGHTING POINTS	Enterprise and Supplier Development Performance			
	2018	2019	2020	2021
40	36.68	37.39	42.60	40.39

Engen continues to perform well on this element and managed to achieve 40.39 points, a decline from 42.57 points achieved previously.

Engen has implemented several Enterprise and Supplier Development initiatives which aim to introduce black new entrants into the supply chain and contribute to their sustainability through business development support interventions.

Engen's B-BBEE Procurement spend on entities that are more than 51% black owned was 79.77% of total spend, and 75.18% on entities that are 30% black women owned. With concentrated efforts towards introducing new black owned suppliers into our Supply Chain, our procurement spend may improve in FY2022.

Following on page 134 are some of the strategic key programmes that were implemented to provide support to black entrepreneurs.



Retail Transformation – Fund

As we value our collaborations with government and other industry players, Engen entered 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 within our retail network. The fund was developed to provide finance to emerging black entrepreneurs who are interested in Engen retail sites. To date, it has provided funding to over 36 black owned retail sites.

Our retail network is currently 53% black-owned and 10% black women owned. The realisation of this performance comes as a result of the efficient integration of transformation imperatives in our retail processes, including the availability of the fund.

Engen Convoy Fund

In 2018, we entrenched our SMME development fund and renamed it the 'Engen Convoy Fund'. The Engen Convoy Fund is Engen's ESD fund to promote broad-based black economic empowerment (B-BBEE), with the objective of maximising socioeconomic development through supporting sustainable supply chain transformation.

The Fund supports SMMEs (companies with less than R50m turnover) within and outside of our databases. It provides access to finance for both capital and business development needs for entities that are at least 51% black-owned and/or black-female owned. To date, Engen has funded seven businesses to the amount of R61.5m. These are predominantly in manufacturing, tank maintenance engineering, and retail.

Engen Pitch & Polish Programme

The Engen Pitch & Polish programme, which is a collaborative partnership between Engen, Nedbank and Raizcorp, has been running for 11 years. Engen is the lead sponsor of the programme, which aims to drive entrepreneurship in a sustainable manner. Due to Covid-19 preventive measures, the FY2021 Engen Pitch & Polish was conducted online to ensure compliance with the appropriate hygiene protocols.

Engen Pitch & Polish was broadcasted on YouTube and featured 16 contestants who were selected after a stringent screening process. The episodes reached approximately 100 000 viewers on average, with one episode reaching 2m viewers.

Our retail network is currently 53% black-owned and 10% black women owned.

SOCIO-ECONOMIC DEVELOPMENT

TOTAL WEIGHTING POINTS	Enterprise and Supplier Development Performance			
	2018	2019	2020	2021
5	4.94	5.00	5	4.31

Engen achieved 4.31 points out of a possible 5 points. During the year, Engen implemented several programmes that drive strategic socio-economic reforms in communities that we operate in. We spent 0.89% of Net Profit After Tax (NPAT) on programmes that have more than 80% black beneficiaries.

Please refer to page 126 of this report for Engen's Corporate Social Responsibility initiatives implemented during the year.

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 and are relentless in our pursuit to have a customer-first mindset that will create a seamless customer experience and offer our customers the best experience possible at all touchpoints. To become an integral part of our customers' everyday lives, we have started creating new services and products, both at our service stations, in the commercial and Lubricants space, and in the digital environment, to provide the best experience possible to win the confidence of our customers and gain their trust in our brand.

Our commitment to our customers is manifested through a four-prong strategy: Grow and Strengthen the Core, Stepping Out, Drive Down Cost to Serve, and Optimise Across the Value Chain, enabled by People and Business Process, Cultural Beliefs, B-BBEE Accreditation and Digital. Our strategy is underpinned by having the highest standard of Health, Safety and Environment management across all our operations, which insures our license to operate.

Customers' Safety and Health

In treating our 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 our offerings to ensure that our customers are never short of options. In 2021, we continued to focus 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 fresh food and coffee and focused on the rollout of 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). Staff also underwent compulsorily Cyber Security training in 2021.

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.

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:

- Reboot - Deals to Start the Year; Pocket Boost - Bag More Savings; Hot Deals for Cold Days; Crazy Specials; Kiss Winter Good Braai; KickBack & Save Up; and Jumpstart 2022; and
- Omni-channel communications to enable customers who use our digital payment modes:
 - o Promotion of the Engen 1app and launch of Tip and Attendant functionality

We believe that all feedback counts as we provide other channels including emails, 24-hour Customer Call Centre (CSC) and social media i.e. Facebook, Instagram, Twitter and LinkedIn, 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.



ENGEN
PRIMAX
With **Pro-Drive**

Manufacturing Capital

REFINERY REPURPOSE

The Engen refinery has been safely shutdown since late 2020 following an unfortunate fire incident on 4 December 2020 at the Catalytic Hydro-Desulphuriser (CHD) Unit in the North Complex of the plant.

In March 2021, the Engen Limited Board authorized conversion of the Engen refinery into a world-class import and storage terminal, as well as repurposing of the current refinery site.

This decision followed a rigorous strategic review in September 2020, which led to revision of Engen's operating model in response to external market forces and significant business challenges that were facing our refinery.

During 2021, work undertaken at the Engen refinery was primarily decontamination, which related to the cleaning

of the equipment on-site. This activity formed part of a first phase for the overall refinery decommissioning process. It primarily concerned the safe isolation of various process units and equipment for the purpose of handover to the Refinery to Terminal (RTT) Project Team and Repurpose Project Team for preservation.

The planning and execution schedule included various activities associated with the de-inventorying (hydrocarbon removal), de-energising (electrical isolation) and mechanical isolation (blinding). This involved significant scaffolding erection and dismantling; the decontamination of process equipment and piping by water flushing, steaming and nitrogen purging; vessel blinding/opening for entry to remove chemicals and catalyst; and high-pressure cleaning in some instances.



The repurposing potential of the refinery is viewed as a catalyst for economic growth, supporting job creation and socio-economic advancement.

To promote successful decontamination activity, all work is risk assessed. Engen's HSEQ team conducts proactive monitoring in terms of noise, VOC, Ambient SO2 and BTEX, flare flow rate, alignment to Trade Effluent Permit, observation of wind direction prior to commencement of decontamination work, and visual plant inspections.

By year end, 95% of the decontamination work was completed, with the balance scheduled for completion by the end of June 2022.

The relevant authorities were consistently briefed throughout the year and kept informed on related matters. Engen is committed to ensuring that all activities at the refinery are conducted in strict compliance with applicable legislative requirements and within the limits as defined in the relevant licences and permits.

The conversion of the Engen refinery to a world-class import terminal (RTT) is currently in the engineering phase with commissioning scheduled for Quarter 4 of 2023.

In parallel to the establishment of the world-class import terminal, we are assertively pursuing new sustainable business opportunities through repurposing of the refinery and making new investments in the site.

The repurposing potential of the refinery is viewed as a catalyst for economic growth, supporting job creation and socio-economic advancement, whilst ensuring Engen continues to be a positive contributor to both the KwaZulu-Natal and South African economy.

Projects currently under consideration are aimed at creating a sustainable eco-industrial park. Carbon conscious businesses will be considered as they are viewed as enablers that will allow Engen to grow its 'Progressive Energy and Solutions Partner' programme.

In developing our plans for the site, we are consulting extensively with national and provincial government, South Durban community representatives, and prospective small businesses enterprises.

Studies on the Repurposing of the refinery site are being progressed and investment decisions on the initial projects are scheduled for Quarter 4 of 2022.

LUBRICANTS MANUFACTURING

Our two lubricants manufacturing facilities located in Island View, Durban – namely the Engen Lubricants Oil Blend Plant (LOBP) and the Zenex Blend Plant (ZBP) - continue to progress from safe reliable operations to world-class manufacturing

through the PETRONAS Operations Excellence for Results 2 (OER2) programme.

HSEQ remains top priority. This is evident with the plants heading towards 14 years (ZBP) and 6 years (LOBP) without Lost Time Injuries. In addition, the facilities achieved 100% status on the Mandatory Compliance Framework (MCF).

LOBP maintained above 99% Right First Time (RFT) and was recognised by PETRONAS' Integrated Assurance Unit for demonstrating a high commitment and endless dedication in bringing PETRONAS towards effective self-compliance and a generative HSEQ culture.

The year under review ushered a new era of lubricants manufacturing for Engen after we successfully unified operations of LOBP and ZBP. This allows us to optimise normalised production capacity and achieve significant improvement in manufacturing conversion cost targeted under 11 US cents per litre. This will ensure that we are amongst the most sustainable OPU's under the PETRONAS Lubricants International (PLI) umbrella.

In parallel to this, the unified facility achieved 65% Overall Equipment Effectiveness (OEE). It also underwent product rationalization that will help reduce manufacturing complexities whilst maintaining high quality standards and satisfying market demand.

Our quest towards safe, reliable, and efficient operations is enabled by PETRONAS OER2 under the pilot and practise phase. Through OER2, we have witnessed a paradigm shift towards digital transformation with many facets of our processes, procedures and practices going online.

Computer literacy on the shopfloor remains a challenge. We have however sought to close the digital divide by installing desktop workstations on the shopfloor, with encouraging uptake.

LOBP improved its outcomes from the various quality audits conducted in 2021. The number of audit findings decreased year on year with zero major audit findings recorded in 2020 and 2021. This is testament to the robust quality plan and rigorous internal audit programme deployed at LOBP.

LOBP attained a score of 98% (Platinum Status) in the recent PIAQA audit. The audit was conducted by a cross functional quality team, led by the PETRONAS' Head of Group Quality, supported by team members from PETRONAS Melaka Refinery. This accomplishment is a first for PETRONAS Lubricants International (PLI) and indeed a milestone in our quest for a customer centric product quality experience, providing confidence in the PETRONAS /Engen lubricants brand and ultimately our sustainability in difficult economic circumstances.

LOBP's RFT decreased marginally from 99.8% in 2020 to 99.3% in 2021, whilst ZBP showed an improvement from 99.1% to 99.5% for the same period. The RFT was supported by the proactive identification of potential product failures and detailed corrective action.

The LOBP laboratory maintained its performance of zero outliers in the 2021 ASTM proficiency programme providing confidence in the accuracy of results generated.



SUPPLY CHAIN

Engen's Supply Chain enables our marketers to deliver a superior customer experience by achieving operational excellence across the value chain. It is a key differentiator and enabler to provide a competitive advantage for our customers and the Engen business at large.

We manage and operate all Engen terminals and depots as well as the bulk transport fleet that services our network of retail service stations and commercial customers, through our Supply Chain division.

Our Supply Chain division is responsible for ensuring security of supply, alignment of infrastructure to current and future demand requirements, and optimal product sourcing and safe delivery of all customer fuel requirements on time and with no impact to the environment.

Prior to 2021, Supply Chain ensured security of supply through a three-pronged sourcing strategy, i.e. Engen refinery, contracts with other local oil majors, and imports secured on international markets.

Following the fire incident at the Engen refinery in December 2020, and after the decision by the Engen Limited Board to convert the refinery into a world-class terminal, we implemented a Business Continuity Plan (BCP). This ensured continuity of supply to all our customers. In the absence of the Engen refinery, we developed and embedded a sustainable two-pronged sourcing strategy which continues to ensure our customers are served with no interruptions.

To ensure a safe and steady supply of product to our customers, we have entered term arrangements with local refiners as

Implementation of our BCP has allowed us to convert our multipurpose infrastructure within the Durban Precinct to facilitate our new way of sourcing and supply.

well as multinational oil companies. By carefully balancing, the procurement of refined products between terms and spot purchases from the various geographical locations, we are also able to ensure that product is landed at optimal cost.

Implementation of our BCP has allowed us to convert our multipurpose infrastructure – including tankage and transfer lines - within the Durban Precinct to facilitate our new way of sourcing and supply. These changes were integrated with additional tankage capacity leased at the VOPAK Growth 4 facility. Our current Supply Chain is robust and tested for adequacy to support demand growth in the short to medium term.

With fuel demand in South Africa recovering better than anticipated from the Covid-19 pandemic, we were able to respond to both inland and coastal customer needs due to the improvements made in our logistics network efficiency to support pre-pandemic demand and future growth.

In 2021, we stress tested our current business mode of operations post our refinery shutdown when 5 refineries within South Africa where not in operation during May and June. Engen was able to supply our customers without any disruptions during this time.

We continue to put in place building blocks to secure a watertight end-to-end supply chain that reduces costs, improves work efficiencies and maximizes returns. Our reliance on third party infrastructure, in some instances impacts the timeous and cost-effective servicing of our customers. However, effective management and interaction with third party facilities and transporters enables a positive customer experience and avoids stock outs.

As a key measure of customer service, we endeavor to continually improve on OTIF

(On Time in Full), our supply chain reliability measurement of how often Engen delivers customer order quantity in the agreed delivery timeline. OTIF allows us to determine how well we service our dealers and commercial customers by ensuring we efficiently fulfil the orders that they place with us.

The unfortunate social unrest in KwaZulu-Natal and parts of Gauteng in July 2021 resulted in a significant disruption in national fuel supply. This occurred as the country continued to deal with the challenges brought about by the Covid-19 pandemic.

Despite these unprecedented uncontrollable factors, including disruptions to the Transnet pipelines, our OTIF average for the year was 96% for fuels, a remarkable improvement from 93% in 2020.

The coastal stretch between the Garden Route and the Eastern Cape remains one of our focus areas. This is in view of continued inconsistent supply out of Mossel Bay as well as the imminent closure of the Dom Pedro terminal in Gqeberha (formerly Port Elizabeth). Engen and other industry stakeholders continue to engage with Transnet National Ports Authority (TNPA) for extension of the Port Elizabeth port operations until such time an alternative facility in the Port of Gqeberha is commissioned.

At the Port of Cape Town, Engen continues to operate from its own terminal in Montague Gardens as well as through additional tankage leased from Burgan Cape Terminals to supplement additional supply into the Western Cape.

Whilst the Covid-19 infection rate has significantly reduced in recent times, the risk of another wave remains. We therefore continue to ensure that all Engen terminals and depots are compliant with the required protocols and health and safety requirements.



In addition to being compliant with the precautionary measures set out by the World Health Organization and the National Department of Health, we continue to enhance our control measures to curb the spread of Covid-19 in our supply chain facilities.

Looking ahead, one of our key focus areas is HSEQ improvement as we take the health and safety of our employees, customers, and our environment very seriously. We therefore continue to focus on initiatives that are geared to ensure 'Zero is Possible'. In addition, our key focus is on process safety management, sustainability initiatives to reduce waste and save water, and always striving to limit our environmental impact with a target of zero carbon emissions by 2050.

Through an integrated Equipment Reliability Strategy, we manage our process safety risks, optimize asset performance, and structure effective maintenance strategies.

We have also embarked on several campaigns to further streamline maintenance philosophies and understand opportunities for advancement.

The introduction of P-ALS in 2022 will allow for the modelling of several key asset life cycles, facility de-bottlenecking, and asset rejuvenation. We have adopted a comprehensive API (American Petroleum Institute) methodology for management of tankage and piping assets.

As a company, we continue to monitor the changing dynamics of the refining industry within South Africa and its possible impact on the shared infrastructure and interdependencies.

Natural Capital

In addition to our long-established integrated Health, Safety, Environmental, and Quality Policy, we have further strengthened our commitment to responsible business practices in the area of Environmental Stewardship through our Sustainability Framework.

This has allowed us to consolidate all the work we have been doing and bring together stakeholders across the business to engage more on where and how Engen can meaningfully contribute to reducing harm to the environment and improving efficient use of resources.

We have identified and begun implementing interventions across key environmental sustainability themes, including water and energy efficiency improvements, pollution prevention and waste management. These interventions are reviewed on a regular basis and continue to receive focus in 2022.

We continue to maintain our internal systems such as the PETRONAS Mandatory Control Framework (MCF) and Health Safety and Environmental Management Systems (HSEMS), which are designed to heighten our focus not only towards achieving compliance to statutory requirements, but also to continuously improve performance through application of international and internal standards.

The PETRONAS MCF remains a critical internal standard that ensures the consistent application of systems and processes across our operations.

Our environmental performance is closely monitored and followed up with analysis of key performance indicators, the updating of associated risks and implementation of appropriate mitigation measures.

We have a dedicated team in place to ensure adequate focus on the various aspects of Environmental Management as well as ensuring our regulatory compliance obligations are adhered to and risk management processes are followed.

In 2021, we saw significant reduction in our key performance indicators including air pollutant emissions, greenhouse gases, and water consumption. This is mainly due to the shutdown of our Refining operations in December 2020 and the subsequent decision to transition the Refinery to a world-class storage and handling terminal.

Our yearly environmental performance is demonstrated under each category reported below and encompasses soil and groundwater management, emissions, waste management, water consumption, wastewater management and energy efficiency.

SOIL AND GROUNDWATER

Our operations entail a network of fuel storage facilities and tanks that can have an impact on the soil and groundwater resources.

In 2021, we saw significant reduction in our key performance indicators including air pollutant emissions, greenhouse gases, and water consumption.

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

Our approach to the management of contaminated sites is focused on moving them from a higher to a lower risk as is reasonably practicable.

In 2021, we managed to reduce the risk of 112 sites from a higher to a lower risk. This is attributable to the implementation of different remediation methodologies. Key to our success has been to collaborate with the Network for Industrially Contaminated Land in Africa (NICOLA), an organization that is endorsed by the Department of Forestry, Fisheries & Environment.



ATMOSPHERIC EMISSIONS

We continue our strong focus on atmospheric emission management at all our facilities.

Our refinery's key emissions are detailed in the table below. A reduction in emissions is noted in 2021, which is mainly attributed to the cessation of the crude oil refining activities since the Refinery is transitioned into a Terminal.

REFINERY AIR EMISSIONS

ATMOSPHERIC EMISSIONS (tons per annum)	2017	2018	2019	2020	2021
Refinery So ₂	2083.4	2602.3 ^{RA}	2826	2246.79	0.40
Refinery No _x	1191.63	952.27 ^{RA}	1048	976.96	166
Refinery Filterable Particulate Matter *	90.3	72.90 ^{RA}	77	67.75	1.62

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

National Atmospheric Emission Inventory System (NAEIS) reporting submission for all our sites was done within the prescribed timeframes and passed the audits with no adverse findings by the licensing authorities.

In accordance with the National Environmental Management: National Air Quality Act 39 of 2004, all Engen sites that conduct listed activities have valid Atmospheric Emissions Licences. To maintain compliance with statutory requirements, legal compliance audits against legislation, standards, permits, and licenses are conducted regularly.

To enable early detection and reduction of fugitive emissions, all our facilities with an Atmospheric Emission Licence continue to conduct the Leak Detection and Repair Programme.

WASTE MANAGEMENT

We report below on the refinery waste generation and the management thereof. Waste produced ranges from inorganic to organic waste consisting of spent catalysts, oil contaminated waste, 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, maintenance activities, and plant operations, and significant amounts of additional waste that may be generated during a shutdown and major maintenance activities. During these activities we take the opportunity to clean out equipment as one of the activities to optimise plant and HSE performance.

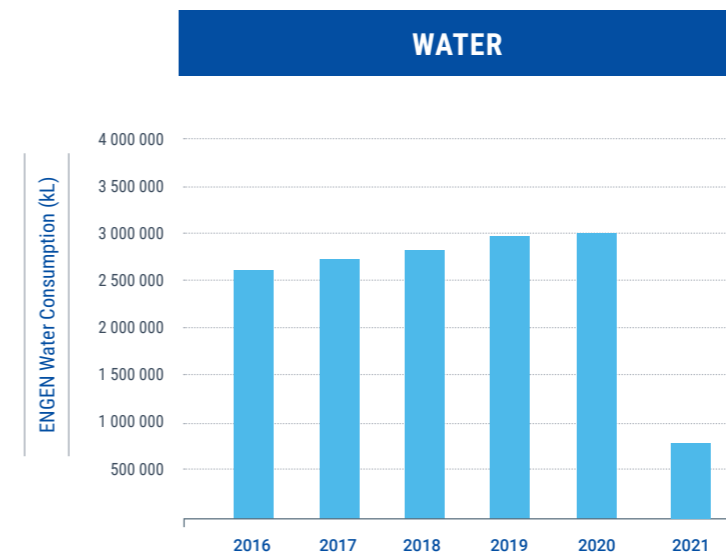
In 2021, waste generation continued declining, in part attributable to the cessation of crude oil refining activities. Despite this, our waste management approach remains to reduce, reuse and recycle.

We continue to improve waste reporting by all our facilities, to support our waste minimization efforts. This is in line with SDG 12: Sustainable Consumption and Production global targets that we subscribe to.

As a responsible brand owner, we have taken steps to ensure that we participate in the Extended Producer Responsibility (EPR) scheme, in order to better manage packaging and single use products in the post-consumer stage, while contributing towards a circular economy. In addition, we ensure compliance with the regulatory requirements relating to restricted waste disposal. In 2021 we incorporated the E-waste restrictions into our procedures.

REFINERY WASTE MANAGEMENT (tonnes)		2017	2018	2019	2020	2021
HAZARDOUS WASTE	Generated	7162	20406	18054	18848	9657
	Recycled	2849	16135	13184	16458	2557
	Disposed	4313	4271	4870	2390	1260
NON-HAZARDOUS WASTE	Disposed	1193	1194	915	1105	908
	Recycled		1037	520	178	85
Total Disposed to Landfill		5506	8314	5785	3495	2168
Total Recycled		2849	17172	13704	16636	2642

In 2021, waste generation continued declining, in part attributable to the cessation of crude oil refining activities.



WATER MANAGEMENT

Engen remains committed to further improving our freshwater management.

Water scarcity and pollution is a global concern that remains a priority and we recognise the role we play in responsible and efficient utilisation of this precious resource.

Through our Sustainable Development Goals (SDG) framework development, we prioritised SDG 6: Clean Water and Sanitation as one of the goals to receive focus by us in 2021 and it will remain a priority in 2022 as we seek to reduce our water consumption to as low as reasonably practicable.

This reduction will be achieved through exploring and implementing water reduction or efficiency improvement projects, which is already underway. Our interventions also include assessing our water vulnerability risks, mitigating or adapting to these risks and preventing and managing pollution of water resources.

As part of our roadmap to improve water use efficiency, we have endeavoured to improve water use tracking in 2021 at those facilities identified as a concern through engagement with municipalities and addressing errors with water meter readings.

Our refinery continued to be the largest water user within our organisation in 2021, though a steep decline in water use is noted as the Refinery transitions to a Terminal following the decision to cease Refining operations in 2021.

Opportunities for efficient water utilization and reduction will be considered as the Refinery explores its repurposing activities.



WASTEWATER MANAGEMENT

As part of our continued support towards the realisation of SDG 6 - Clean Water and Sanitation, a number of our sites have installed water treatment facilities to upgrade the water quality from within the facility prior to discharge.

These bioreactors are designed to reduce the organic load from wastewater, eliminate odours and have minimal visual impact. They utilise microorganisms to treat wastewater, followed by a disinfection step.

We continue to work on improving the performance of these plants with various monitoring and improvement programmes in place.

Our sites also have oil/water separators to prevent contaminants from entering our precious water resources.

ENVIRONMENTAL MANAGEMENT SYSTEMS

Our Bunker Terminal in Richards Bay and our Lubricants Oil Blending Plant in Island View, as well as our Refinery and Durban Terminal, were audited successfully in line with the requirements of ISO 14001:2015 and retained their certification.

Over and above the external accreditation for management systems, internally we have a PETRONAS Mandatory Control Framework. This prescribes mandatory requirements to be implemented in the PETRONAS group and focuses on 10 areas with significant risks. This is managed through the PETRONAS Health, Safety and Environment Management Systems (HSEMS). All facilities are audited on this requirement and gaps identified were tracked and closed.

The effective implementation of this internal management system ensures compliance to the requirements of HSEMS and delivery of improved and sustainable HSE performance and culture.

ENERGY MANAGEMENT AND CLIMATE CHANGE

Efforts to address climate change are gaining momentum globally. Government, business, and society are more aware than ever of the urgent need to mitigate and adapt to climate change impacts.

As a conscientious player in the energy sector, Engen recognizes its responsibility to reduce the threat of climate change and transition towards a low carbon, resilient economy.

Engen facilitates the management of climate change through various interventions particularly through driving energy efficient practices and reduction in its GHG emissions. This is also in support of our parent company, PETRONAS' aspirations of net zero carbon emissions by 2050.

Engen has already seen a significant decline in both Scope 1 and Scope 2 GHG emissions through the shutdown of our Refinery in 2021. We have shifted our focus to other areas of our business to target energy efficiency improvement.

Through our Sustainability Framework, we identified SDG 7: Clean and Affordable Energy as a priority SDG in 2021 and it will continue to receive high focus in 2022 and beyond as we strive towards a low carbon economy.

Following analysis of global targets and assessing our needs, we have identified areas where we can contribute significantly. Our newly established New Energy department has been steadfastly exploring various renewable energy opportunities, enabling us to become a player in the clean and affordable energy market.

Engen has successfully complied with its 2021 reporting obligations in terms of the National GHG Reporting Regulations requirements. We have ensured that we have submitted the required Carbon Tax information and made payment within the prescribed timeframes for the 2020 reporting period.

The graphs on page 147 present our GHG and Energy performance from owned or controlled sources from our operations in South Africa. It is important to note that as part of repurposing the refinery precinct, these emissions will increase, and the magnitude of which will only be determined when the projects have been crystallized.

Scope 1 emissions represent direct emissions from fuel combustion, flaring and fugitive emissions, while Scope 2 emissions include emissions associated with the purchase of electricity.

Our emissions and energy in 2021 has significantly decreased due to the shutdown of the Refinery and the decision to transition to a world-class Terminal in 2021. Opportunities for energy efficiency and GHG reduction will be considered as we explore the refinery's repurposing activities.

Improvement in energy efficiency and an increasing focus on renewable energy are key features of our roadmap towards clean and affordable energy.

In 2021, our Retail division successfully installed and commissioned Solar PV at 23 of our service station in South Africa and six in Namibia. This contributes an additional ~1 MW power capacity from renewable energy for use within our business with a potential estimated avoided CO2 emission of 1585 tonnes annually in SA and 376 tonnes in Namibia.

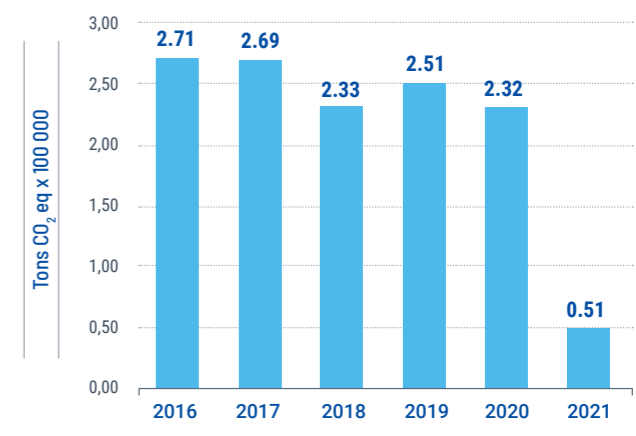
In 2022, we aim to complete Solar PV installation at 38 additional sites within our retail network in SA and in Namibia (combined). We will also conduct feasibility studies into various other renewable energy sources.

Our efforts to manage and mitigate the effects of Climate Change are also receiving additional focus this year as we progress our initiatives associated with SDG 13: Climate Action. A key deliverable for us in 2022 will be the completion of our pilot Climate Change Vulnerability Assessments (CCVAs) and Adaptation Plans at two of our facilities within South Africa.

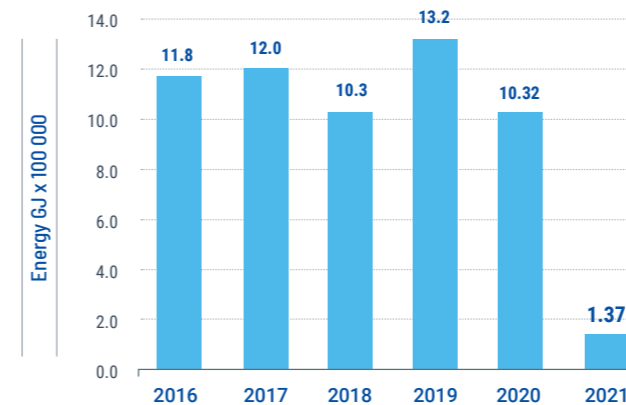
ENGEN SCOPE 1 GHG EMISSIONS



ENGEN SCOPE 2 GHG EMISSIONS



TOTAL ENERGY



Our emissions and energy in 2021 has significantly decreased due to the shutdown of the Refinery and the decision to transition to a world-class Terminal in 2021.



LOSS OF PRIMARY CONTAINMENT AND SPILLS

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 recorded as a spill.

Our LOPC classification considers the flashpoint of the liquid as per American Petroleum Institute (API) Standard 754.

In the event of a spill, our spill response management enables us to undertake post clean up and remediation.

Our LOPC and Spills performance is summarised below. While we had great success in reducing our Major LOPCs to zero in 2019 and 2020, we are concerned with the increase we noted in 2021.

Engen is committed to addressing this increase and we have several initiatives aimed at improving Process Safety, Asset Integrity & Transport Safety. We are also implementing our LOPC Reduction Framework, which supports our strategies to achieving excellence in Design, Mechanical and Operational Integrity.

With every incident that occurs, we are not only fully committed to conducting the investigations but ensuring that we learn from these outcomes and continuously improve our mindset, practices and processes.

INDICATOR	2016	2017	2018	2019	2020	2021
Number of Major Lopc	6	14	3	0	0	3
Volume Major Lopcs (KI)	43	357	46.8	0	0	124.17
Number of Major Environmental Spills	4	5	1	0	0	0
Volume of Major Spills (KI)	41	184	8.82	0	0	0





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REDUCE
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