

2022

ENGEN INTEGRATED REPORT

stepping

Out



1 app



member of
PETRONAS Group



We believe in putting customers at the epicentre of everything we do at Engen. While we safely deliver our quality petroleum products to markets, our enduring brand promise “With us you are Number One” motivates us to make our customer’s everyday lives simpler and better. In an age of digital revolution, we recognise the importance of data and technology, and have embraced digitalisation across our business operations. We call all of this “Stepping Out” to move beyond the historical confines of your usual petroleum company to pioneer progressive solutions that are relevant to our customers’ changing needs.

Our dream is for a simpler, better and more meaningful tomorrow for all.

stepping



About this Report

This integrated report presents a concise review of Engen Limited's financial and non-financial performance, indicating how the Company's business and strategies have been structured to take into account risks and opportunities presented by our operating context. The report is relevant to all stakeholders who would like to understand how we seek to create sustainable value through good governance, balancing our vision for growth against environmental and social imperatives.

Reporting Scope and Boundary

The Engen Limited Integrated Report <IR> is our primary report to stakeholders, aimed at providing a balanced assessment of the Group's ability to create sustainable value based on our short, medium and long-term strategy whilst supported by our six strong capitals. The Financial Statements (AFS) is a concise report of the Group's financial performance for the year.

In this report, we disclose material information relating to the Group - comprising our subsidiaries and associates - covering the year from 1 January 2022 to 31 December 2022. Any material events that take place up to the Board's approval date of XX June 2023 are also included.

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

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.

PwC 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 2021 and 2022 of the Statement of Profit and Loss and Statement of Financial Position are set out on page 72. 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 2022 Engen Integrated Report.

Forward Looking Statements

This <IR> contains certain forward-looking statements that are subject to uncertainties that could cause actual results to differ materially from those expressed. The forward-looking statements indicated are as at the publishing date of this report and it is not the Company's obligation to update and will not necessarily do so. Readers are cautioned not to construe the forward-looking statements as guarantees or predictions of future performance.

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 xx June 2023 and signed on behalf of the Board:



AHMAD ADLY ALIAS
Chairman



SEELAN NAIDOO
MD & CEO

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

FINANCIAL	HUMAN	MANUFACTURED	INTELLECTUAL	SOCIAL AND RELATIONSHIP	NATURAL

Our Strategic Priorities

GSC Grow & Strengthen the Core	SO Stepping Out	DDCS Drive Down Cost to Serve	OAVC Optimise Across the Value Chain



“ Our report is based on the principles and framework as presented in the International Integrated Reporting Framework (IIRC). ”

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Who We Are & What We Do

Over the last 30 years, Engen has been at the forefront of the African petroleum products industry, providing high-quality hydrocarbon offerings and unparalleled customer and brand experiences. In the age of digital revolution, we recognise the importance of data and technology, and have embraced digitalisation across our business operations.



Our enduring brand promise “With us you are Number One” motivates us to make our customer’s everyday lives simpler and better and drives us to innovate and develop differentiated offerings that provide greater convenience.



RETAIL

We operate 1,040 Engen service stations across South Africa, marketing superior petroleum products and offering unique convenience at over 670 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 270+ 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.



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.

PETRONAS CULTURAL BELIEFS



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.



RETAIL

Offers quality petroleum and non-fuel products and services at 1,040 Engen stations, over 670 Quickshop and various market leading on-the-go food and convenience brands in South Africa. This is complemented by Engen 1app 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 • Café365 • Quick service restaurants • Banking ATMs • Courier Services • Car Wash • Truckstop

Engen 1app

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 270+ 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**’.



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CORPORATE OFFICES

SOUTH AFRICA
Cape Town
Bloemfontein
Durban (Westville)
Johannesburg (Rivonia)
Gqeberha

BOTSWANA
Gaborone

DRC
Kinshasa

ESWATINI
Mbabane

LESOTHO
Maseru

MAURITIUS
Port Louis

NAMIBIA
Windhoek

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LUBRICANTS & CHEMICALS DEPOTS

JOHANNESBURG
(Isando)

CAPE TOWN (Epping)

DURBAN CHEMICAL
(Island View)

DURBAN (Jacobs)

GABORONE

KINSHASHA

LUBUMBASHI

MBABANE

MASERU

PORT LOUIS

WINDHOEK

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MANUFACTURING PLANTS

LUBRICANTS OIL BLEND PLANT (Durban)

ZENEX BLEND PLANT (Durban)

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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
Gqeberha
Gqeberha (Ocean)

SA- NORTH WEST

Klerksdorp
Rustenburg
Vryburg

SA- NORTHERN CAPE

Kimberley
Upington

SA- LIMPOPO

Hoedspruit
Makhado
Mokopane

SA- MPUMALANGA

Mbombela
Secunda
eMalahleni

BOTSWANA

Gaborone
Francistown

DRC

Kinshasa
Kisangani-Bukavu

ESWATINI

Mbabane

LESOTHO

Maseru

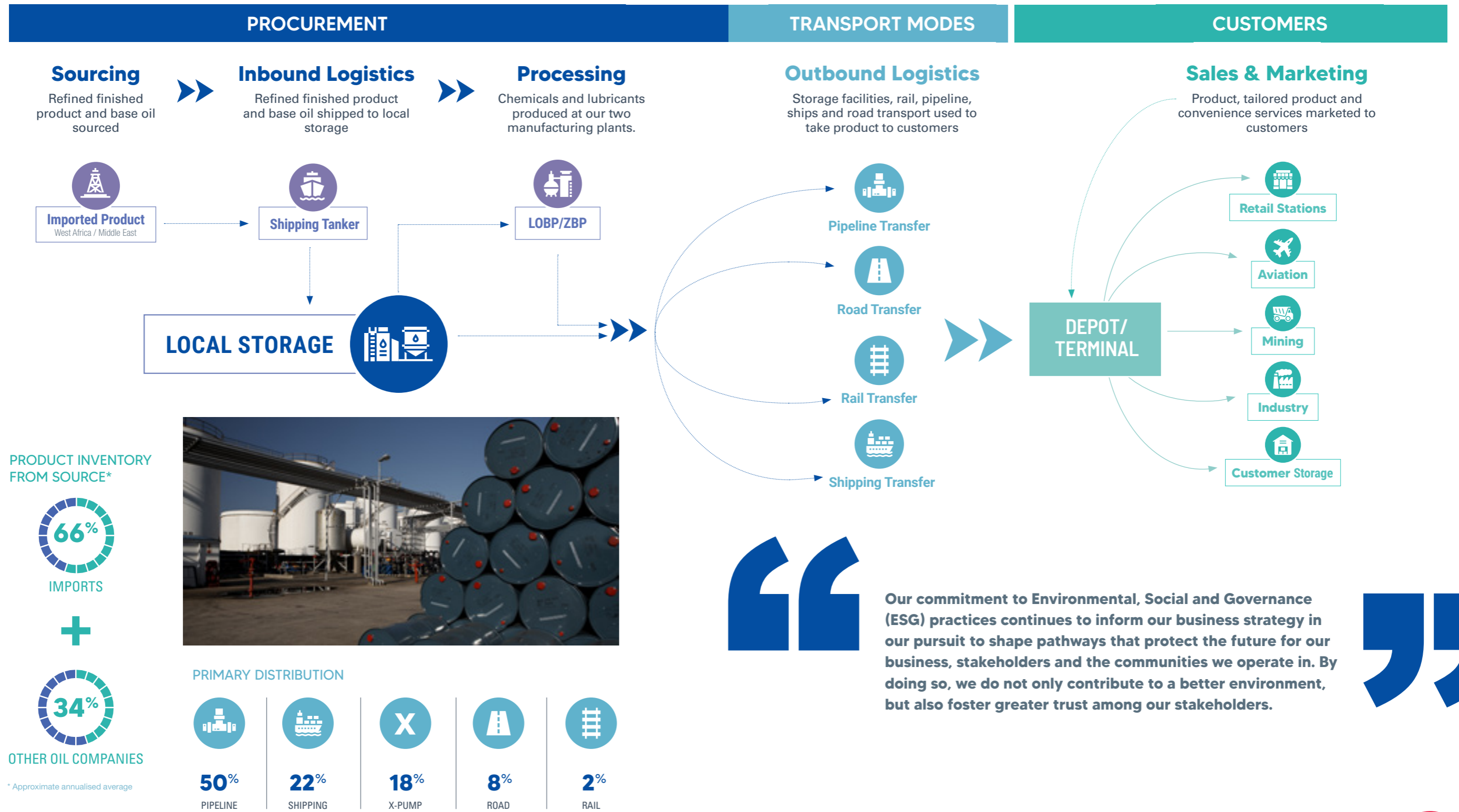
MAURITIUS

Port Louis

NAMIBIA

Grootfontein
Keetmanshoop
Lüderitz
Ondangwa
Walvis Bay
Windhoek
Windhoek Airport

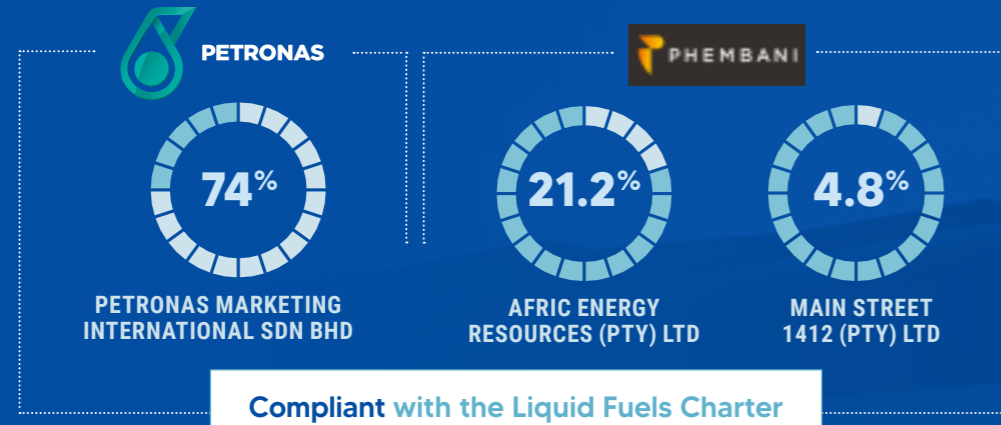
Our Value Chain



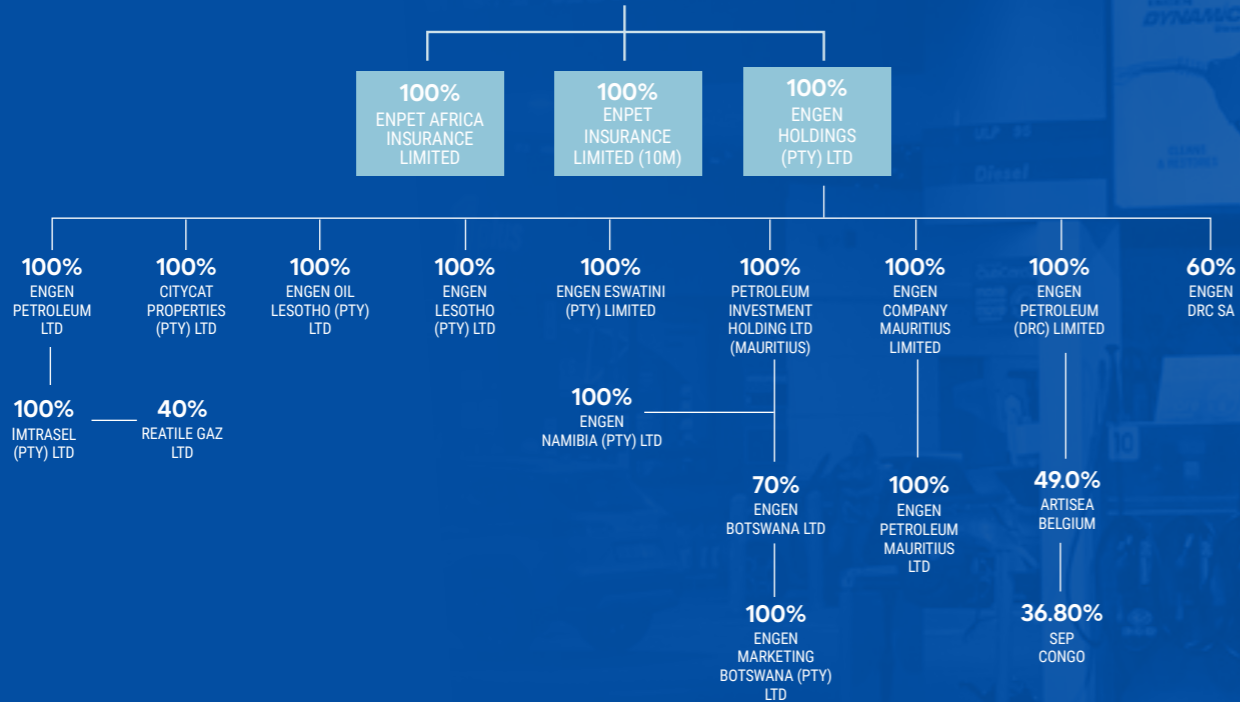
Our commitment to Environmental, Social and Governance (ESG) practices continues to inform our business strategy in our pursuit to shape pathways that protect the future for our business, stakeholders and the communities we operate in. By doing so, we do not only contribute to a better environment, but also foster greater trust among our stakeholders.



Group Corporate Structure



Engen Limited





We are proud to have agile and passionate talents who share our commitment to excellence, as we seek to remain ahead of the curve in delivering meaningful and progressive solutions to our customers, and to create a more sustainable tomorrow for all.



Strategic Alliances

BUSINESS PARTNERSHIPS



AUTHORITIES



Highlights & Challenges

Business Highlights



RETAIL

FOODVENIENCE INCOME
21.7%
(increase)

NEW STATIONS
9 *(built)*

CAFÉ'S 365
42
(added)



COMMERCIAL

SALES VOLUMES
11.3%
(above plan)

PROFITABILITY
35% *(increase)*

REPLACEMENT PBIT
42
(above plan)



INTERNATIONAL BUSINESS

VOLUME
9%
(growth)

PROFIT BEFORE TAX
13.4% *(increase)*

GROSS MARGIN
18.4%
(above plan)



LUBRICANTS

MINING BUSINESS
10.4%
(growth)

SUB-SAHARAN AFRICA
19.7% *(growth)*

HIGHSTREET
48.8%
(growth)



SUPPLY

BUSINESS CONTINUITY PLAN
SUCCESS - POST KWAZULU NATAL
FLOODS IN APRIL 2022

On Time In Full (OTIF)
97% Fuel

Financial Performance

SALES VOLUME
9 216m litres
(6% increase)

TURNOVER
R156 821m
(83% increase)

NET PROFIT
R2 403m
(44% decrease)

ROACE
15%
[9% decrease]

Challenges

3 Major LOPCs

Impact of KZN floods (April 2021)

Refinery Community Impact



Sustainability Highlights



HUMAN

R2 567m
SALARIES PAID

2 673
PEOPLE TRAINED

R12.7m
BURSARIES

R2m
APPRENTICESHIPS



ENVIRONMENT

75% & 10%
DECREASE IN SCOPE 1 & 2 GHG EMISSIONS

15 196 (tonnes)
TOTAL WASTE RECYCLED

SOLAR PV AT ANOTHER
44 Retail Sites

100%
RECYCLED GREASE PACKAGING



SOCIAL

R4.5m Fuel Support
(GIFT OF THE GIVERS & FOODFORWARDSA)

R33m
CSI SPEND

R1m
SOUTH DURBAN GREENING

97%
EMSS MATRIC PASS RATE

Awards



TOP COMPANIES SOUTH AFRICA: REPUTATION INDEX - **WINNER (OIL & GAS)**



for the 13th consecutive year



City Press Readers Brand Choice Awards - Platinum Awards in 'Petrol Station Convenience Store' & 'Petrol Station' categories

Leadership Statements



Chairman's Letter

On behalf of the Engen Limited Board, I am honoured to present Engen's Integrated Report for the financial year ended 31 December 2022.

While the world continues to be challenged by volatility and uncertainty on an unprecedented scale that is likely to reshape the industry landscape in fundamental and complex ways, all our core businesses delivered commendable performance in 2022 to record Net Profit After Tax of R2,403m. This was achieved despite significant adversity presented by the geo-political events in Eastern Europe, both national and international supply chain constraints, mounting inflation, volatile product prices and depressed consumer sentiment.

FOCUS ON SUSTAINABILITY

We have a firm conviction that our success lies in our commitment to making a positive impact on socio-economy through sustainable practices. We are continuously guided by our sustainability framework which integrates sustainability with our business strategy and operations.

In 2022, identified initiatives which are related to our adopted Sustainable Development Goals (SDG) were implemented. Work progressed across the nine goals that were selected as Engen's focus areas, with prioritisation given to two SDGs, namely SDG 6: Clean Water and Sanitation, and SDG 7: Affordable and Clean Energy, as 2022 priority focus areas.

All our core businesses delivered commendable performance in 2022 to record Net Profit After Tax of R2,403m



Engen was externally and independently certified as a B-BBEE Level 1 contributor for the third consecutive year.



COMMUNITY CARE

Being a responsible organisation, our caring is not limited to customers but extends to the community and society. We support creation of a just society based on inclusion and equality. To achieve this, we continue to make progress in the socio-economic transformation aspect of our corporate strategy guided by the principles of the Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003.

Engen's shareholders and management are committed to making investments in sustainable transformation initiatives that lead to the creation of sustainable jobs and skilled entrepreneurs. I am pleased to report that Engen was externally and independently certified as a B-BBEE Level 1 contributor for the third consecutive year in 2022 for our continued commitment to B-BBEE transformation. This speaks volumes about how we put our Statement of Purpose into practice.

Beyond business support, we also contributed R33m to social investment initiatives in 2022. Our flagship investment namely Engen Maths and Science School programme, achieved a 97% matric pass rate in 2022, significantly ahead of the South African national average. We also continued our support of Gift of the Givers and FoodforwardSA, contributing fuel worth of R4.5m for their Humanitarian relief efforts. Disability inclusion also remained in firm focus with numerous initiatives supported including upskilling unemployed people with disabilities and providing assistance to those with physical impairment.

GOOD GOVERNANCE

In our continuous endeavours to enhance governance and compliance, we have bolstered internal control measures through the adoption of PETRONAS Code of Business Ethics (CoBE) and PETRONAS Anti-Bribery and Corruption (ABC Manual). Our aspiration, ultimately, is to nurture a Generative Ethics and Integrity Culture, in which ethical behaviour is deeply entrenched within our business and operations.

In further reinforcing our compliance culture, we also introduced the Anti-Bribery and Corruption e-learning module for our external stakeholders including our Retail dealers and commercial customers. This is aimed to enhance their understanding of the fundamental principles and application of PETRONAS ABC Manual throughout their business relationships with Engen.

PETRONAS' SALE TO VIVO ENERGY

It would be remiss of me not to touch on the 9 February 2023 announcement made by PETRONAS to sell its entire 74% shareholding in Engen to Vivo Energy. The process is still subjected to regulatory approvals and fulfilment of conditions precedent.

The combination of the Vivo Energy and Engen businesses will create a new pan-African energy champion with over 3,900 service stations and more than two billion litres of storage capacity across 27 African countries.



Our flagship investment namely Engen Maths and Science School programme, achieved a 97% matric pass rate.



The Phembani Group, PETRONAS' long-standing partner in Africa and Engen's B-BBEE shareholder, is continuing its strong association with Engen and will remain invested as a shareholder in the South African business. The transaction will further benefit employees of Engen through a newly implemented employee share ownership programme, ensuring Engen remains B-BBEE compliant.

While PETRONAS' decision to step back and reshape its portfolio is driven by evolving business priorities, we fully appreciate that this is a necessary move forward to further accelerate Engen's growth. With a strong foundation in place, we believe Vivo Energy will not only maintain sound operations for Engen, but also help steer the company through its next phase of growth.

While the regulatory approvals and fulfilment of conditions precedent are ongoing, I have no doubt that Engen will continue to execute its strategy and remain focused on maintaining operational and commercial excellence both during the pre-completion period, and under the stewardship of Vivo Energy post-completion of this transaction.

ACKNOWLEDGEMENTS

The entire Engen team deserves credit for the commendable performance in 2022, and I would like to thank every individual in the organization for their diligent efforts and unwavering commitment. Specifically, I would like to express my appreciation for the sound counsel and guidance by the Board, the capability of our Leadership Team, and the commitment of all Engen employees.



In the year under review, Datuk Sazali Hamzah, Yusa' Hassan and Giuseppe D'Arrigo resigned from the Engen Limited Board. On behalf of the Board, I would like to record our appreciation for their contributions. We welcomed Seelan Naidoo to the board on 1 April 2022. We also welcomed Azrul Osman Rani as a Non-Independent Non-Executive Director on 31 January 2023 to the Board. Azrul brings invaluable expertise and experience, adding immensely to the Board's intellectual capital.

OUTLOOK

Moving forward, I strongly believe that Engen has made significant strides to futureproof the business in withstanding any challenges and headwinds ahead. Engen has proved its resilience and steadfastness in delivering value to its shareholders, while continuing to play an important role in socio-economy. This is aligned with our statement of purpose which is to be 'A Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future.'



CEO's Statement

Our operating environment has been tested by the COVID-19 pandemic, inflation, geo-political conflict, social unrest, flooding in KwaZulu-Natal and consequential supply chain disruptions.

COMMENDABLE BUSINESS PERFORMANCE

While 2022 was particularly challenged by the impact of global geo-politics, Engen was able to exceed its planned volume target for the year, courtesy of a significant contribution from our Commercial business (11% above plan). Furthermore, we also recorded our highest ever Foodvenience income, which we only anticipated to achieve in 2024.

Our volume grew by 6.2% from 2021, an increase of 3.4% over pre-Covid 2019 levels, while our Foodvenience income was 20.9% up on the previous year and 44% up on pre-covid 2019 levels. This bodes well for us as we strive to achieve our Retail ambition to be a leading Foodvenience retailer.

This commendable performance is a testament of our tenacity and resilience in the face of many challenges, proving yet again that with courage to act and agility, Engenites can achieve whatever they set their minds to.

Our financial performance is however ultimately measured by our ability to maximise profits. Although our 2022 Turnover was 83% up on 2021, our Replacement Net Profit After Tax (NPAT) was impacted by higher than planned product cost as a result of the volatile market environment. This placed unforeseen pressures on our profitability and negatively impacted our NPAT for the year, which was 44% down on the previous reporting period. *(Turn to page 72 for more on our financial performance)*

Our volume grew by 6.2% from 2021, an increase of 3.4% over pre-covid 2019 levels, while our Foodvenience income was 20.9% up on the previous year.



RELENTLESS CUSTOMER FOCUS

At Engen, we acknowledge that customer demands are ever-changing, thus all efforts to futureproof our organisation by remaining relevant and sustainable continue in earnest.

In this regard, I am glad to share that we launched an exciting new offering called Café 365 at 42 of our service stations in South Africa in 2022, which was almost double what we had planned. Café 365 offers customers tasty baked goods and healthy snacks. In addition, we also unveiled our Tier 1 barista served coffee brand, Brazmata at selected sites.

As we embrace a digital-forward future, we also continued to enhance our customer’s experiences through the Engen 1App, adding new advanced features and bringing even more functionality to our customers fingertips. To date, our customers have downloaded the Engen 1App over 320 000 times, contributing over R68 million worth of sales transactions, reinforcing our digital transition.

Our relentless application of our strategy, which is anchored on the customer’s lens, was reflected in an improvement in our South African Retail Net Promoter Score (NPS) from 84.5 in 2021 to 87 in 2022. This affirms our commitment to our strategy to deliver a superior and differentiated customer experience.

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

Despite uncontrollable factors such as the severe flooding in KwaZulu-Natal and geo-political events in Europe, which severely impacted local and international supply chains, our OTIF average for the year was 97% for fuels, up 1% from 2021.

After a two-year absence, Engen returned to Nampo Harvest Day in 2022, engaging with over 60 000 members of South Africa’s vibrant agricultural community over the course of the exhibition. We also sponsored the Road Truck Test as well as a Road Freight Association gala dinner, cementing our position as the leading partner to the transport industry.

CUSTOMER VALIDATION

I am pleased to share that Engen was voted the “Coolest Petrol Station Brand” in the 2022 SundayTimes Generation Next Awards for the 13th consecutive year. This is a remarkable feat and is a testament to the hard work we have collectively put into building our strong brand.

South Africans also voted Engen winner in the ‘Petrol Station Convenience Stores’ category in the inaugural City Press Reader’s Choice Awards, while in Namibia, Engen was named “The most admired petroleum/diesel brand” in the 2022 Diamond Arrow Awards.

REFINERY TO TERMINAL

Our intention to transform the Engen refinery into a world-class import terminal (announced in April 2021) remains on track to be completed by Q3 2023. Furthermore, we integrated the Durban Marine Terminal into our Supply Chain division on 1 July 2022, well ahead of schedule.

While this was a defining change for our business it also brings opportunity.

Our Refinery Repurpose initiatives have to date yielded three investment opportunities that were approved by the Engen Limited Board. These are Engen Business and Energy Solutions (EBES), an Eco Industrial Hub and Kerosene Hydro-Treating (KHT). As a result, to date we have delivered over R80 million in revenue from new non-traditional businesses.



“Our customers have downloaded the Engen 1App over 320 000 times, contributing over R68 million worth of sales transactions.”

SUSTAINABILITY

Our Sustainability Agenda is guided by our four Sustainability Lenses, which are: Continued Value Creation, Safeguard the Environment, Positive Social Impact, and Responsible Governance.

In 2022, Engen's Sustainability Development Goals (SDG) Programme continued, with emphasis placed on commencing implementation of identified initiatives, scoping requirements and resource planning for 2023 and beyond, as well as refining our plans based on emerging data and information.

Work progressed across the nine goals that were previously selected as focus areas (*see page 111*), while we further prioritised two SDGs in 2022 – namely, SDG 6: Clean Water and Sanitation, and SDG 7: Affordable and Clean Energy. Quarterly reviews of the initiatives by our executive management team resulted in identification of opportunities for further enhancement.

In 2022, we installed Solar PV at 26 retail sites in South Africa, 12 in Namibia and six in Botswana, bringing the total Solar PV sites in our retail network to 78. In addition, we also installed Solar PV at three of our facilities – our Gauteng and Gqeberha Regional Offices, and our Retail Training Centre in Durbanville in Cape Town. From these the total energy produced in 2022 was just over 3 016.5 MWh. (*see page 79, 83, 110 and 147*)

Our commitment to sustainability also extends to the building material that we are using for our retail service stations. LED lighting in use across our network contributed to electricity savings of 1 574 MWh per annum. The installation of eco-friendly timber roof trusses and insulated ceilings improves the efficiency of our ventilation and air-conditioning systems, further improving our sites' energy efficiency.

As a water scarce region, we drove water saving initiatives, such as water harvesting and other water saving devices at 12 Retail sites which resulted in a 11% reduction in water usage.

The decommissioning of our refinery is a turning point in our history. In addition to the positive impact on our financial position, it also sets us up to achieve our ambition to reduce our carbon footprint and impact on the environment, with zero emissions on some priority pollutants in the year under review and further reduction in our overall Greenhouse Gas (GHG) Emissions. (*Turn to page 147 for more on our energy management and climate change performance*)

HSEQ

Given the nature of our business, the safety of Engen's extended community is our top priority. We have in place a sound safety framework, which is continuously reviewed and strengthened as we seek to achieve zero incidents. Despite our best efforts however, missteps happen; but when they do, we use the incidents as learnings to further reinforce our safety nets.

Our rate of incidences in 2022 was of major concern. Lost Time Injuries (LTIs), Loss of Primary Containment (LOPCs), spills and fires were on the rise over the course of the year.

While matters have improved, we are concerned and are working diligently to recommit every Engenite to putting safety first and living a Generative Culture – "Doing the right thing even when no one is watching." Our aspiration to become a progressive energy and solutions partner that enriches lives for a sustainable future will be in vain if we do not maintain our safety performance. (*Turn to page 124 for more on our safety performance*)

B-BBEE AND TRANSFORMATION

Our socio-economic transformation journey to support an inclusive and equitable society continues to progress. To this end, we actively pursue investments in transformation initiatives that lead to the creation of sustainable jobs, skilled entrepreneurs and community upliftment.

For the third consecutive year, Engen was externally and independently certified as a B-BBEE Level 1 contributor for FY2022. This again means all customers and business partners can enjoy 135% procurement benefit recognition for every 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 73.85% of total spend in 2022, and 70.05% 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 FY2023.

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.



Our intention to transform the Engen refinery into a world-class import terminal (announced in April 2021) remains on track to be completed by Q3 2023.



LOOKING AHEAD

Amidst a hyper inflationary environment, currency volatility and an electricity crisis in South Africa, as well as high unemployment and lacklustre economic growth, Engen anticipates a challenging year ahead, with high crude oil prices and weakening of the South African Rand potentially resulting in higher working capital requirements.

So, what can we do to weather the storm and thrive amidst uncertainty? Our strategic direction and refined processes leave us well positioned to manage contingencies. We will however have to focus on being prudent about managing the challenges we encounter while aggressively pursuing opportunities where we can.

We have many projects and initiatives that we need to deliver in 2023 to further future-proof our business. A few to highlight include: the Refinery Repurpose and Foodvenience, amongst others.

The Refinery Repurpose initiatives are about transforming our business by finding new profit streams and increasing their financial contribution to the company. Our ambition to become a recognised Foodvenience retailer in South Africa means we must build on the gains of 2022 by accelerating the roll out of our new innovative offerings, including our Quickshop and Co. concept stores, Café 365 and Brazmata coffee offering.

We will also continue the rollout of Solar PV across our Retail network (both in South Africa and affiliates), at our facilities and even at some of our customer facilities.

In 2023, we plan to further prioritise our efforts on the SDGs and identify where we need to focus our energies and resources to achieve a higher impact.

As a Customer Focused organisation that delivers solutions through the customer lens, it is imperative that we remain committed to our brand promise, "With us you are Number One" in all that we do in 2023.

ACKNOWLEDGEMENTS

I am honoured to be leading a team with such phenomenal talent, devoted to delighting our customers by making them "Number One" in everything we do and at the same time being equally passionate about making a difference to the communities in which we operate, whilst always focused on creating value for our shareholders.

My heartfelt gratitude is extended to every Engenite across the breadth of our organisation, from Walvis Bay to Port Louis, from Kinshasa to Cape Town, whether in the front line or working in the support divisions, for you all have played an important role in the realisation of our goals.

A big word of thanks is also extended to all our external stakeholders – our customers, Retailers, business partners, suppliers, and contractors – for your highly valuable contributions.

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

After 5 years of successfully leading Engen through some extraordinary times, we bid farewell to our previous Managing Director and CEO Yusa' Hassan on 31 March 2022.

Our gratitude is extended to Fiona Gumede, General Manager: Company Secretariat, Legal and Security who resigned after 11 years with Engen. In the year under review, we welcomed Enoch Hermanus to the Engen Management Committee as General Manager: Retail.

While new and familiar headwinds face us in 2023, I am confident that these will be overcome by the collective agility and tenacity of the Engen team. Our exceptional people are the bedrock of our resilience and our success. I am truly inspired by them all and excited by the opportunities that lie ahead of us.

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Value Creation

- 40 Our Approach to Value Creation
- 42 Our Value Creating Business Model
- 44 Stakeholder Engagement



Our Approach to Value Creation

Our value creation journey is deeply rooted in our purpose to enrich lives for a sustainable future, which is reflected in our enduring brand promise "With us you are Number One."



Business landscape
Our ability to create value is closely related to the macroeconomic environment within which we operate. The challenges presented by the external environment impacts our performance and business continuity, risk management and our strategy to create value. Our performance and Value Creation are inextricably linked to the challenges presented by the economic, regulatory, social, environmental and competitive environment of the operating landscape.
For more information on the Operating Environment and Market Outlook, [please refer to page 50 of this <IR>](#)

Managing Risks
We are committed to effective risk management, identifying the risks and opportunities presented by our business landscape whilst pursuing our strategic and business objectives, with the ultimate aim of ensuring sustainable value creation for our stakeholders.
For more information on the Key Risks and Mitigation, [please refer to page 53 of this <IR>](#)

Strengthen Relationships
Stakeholder Engagement
It is vital for us to understand and respond to the needs, interests and concerns of our stakeholders. Our success and sustainability is dependent on the relationships we build. Quality relationships allow us to deliver sustained value to all our stakeholders and determine the continued success and growth of our business.
Our Key Stakeholders:
Shareholders | Customers | Dealers | Employees | Authorities/Regulators | Contractors/Suppliers/Business Partners | Communities
For more information on Stakeholder Engagement, [please refer to page 44 of this <IR>](#)

Our 3-step material identification process includes:

- 1 Identify
- 2 Prioritise
- 3 Integrate

Our **MATERIAL MATTERS** are issues that have the potential to impact us positively and negatively, and our value creation in the short, medium and long term. These material matters are aligned with our risk profile. Managing them effectively could support or hinder our ability to execute our strategy and remain competitive. We have also identified opportunities per material issue and how these are viewed as growth opportunities for Engen through its strategic long-term plan.
For more information on the Material Matters, [please refer to page 56 of this <IR>](#)



Engen's approach to value-creation is driven by our company values. As we mark the conclusion of our transformation journey that we began in 2016, we are now embarking on the next phase of our strategy, which is anchored on the goal of future-proofing our organisation by focusing on:

Value means sustaining the strength of our current businesses.

Growth achieved by continuing to diversify our business in the non-fuel sector and capitalising on the energy transition.

Sustainability entails striking a balance on our triple bottom line of people, profit and planet.

Together, these three principles anchor our strategy to future-proof our organisation in an increasingly challenging business landscape.

- Allocate Resources**
Drawing our Key Capitals
- HUMAN
 - FINANCIAL
 - MANUFACTURED
 - NATURAL
 - INTELLECTUAL
 - SOCIAL AND RELATIONSHIP

Integrate into Business Model
Our value creating business model process includes:
Our business lines and enablers are committed to delivering innovative and differentiated offerings to achieve our statement of purpose. Driven by our customer-centricity, digitalisation and agile ways of working with sustainability at the core, we strive to elevate the customer experience, underpinned by our commitment to ensure that what matters to our customers, matters to us.



For more information on Our Value Creating Model, [please refer to page 42 of this <IR>](#)

- Create Value and Deliver Positive Impact**
Value for us, means achieving our stakeholder goals:
- 1 Quality Products
 - 2 Value Proposition
 - 3 Network Reliability
 - 4 Innovation
 - 5 Partnership
 - 6 Transformation

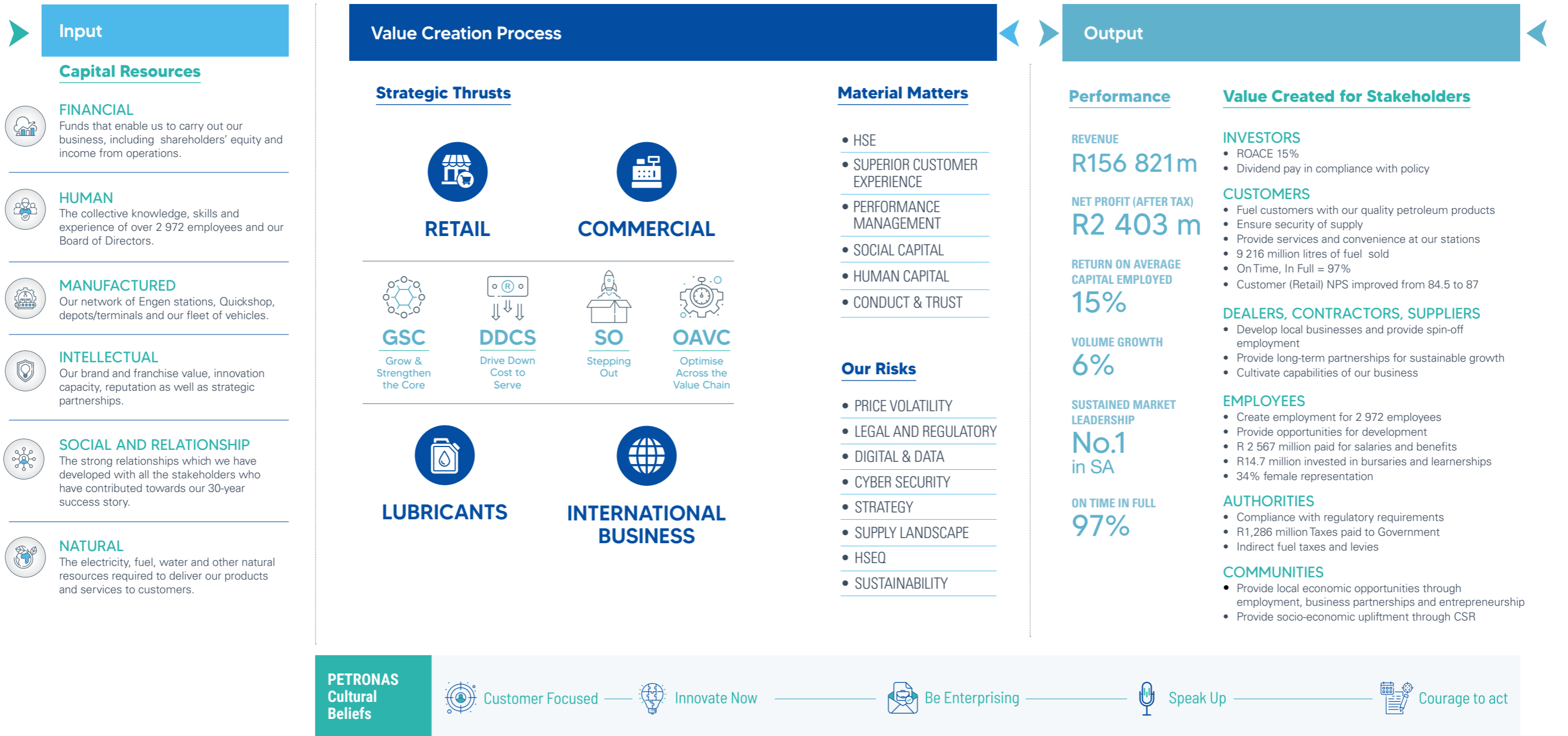
Embedding Good Governance

Our Board is committed to ensuring that there is a strong and effective system of corporate governance in place to support the successful execution of Engen's strategy, as well as continue to create and protect value ensuring the sustainability of our business.

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 (2022)
<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 (2022)
<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.engenail.com Market/satisfaction surveys Customer feedback system via Engen 1app 	<ul style="list-style-type: none"> New Fuel Additive Benefits Specials: Quicksave Grab & Go, Everyday Quick Value etc.
		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 (2022)
<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.engenail.com Corporate website – www.engen.co.za 	<ul style="list-style-type: none"> 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 (2022)
<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 Institutionalisation 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 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 (2022)
<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 (2022)
<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"> 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 (2022)
<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)

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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.

3

KEY FACTORS INFLUENCED ENGEN'S OPERATING ENVIRONMENT IN 2022:

- 1** Fall-out from the Russia-Ukraine war
- 2** Impact of loadshedding on economic activity
- 3** KwaZulu-Natal flooding and the impact on business and port activities

Global

The global economy experienced a broad-based slowdown in 2022 following a post-pandemic rebound in 2021. Elevated energy prices, multi-decade high inflations levels, tightening monetary conditions, Russia's invasion of Ukraine and the lingering COVID-19 pandemic contributed to a real GDP contraction of 3.4% in 2022 down from 6.0% in 2021.

Our Markets: South Africa

In addition to these global headwinds, a range of domestic shocks impacted the GDP recovery for South Africa in 2022. Severe flooding in KwaZulu-Natal, sustained high intensity loadshedding and the infrastructure constraints exacerbated by labour action at Transnet weighed on economic activity. Furthermore, interest rate hikes brought about increased cost of living and input costs.

South Africa's new vehicle market's performance in 2022 remained resilient despite the multiple national and international headwinds. Aggregate new vehicle sales grew by 13.9% in 2022 but was still 1.4% below the pre-pandemic levels in 2019.

Diesel volumes were supported by increased demand in electricity generation and freight transport. Petrol demand

continued to recover but was still almost 10% below pre-pandemic levels.

A weakening trend for the South Africa Rand (ZAR) exchange rate saw the ZAR averaging R16.41/US\$, about 10.7% weaker than 2021.

Against this backdrop, the South Africa economy grew by 2.0% in 2022 down from 4.9% in 2021.

Our Markets: IBD Countries

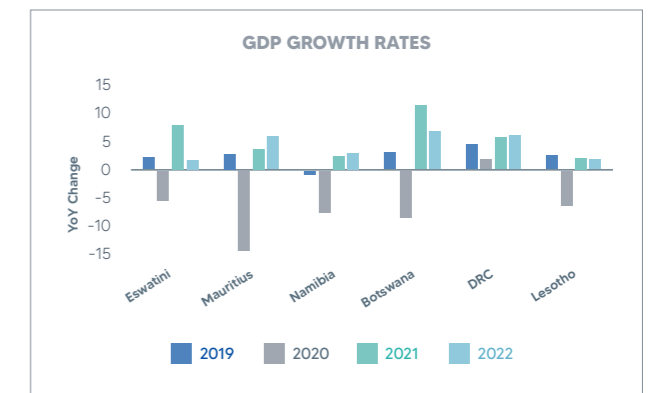
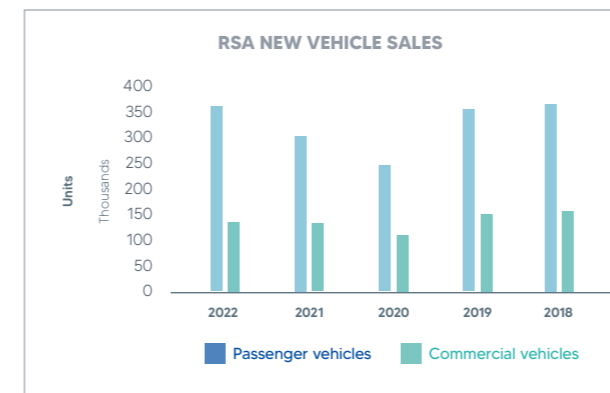
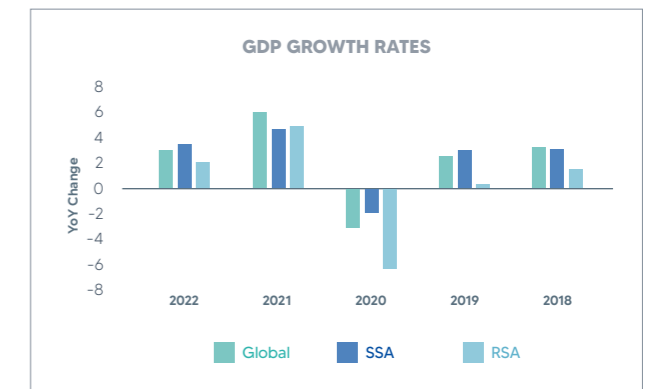
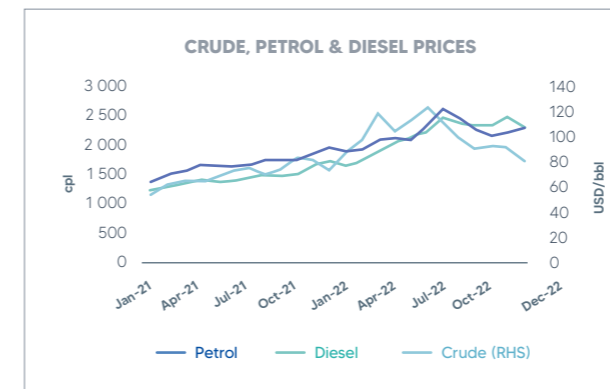
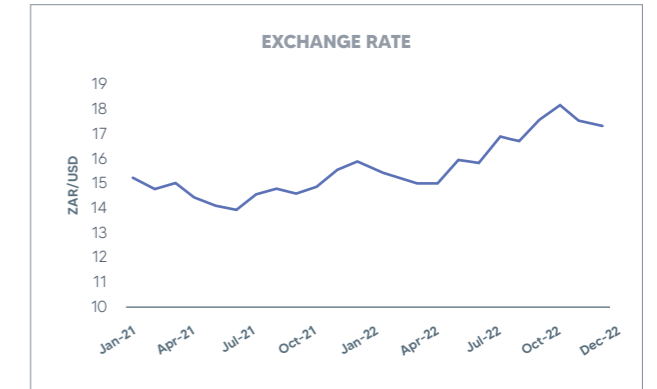
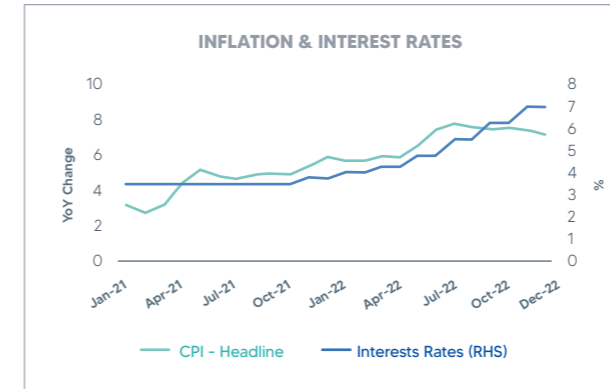
Following a post-COVID-19 recovery of 11.4%, Botswana's real GDP growth for 2022 is estimated at 6.7%. Growth was largely due to firming global diamond demand and softening of COVID-19-related restrictions.

Namibia's real GDP growth for 2022 is estimated at 3.0%. Growth was supported by a strong recovery in diamond and uranium mining.

Mauritius' real GDP growth for 2022 is estimated at 5.9%. Growth was driven by a recovery in the tourism sector.

High commodity prices and global demand supported the DRC's economy, with real GDP growth projected at 6% in 2022.

INDICATORS





Diesel volumes were supported by increased demand in electricity generation and freight transport.



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.



Severe flooding in KwaZulu-Natal, sustained high intensity loadshedding and the infrastructure constraints exacerbated by labour action at Transnet weighed on economic activity.

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.

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

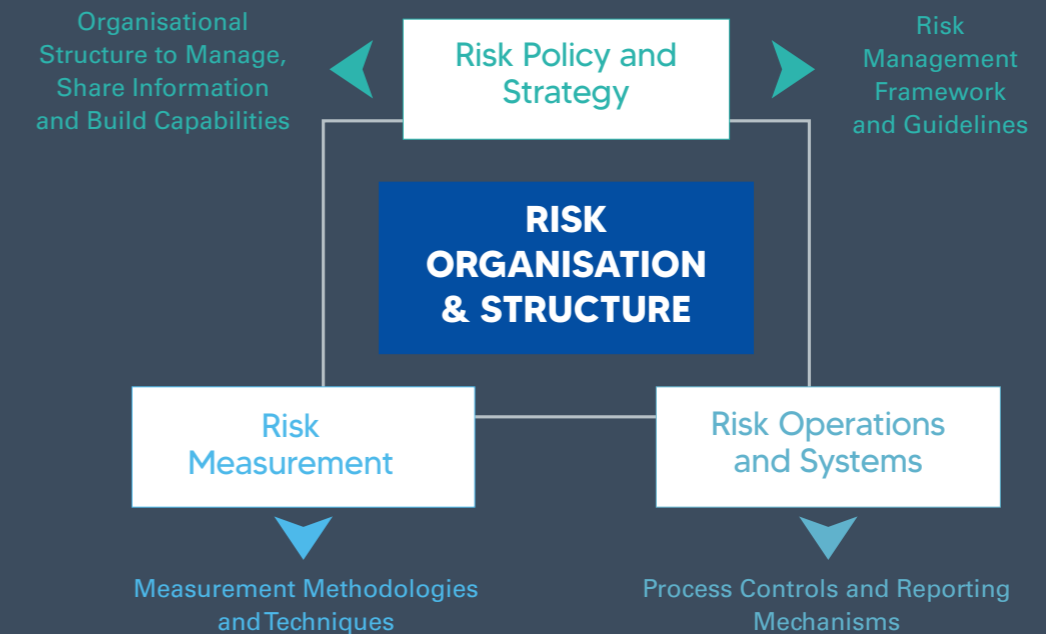
Business leaders perform self-assessments to validate process results against their functions strategic goals.

Second Line: Risk Control and Compliance

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

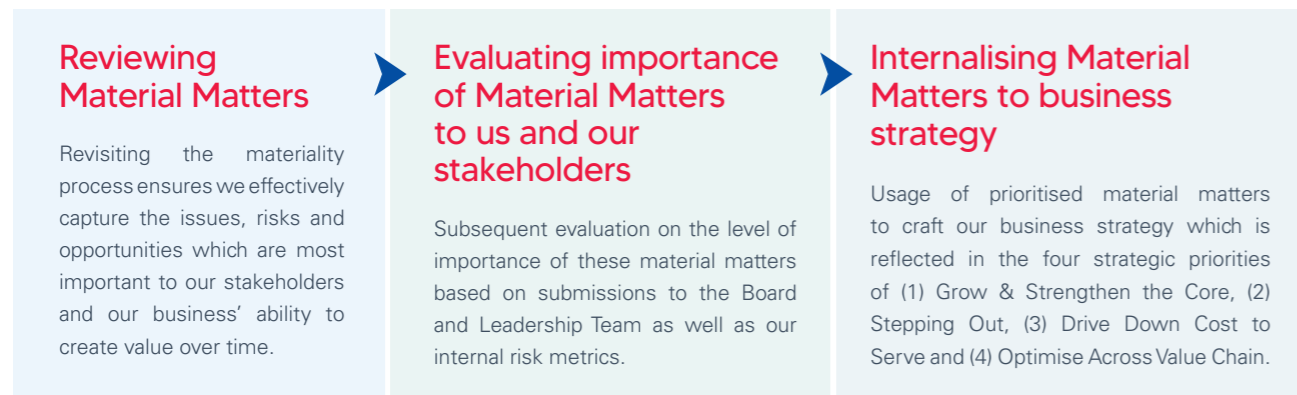
Third Line: Internal Audit

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 our 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.



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.



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

CAPITAL



STRATEGY GSC SO

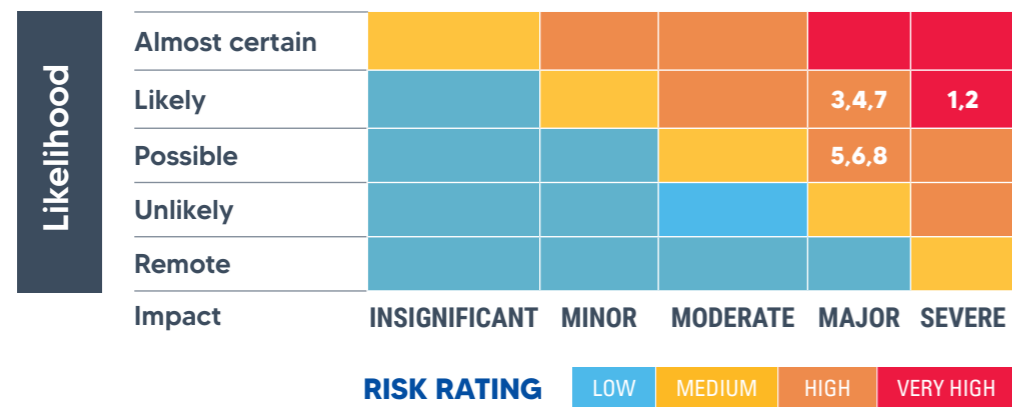
STAKEHOLDERS Shareholders, Employees, Communities, Customers, Authorities, Dealers, Business Partners

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. Price Volatility	5. Strategy
2. Legal & Regulatory	6. Supply Landscape
3. Strategic Risk	7. HSEQ
4. Cyber Security	8. Sustainability

1. PRICE VOLATILITY

Significant increases in fuel prices resulting from geopolitical crisis (eg. Ukraine-Russia), and or increasing trading premiums not comprehended in the BFP pricing mechanism.

Strategic Thrusts	How we mitigate	Implications
 DDCS Drive Down Cost to Serve GSC Grow & Strengthen the Core OAVC Optimise Across the Value Chain	<ul style="list-style-type: none"> Cash flow management Strategies to improve working capital management Optimise customer, product, and volume offering 	<ul style="list-style-type: none"> Reduced profitability Working capital constraints Potential impact on security of supply Short-term drain on cash due to self-adjusting slate mechanism

IMPACT TO CAPITALS

2. LEGAL & REGULATORY

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

Strategic Thrusts	How we mitigate	Implications
 SO Stepping Out GSC Grow & Strengthen the Core DDCS Drive Down Cost to Serve OAVC Optimise Across the Value Chain	<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 impacts Potential to incur fines/penalties Potential damage to reputation
Impact to capitals		

3. DIGITAL & DATA

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

Strategic Thrusts	How we mitigate	Implications
 SO Stepping Out  GSC Grow & Strengthen the Core  DDCS Drive Down Cost to Serve  OAVC Optimise Across the Value Chain	<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 • Implement Data Management Framework, apply best practices, standards and roles and responsibilities 	<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

Impact to capitals



4. CYBER SECURITY

Intensifying cyber security risk arising from the ever-changing cyber threat environment and the changing business landscape; increase in ransomware, phishing attacks globally and locally, increase in cyber-attacks on supply chains, and increase in 3rd party data usage may result in business disruption, financial and opportunity loss, damage to reputation.

Strategic Thrusts	How we mitigate	Implications
 SO Stepping Out  GSC Grow & Strengthen the Core  DDCS Drive Down Cost to Serve  OAVC Optimise Across the Value Chain	<ul style="list-style-type: none"> • Sound Cyber security Governance, Risk and Compliance management: • Integrated Security Management Solutions (ISMS) implementation to systematically managing an organization's sensitive data • Data loss prevention (DLP) to support POPIA compliance • POPIA Road Map implementation • Continued upskilling of the organisation on Cybersecurity and Data Management best practices • Protect: <ul style="list-style-type: none"> • Prevention of malware delivery and execution • Privileged Access Management (PAM) • Firewall upgrade refresh to prevent unauthorised connections which may result in cyber incidents • OT Asset and Vulnerability Management technology solutions 	<ul style="list-style-type: none"> • Loss of and or unauthorised access to sensitive data • Financial loss due to; fraud, costs to restore/ recover, third party claims and increase in insurance premiums • Disruption to business operations and associated financial losses, opportunity loss due to system downtime • Supply outages; disruption to logistic network and trade flows • Potential HSEQ incidents • Regulatory fines and penalties • Damage to reputation

Impact to capitals



5. STRATEGY

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
 SO Stepping Out	<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"> • Loss of market relevance • Reputation damage • Financial loss

Impact to capitals



6. SUPPLY LANDSCAPE

The changing supply landscape could impact ability to meet demand and profitability.

Strategic Thrusts	How we mitigate	Implications
 SO Stepping Out  GSC Grow & Strengthen the Core  DDCS Drive Down Cost to Serve  OAVC Optimise Across the Value Chain	<ul style="list-style-type: none"> • Perform business impact analysis of price volatility and determine response plans • Review supply contracts • Debottleneck critical infrastructure • Review international sourcing contracts • Key stakeholder engagement (eg. DMRE), through Board of Governance and Economic Regulatory Community (ERC) 	<ul style="list-style-type: none"> • Potential impact on security of supply • Reduced profitability • Damage to reputation

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
 GSC Grow & Strengthen the Core	 DDCS Drive Down Cost to Serve	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: <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 Heighten safety and compliance culture among employees and extend to Dealers/business partners/contractors
 SO Stepping Out		
 DDCS Drive Down Cost to Serve	 OAVC Optimise Across the Value Chain	<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
 SO Stepping Out	<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 • Sound programme governance controls that drive effectiveness of SDG initiatives • 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 • Non-achievement of Net Zero Targets
 DDCS Drive Down Cost to Serve		
 DDCS Drive Down Cost to Serve	 OAVC Optimise Across the Value Chain	

Impact to capitals



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.**

Strategic Thrusts	2022 Key Initiatives	2022 Achievements	Link to	2023 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"> • 9 new stations added • Engen 1app- improved functionality • Grew retail petrol market share • 11.3% Volume Growth (Commercial) • Gross Profit 35% 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 	<p>Retail</p> <ul style="list-style-type: none"> • Grow petrol/diesel market share • Improve average site throughput <p>Commercial</p> <ul style="list-style-type: none"> • Optimise sales to high-value market segments • Provide customer-centric value adding solutions <p>Lubricants</p> <ul style="list-style-type: none"> • Grow market share • Adopt Salesforce (CRM) to improve customer experience
<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 44 retail sites • 42 Café 365's added • 2 Quickshop & Co. concept stores • Launched Brazmata Tier 1 Coffee • 5 new Woolworths Foodstop added 	<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"> • Grow Cafe 365 footprint • Grow Brazmata coffee offering • Pilot Quickshop & Co. concept stores • Explore renewables opportunities • Rollout of Solar PV (depots + retail)
<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 97% 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"> • Complete Refinery to Terminal Conversion • Optimised costs • Safe operations • Standardised processes

Anchored on the Customer's Lens to ensure we deliver a Seamless Customer Experience

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	2022	2021	How We Measure	2023 Priorities
Grow and Strengthen the Core						
Turnover	ZAR	Income generated from normal business operations.	R156 821m	R85 762m	Extracted from audited financial statements but is not in itself audited.	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.	R2 403m	R4 284m	Extracted from audited financial statements but is not in itself audited.	Prudent spending
Total Volumes	Mil. litres	To measure Engen's growth from normal business operations.	9 216	8 678	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.	15%	24%	PAT divided by Average Capital Employed.	Ensure optimal return from capital investment
Metrics	Unit	Objective	2022	2021	How We Measure	2023 Priorities
Optimise Across the Value Chain						
Refinery to Terminal (RTT)		Creation of a world-class import terminal by Q3 2023 as well as repurposing of the refinery site.	On plan and on budget	On plan and on budget	As per detailed project plans.	RTT to continue to track against project timeline and budget
Metrics	Unit	Objective	2022	2021	How We Measure	2023 Priorities
Drive Down Cost to Serve						
Cost to Serve	%	Reduce cost of doing business	Tracked Inflation (inflation = 6.9%)	Tracked Inflation (inflation = 3.1%)	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	97% (Fuels)	96% (Fuels)	OTIF (%) = # OTIF deliveries / # total deliveries	Focus on supply optimisation and transport reliability

Metrics	Objective	2022	2021	How We Measure	2023 Priorities
Enablement					
People & Business Process	Improve Employee Engagement to drive growth and performance.	PETRONAS Organisational Culture Survey (POCS) deployed with an engagement score of 75, compared to 81 for PETRONAS.	eNPS score up by 4 points to 31 (from 27 in 2019)	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 vs 31 (2021)
Shared Values & 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.	Divisional support through Culture Conversations and strengthening the cohesiveness and effectiveness of teams.	<ul style="list-style-type: none"> • 33 Culture Champions • Socialised Shared Values • Power Up X conversations • Culture conversations • Playback/Unpacking of feedback 	Adoption and application of Culture Management Tools and Culture Management assessments (i.e. POCS, iNPS).	Concretise Generative Culture with a stronger emphasis on Change Management, while anchoring on the Shared Values and Cultural Beliefs, given the current state of transition and change.
B-BBEE Accreditation	To consistently improve our Transformation credentials.	Certified Level 1	Certified Level 1	Ownership, Management Control, Skills Development, Enterprise & Supplier Development, and Socio-Economic Development.	<ul style="list-style-type: none"> • Maintain Level 1 BBB-EE status

Metrics	Objective	2022	2021	How We Measure	2023 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. Frequency	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.	0.37	0.36	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.	3	3	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	0	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.	2.17	3.0	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

Global conditions were expected to improve in FY2022, which would stimulate economic activity in South Africa following the easing of COVID-19 lockdown restrictions. However, several events occurred during the year that impacted the financial performance of Engen. These events included the outbreak of the Russia-Ukraine War, which impacted the cost of refined product; rising inflation, which further constricted global financial conditions; and the continued energy crisis in South Africa, which led to consistent electricity disruptions. All negatively impacted growth.

Despite several eroding factors, marketing sales volumes in FY2022 exceeded pre-Covid 19 levels and Engen's South African retail business realised its highest Convenience Income performance on record.

The financial performance overview on page 73 encompasses a comparative year-on-year analysis of the 2022 reporting period.



Marketing sales volumes in FY2022 exceeded pre-Covid 19 levels and Engen's South African retail business realised its highest Convenience Income performance on record, an increase of 21.7% year-on-year.



KEY FINANCIAL INDICATORS

(R million unless shown)

	2022	2021 Restated*	% Change	5-YEAR AVERAGE	% Change
OPERATING RESULTS					
Turnover from Contracts with Customers	156 821	85 762	83%	96 969	62%
Net Profit/(Loss) for the Year - after Taxation	2 403	4 284	-44%	1 299	85%
KEY BALANCE SHEET DATA					
Total Assets	52 009	42 997	21%	42 992	21%
Total Borrowings	3 815	3 012	27%	1 624	135%
Total Liabilities	34 096	24 062	42%	23 534	45%
Shareholders' Equity	17 913	18 935	-5%	19 457	-8%
SALES VOLUMES (IN MILLIONS OF LITRES)					
Local and International	9 216	8 678	6%	8 936	3%
FINANCIAL RATIOS					
Return on Revenue	2%	5%			
Return on Total Assets	6%	12%			
Return on Capital Employed	15%	24%			
Debt to Equity Ratio	22%	17%			
CRUDE COST					
Average R/\$ Exchange Rate	16.43	14.83			

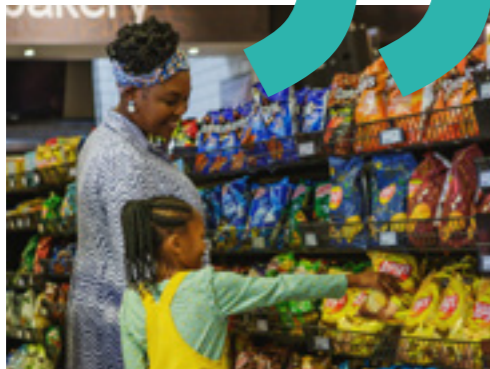
*Restated, due to correction of prior period error



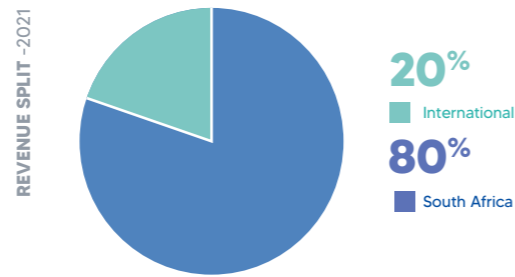
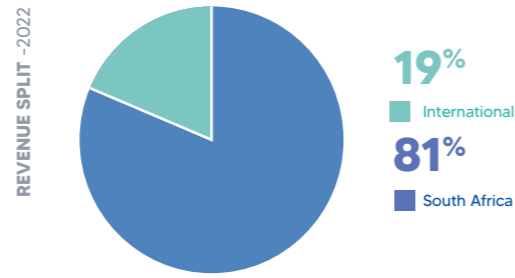
PROFIT AND LOSS

Our 2022 gross profit was impacted by the significant increase in the cost of refined products on the back of the Russia-Ukraine war, with product shortages resulting in suppliers demanding higher trader premiums for products. This was partially offset by higher marketing sales volumes in South Africa and in our International Business Division markets (Botswana, DRC, Eswatini, Lesotho, Mauritius and Namibia), as overall sales volumes recovered to above pre-Covid levels.

The 2022 gross profit was impacted by the significant increase in the cost of refined products on the back of the Russia-Ukraine war.



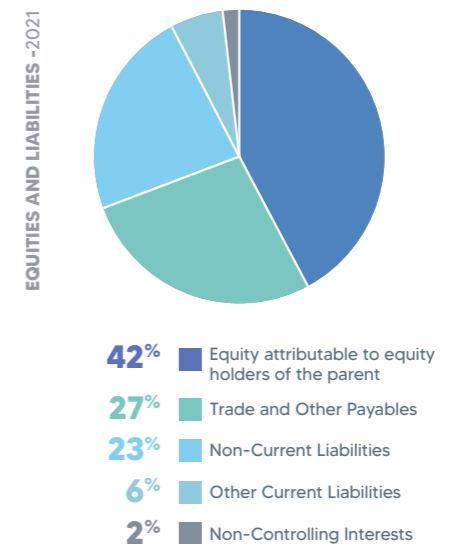
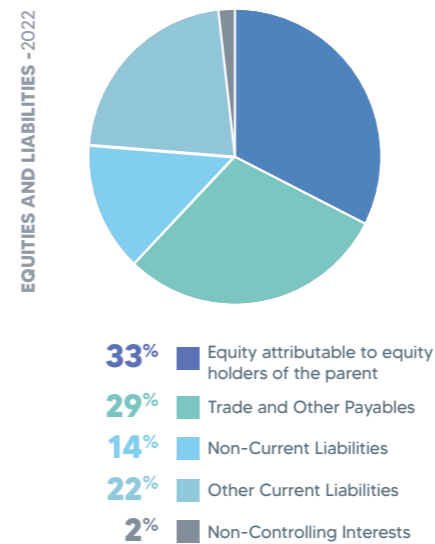
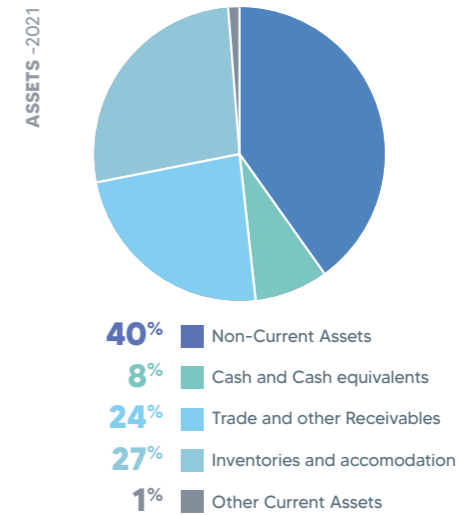
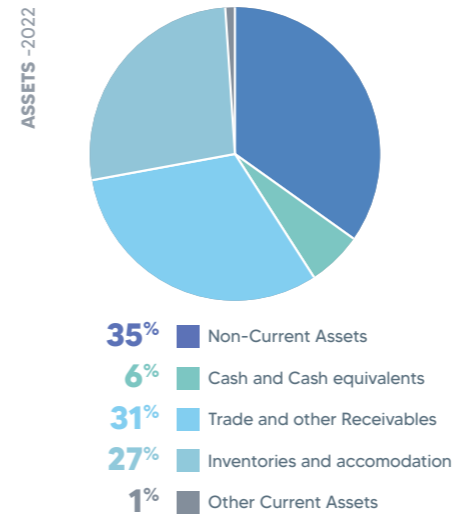
The graphs below depict the Revenue contribution for the Engen Group:



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.

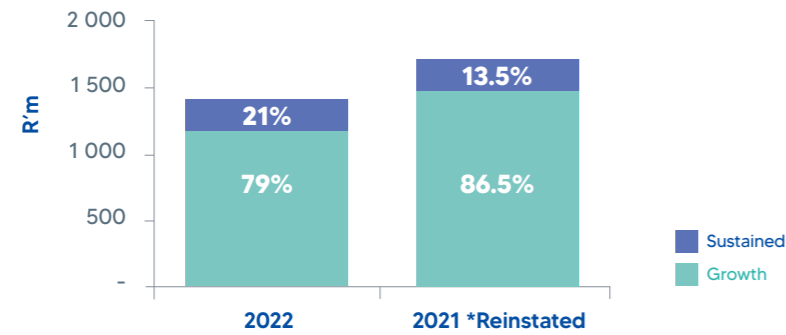
The Engen Group's total assets increased by R7,864 million in 2020 to R43,244 million at the end of 2021. This was mainly driven by an increase in trade and other receivables and the full drawdown of the syndicated term loan facility, which increased cash and cash equivalents.



CAPITAL INVESTMENT

During FY2022, Engen's intent was to stabilise the business after the COVID-19 pandemic and continue to make significant capital investments across our value chain.

The syndicated term loan facility will continue to provide opportunities for Engen to make 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.

FOR THE YEAR ENDED 31 DECEMBER 2022		
Rm	31 December 2022	31 December 2021 Restated*
Turnover from Continuing Operations	156 821	85 762
Paid to Suppliers for Materials and Services	(149 296)	(76 350)
Value Added	7 525	9 412
Income from Investments	160	144
Total Value Created	7 685	9 556
Value Distribution		
Employees	2 567	2 335
Government	1 286	1 209
Other	3 832	6 012
Total Value Distributed	7 685	9 556

*Restated for correction of prior period errors





RETAIL

“With the safety, convenience and well-being of our customers and business partners of primary concern during and post the pandemic, we continued to focus on stringent hygiene across the Engen network in 2022 to maintain a safe and customer focused service. We also continued with our proud history of innovation and delighting customers, with the launch of Café 365, our exciting new inhouse bakery and food services offering. During 2022 we also launched Brazmata, our private label coffee offering, where we offer our customers an exceptional cup of coffee using only the finest beans made with passion by our trained baristas. All this was achieved amidst a challenging post pandemic market by leveraging the strengths of our 1,000+ stations and dealers, world-class fuel product offerings, innovative digital solutions, and strong bonds with our communities. With our business strategy that places the customer front and Centre, we are firmly focused on continually evolving our food convenience offerings and forecourts to meet customer’s changing needs.

- ENOCH HERMANUS - General Manager: Retail

KEY HIGHLIGHTS

20.9%
foodvenience
income
increase

9
new stations
added

42
Café
365's
added

Brazmata
private
label coffee
launched

NPS
Score
improved

Who We Are and What We Do

Our Retail business offers FUEL AND CONVENIENCE products and services to consumers through our network of 1,040 Engen service stations and 670+ 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 & Co., 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.

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. Lockdown restrictions to combat Covid-19 infections in the early part of the year, were followed by the lifting of the National State of Disaster in April 2022, however the effects of the pandemic still lingered in the South African economy. During April, the severe flooding in parts of KwaZulu-Natal resulted in damaged infrastructure and economic loss to the region. The rising global energy prices caused record breaking increases in the domestic price of fuel, with rising interest rates and high inflation, further delaying economic recovery.

On the back of a soaring international oil price, the petrol price was on average R5 per litre higher than in the previous year, with a record high pump price in South Africa in July 2022. The impact of this, and other market eroding factors, was the South African petroleum market contracted during the 12-month trading period to December 2022, versus the same period in 2021.

Using the advantage 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 2022. In addition, we grew our convenience business by 20.9% year-on-year, resulting in an overall improved transaction count and basket value year-on-year. Along with rollout of 42 Café 365 stores and the launch of Brazmata, our private label coffee, this bodes well for us as we strive to achieve our Retail ambition: to be a recognised Foodvenience retailer.

Our long-term focus on growth and improvement was evident in the addition of 9 new service stations to our network footprint. A number of these world-class new sites are in high growth areas.

As we drive our sustainability focus to reduce our environmental impact throughout the network, we added 26 solar photovoltaic systems within our retail network, and utilised green construction elements in network optimisation initiatives.

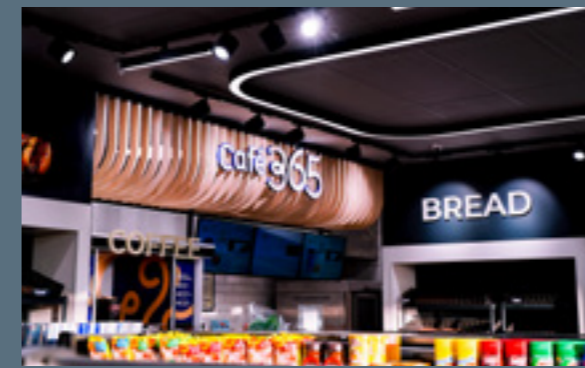
Furthermore, we harnessed our key loyalty partnerships with Clicks Clubcard and FNB’s eBucks. These programmes are viewed as critical for both customer retention and attraction, while supporting our objective to differentiate our engagement in the highly competitive retail fuels environment.

We added a slew of new advanced features to the Engen 1App in 2022, bringing even more functionality to our customers. To date, Engen 1App has been downloaded over 320 000 times, reinforcing our digital transition.

Our commitment to 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) from 84.5 in 2021 to 87 in 2022. 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. However, as better public transport, ride hailing services and energy-efficient vehicles gain a stronger foothold in South Africa, demand for conventional fuels may be affected. We are, however, prepared for these market disruptors as we continue to strengthen our product quality and branding while enhancing the customer experience at Engen stations with reliable facilities and attractive lifestyle-based offerings all delivered at a consistently high level of service. Our products and services will be supported by our customer loyalty programmes as well as a growing digital presence. We will also continue to grow our convenience value proposition and establish Engen as the leading ‘Foodvenience’ retailer in SA.



Long-term KPI's



Awards

Sunday Times GENERATION **nExT** SA's "Coolest" PETROL STATION for the 13th consecutive year



City Press Readers Brand Choice Awards - Platinum Awards in 'Petrol Station Convenience Store' & 'Petrol Station' categories

COMMERCIAL

As South Africa transitioned to a post-pandemic environment along with the full resumption of economic activities, Engen's Commercial business leveraged increasing demand for our products using an effective customer-centric, solutions driven approach. This strengthened our foothold in high-value market segments and helped deliver robust results despite tough global economic conditions. While focused on maximising sales, we did not lose sight of our need to maintain prudent credit risk management as we realise our ambition to be a commercial partner of choice providing fuel and chemical products supported by value added solutions in South Africa.

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

KEY HIGHLIGHTS

Volumes
11%
above plan

Gross Profit (after distribution)
35%
above plan

Replacement PBIT
42%
above plan



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.

Value Created

- Diversity**
Wide range of offerings via multiple channels to provide better options for consumers
- Create**
Leading market position despite challenging market environment with sustainable financial returns
- Cultivate**
Cultivate capabilities of our workforce, dealers and business partners
- Diversity**
Wide range of offerings via multiple channels to provide better options for consumers
- Network**
Maintain long-term partnerships with stakeholders



Despite a challenging local and global economic environment that was exacerbated by electricity and supply chain constraints, price volatility and hyperinflation, our Commercial business maintained strong performance across its volume and financial indicators. This was achieved on the back of effective execution of a customer-centric, solutions driven strategy, whilst leveraging our strength of having the biggest nationwide distribution network which includes fuel storage terminals, road tankers and channel partners.

While market competitiveness remained intense, Engen was able to grow its sales volumes by 11.3%, to 3 510 million litres with healthy margins achieved in Diesel, HFO and IK. All 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 of R1 994 million vs a plan of R1 481 million (35% above plan), which also translated into the replacement profitability before tax (RPBIT) of R1 760 million against a plan of R1 237 million (42.3% above plan). This was delivered by intensifying our focus on our customers to provide them with an unrivalled level of service and value adding solutions.

Engen commercial also continued its long-standing support of the annual NAMPO Harvest Trade Show, South African agriculture's pre-eminent event. Engen proudly partnered with Grain SA for the 54th staging of the 5-day event which ran from 16-20 May 2022 at NAMPO Park in Bothaville, Free State.

Engen's support of NAMPO is invaluable because the show represents the best one-stop shop for Engen to meet with major agricultural customers, whilst also showcasing innovative new products, exciting promotions and impactful community care.

OUTLOOK

The challenging competitive landscape will intensify in 2023 as the market continues to proliferate. Engen's robust value proposition will be tested against agile new competitors, price volatility and inflationary pressure. We will however optimise our sales to high-value market segments and review customers' pricing mechanisms to improve profitability, whilst providing customer-centric value adding solutions, and competitive and efficient channel to defined markets.

Long-term KPI's





INTERNATIONAL BUSINESS

“Robust business performance in our six affiliate countries was achieved in 2022, notwithstanding the challenges presented by increased product prices, inflation and supply chain disruptions. These had a significant impact on the majority of our affiliates, which impacted sales volumes. However, overall profitability still exceeded expectations.”

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

KEY HIGHLIGHTS

Profitability
30%
above plan

Volumes
9%
increase

Customer
NPS
improvement

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.

Value Created



Quality

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



Create

Leading market position despite challenging market environment with sustainable financial returns



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



Engen's ambition in the six affiliates that comprise its International Business Division, is to maintain and grow its position as a supplier of choice in selected markets by offering a customer centric portfolio of products and services.

Despite challenging business environments in the six geographies, a robust overall business performance was achieved in 2022 pursuant to our stated ambition, with pre-pandemic levels exceeded.

Combined sales volumes in 2022 were 5% above plan at 1 897 million litres, which was 9% above the previous year. Convenience income was up 7.9% from the previous year to R53 million. Overall profitability was highly commendable, with Profit Before Tax of R1 295 million, which was 29.6% above plan, and 13.4% higher than in 2021.

The DRC was the standout performer amongst our affiliates, recording sales volume growth of 34.2% year-on-year and a 30% increase in Profit Before Tax.

Our drive towards digitisation and providing solutions that make our customer's lives simpler and more convenient, saw continued focus in 2022 on entrenching the Engen 'Buddy' App in Namibia. The App, which is available to download on Google Play, Apple App Store, and Huawei App gallery, enables customers to order groceries and take outs at the click of a button. It boasts exciting rewards and gamification features, Smiles\$ loyalty points, and digital vouchers. Engen 'Buddy' App is also being piloted in Mauritius.

We installed Solar PV at 18 retail service stations in 2022 - 12 in Namibia and 6 in Botswana, which brings the total number of sites in our International Business Division that are using Solar PV to 24.

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. 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



LUBRICANTS

“The Lubricants business faced significant headwinds in 2022 as the perfect storm developed following the Russian invasion of Ukraine, the global shock of resultant sanctions on Russia and the impact of a weakening local currency. Furthermore, the Base Oil market experienced unprecedented volatility significantly increasing cost pressures. Adding to these pressures, we also experienced force majeure from Additive suppliers. Despite these challenges, the Lubes team remained resolute in weathering the storm by delivering on our commitment to customers as a reliable supplier. This was best illustrated during the KwaZulu floods in Q2 of 2022 as all our tier 1 customers were supplied without disruption because of the unwavering focus and continued investment in our resilient supply chain. We remain committed to the Sustainable Development Goals (SDG) and as a fundamental pillar to our Lubricants’ strategy we continue to identify opportunities throughout the Lubes value chain to drive a sustainable future.”

- Sharveen Maharaj - General Manager: Lubricants

KEY HIGHLIGHTS

75.57m litres sold (excluding IBD volumes)

Mining growth of **10.4%**

Sub-Saharan Africa (SSA) business growth of **19.7%**

Highstreet growth of **48.8%**

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.

Value Created



Quality

World-class quality 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 2022 financial year presented the Lubes business with numerous challenges as the global markets reeled due to multiple interconnected events, primarily the Russia-Ukraine war, inflation and accompanying interest rate hikes. Furthermore, some local challenges were experienced due to the KwaZulu-Natal floods in April 2022.

Despite these, Engen’s South African lubricants business managed to maintain its level of performance at 75.57 million litres for 2022, a 0.59% contraction from the 76.02 ml achieved in 2021.

In terms of our International Business lubricant sales, we realised a contraction of 3.5%, from 6.57ml in 2021 to 6.34ml in 2022. Our International Business economies have been slower to recover from the pandemic, further exacerbated by the same geo-political global events.

In 2022, we launched FoodPure, our range of food-grade lubricants designed to meet the specific needs of food, beverage, and pharmaceutical processing industries, and carrying the highest quality and safety certifications. We also updated our product labelling by adhering to GHS label requirements, ensuring that our products clearly carry safety warnings, and further refreshed our labels with QR codes that enable our customers to digitally access Technical Data Sheets and Safety Data Sheets.

We further entrenched ourselves in the mining sector through our localisation strategy, which we kicked off by partnering with the SME, Resegofetse in the Rustenburg area. This strategy allows us to support our mining customers to meet their supplier localisation targets so that they remain compliant with the Mining Charter.

2022 also marked the first year since the Covid 19 outbreak that key events in the Lubricants Marketing calendar were reinstated. This saw us make our mark at NAMPO Harvest Day, NAMPO Cape and Elektra Mining. We also explored new events in the automotive space such as State of Stance, which aligns

with our strategic ambitions and consumer marketing initiatives. Our participation at this event led to increased sales in the High Street and overall, we successfully showcased our product portfolio while forging stronger community bonds, at all the events that we participated in.

In terms of Pricing, 2022 was a year marked by market volatility however, we remained focused on stability and retaining our market share.

OUTLOOK

Global supply chains are expected to normalise barring any significant escalation in the Russia/Ukraine conflict. Accordingly, reduced volatility is expected in the Base Oil and Additive markets resulting in cost stability. This will allow us to: ensure sustainable improvement in profitability; increase our market share in specific sectors through competitive offerings; 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 supplying the industrial market with reliable and high-performance products coupled with tailored solutions and value enhancing technical services.

Long-term KPI's



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Leadership & Governance

88 Engen Limited Board

94 Engen Management Committee



Engen Limited Board

Our Board at a Glance

Nationality	6 SOUTH AFRICAN	3 NON-SOUTH AFRICAN		
Age	1 45-49 YEARS	4 50-55 YEARS	1 56-60 YEARS	3 60+ YEARS
Gender	7 MALE	2 FEMALE		
Tenure	5 1-3 YEARS	3 4-6 YEARS	1 10+ YEARS	
Race	4 BLACK SOUTH AFRICAN	2 INDIAN SOUTH AFRICAN	3 FOREIGN NATIONAL	
Designation	5 NON-INDEPENDENT NON-EXECUTIVE DIRECTOR	3 INDEPENDENT NON-EXECUTIVE DIRECTOR	1 EXECUTIVE DIRECTOR	

Industry Experience

OIL & GAS RETAIL BANKING & FINANCE LOGISTICS INTERNATIONAL

MEDICINE MINING AUTO-MOTIVE INFO TECH EDUCATION TELECOMS



Ahmad Adly Alias

Chairman* Non-Independent Non-Executive Director

AGE: 54 GENDER: Male NATIONALITY: Malaysian

DATE OF APPOINTMENT: 28 July 2020

LENGTH OF SERVICE: 2 years 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

Industry Experience



Present Directorships

- PETRONAS Lubricant International SDN BHD
- PETRONAS Marketing International SDN BHD
- PETCO Trading Labuan Company LTD
- PETRONAS Trading Corporation SDN BHD
- PETRONAS Penapisan (Melaka) SDN BHD
- PETRONAS Penapisan (Terengganu) SDN BHD
- PETRONAS LNG SDN BHD
- Pengerang Refining Company SDN BHD
- Pengerang Petrochemical Company SDN BHD
- Malaysian Refining Company SDN BHD

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: 63 **GENDER:** Male **NATIONALITY:** South African

DATE OF APPOINTMENT: 28 February 2019

LENGTH OF SERVICE: 3 years and 10 months

Academic / Professional Qualification

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

Industry Experience



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: 56 **GENDER:** Male **NATIONALITY:** Malaysian

DATE OF APPOINTMENT: 2 August 2017

LENGTH OF SERVICE: 5 years and 5 months

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



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



Azrul Osman Rani

Non-Independent Non-Executive Director

AGE: 49 **GENDER:** Male **NATIONALITY:** Malaysian

DATE OF APPOINTMENT: 31 January 2023

LENGTH OF SERVICE: 6 months

Academic / Professional Qualification

- Advanced Management Program, Harvard Business School, USA
- Bachelor of Science in Economics with double major in Industrial Management, Carnegie Mellon University, Pennsylvania, USA

Industry Experience



Present Directorships

- Managing Director/ CEO - PETRONAS Dagangan Berhad

Past Experience

- Head (Commercial Development and JV Formation) of PETRONAS Refinery and Petrochemical Corporation (PRPC), Downstream
- Chief Executive Officer of PRPC Utilities and Facilities
- Business Director, Uzbekistan Gas to Liquid Limited Liability Company
- Senior Manager, International Trading, Malaysian International Trading
- Senior Manager for Business Development Oil Portfolio in PETRONAS Business Development Unit
- Manager Trading, Agriculture Product, MITCO
- Country Manager, MITCO Indonesia Office



Aman Jeawon

Non-Independent Non-Executive Director

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

DATE OF APPOINTMENT: 1 January 2015

LENGTH OF SERVICE: 7 years

Academic / Professional Qualification

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

Industry Experience



Present Directorships

- Executive Director - Global Acquity Holdings
- Director: Kumba Iron Ore Ltd
- 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: 62 GENDER: Female NATIONALITY: South African

DATE OF APPOINTMENT: 20 February 2018

LENGTH OF SERVICE: 5 years and 6 months

Academic / Professional Qualification

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

Industry Experience



Present Directorships

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

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: 58 GENDER: Female NATIONALITY: South African

DATE OF APPOINTMENT: 4 July 2011

LENGTH OF SERVICE: 12 years and 6 months

Academic / Professional Qualification

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

Industry Experience



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 - Alexander Forbes Group Holdings Ltd
- Independent member of Council - University of Johannesburg

Past Experience

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



Nkosemtu Gladman Nika

Independent Non-Executive Director

AGE: 64 GENDER: Male NATIONALITY: South African

DATE OF APPOINTMENT: 1 January 2021

LENGTH OF SERVICE: 2 years

Academic / Professional Qualification

- Chartered Accountant (SA)

Industry Experience



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

Past Experience

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



Seelan Naidoo

Executive Director

AGE: 54 GENDER: Male NATIONALITY: South African

DATE OF APPOINTMENT: 1 August 2022

LENGTH OF SERVICE: 5 months

Academic / Professional Qualification

- Bachelor of Commerce - UNISA

Industry Experience



Present Directorships

-

Past Experience




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

Engen Management Committee

Our Management Committee at a Glance

Nationality	10 SOUTH AFRICAN	2 NON-SOUTH AFRICAN			
Age	2 40-45 YEARS	4 46-50 YEARS	2 51-55 YEARS	3 56-60 YEARS	2 60-65 YEARS
Gender	7 MALE	5 FEMALE			
Race	4 BLACK SOUTH AFRICAN	3 INDIAN SOUTH AFRICAN	2 WHITE SOUTH AFRICAN	2 FOREIGN NATIONAL	

Industry Experience

 OIL & GAS	 RETAIL	 BANKING & FINANCE	 LOGISTICS	 INTERNATIONAL	
 MEDICINE	 MINING	 AUTO-MOTIVE	 INFO TECH	 EDUCATION	 TELECOMS



Seelan Naidoo

Managing Director & CEO

AGE: 54 **GENDER:** Male **NATIONALITY:** South African

DATE OF APPOINTMENT: 1 August 2022

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: 59 **GENDER:** Female **NATIONALITY:** South African

DATE OF APPOINTMENT: 1 October 2017

Academic / Professional Qualification

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

Key Responsibilities

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

Past Experience

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



Shirley Moroka-Mosia

General Manager: Health Safety, Environment and Quality

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

DATE OF APPOINTMENT: 16 March 2012

Academic / Professional Qualification

- Bachelor of Science (Chemistry and Biochemistry) (University of Fort Hare)
- Bachelor of Science with Honours (Medical Biochemistry) (MEDUNSA)
- Global Executive Development Programme (GIBS)
- MSc in Energy Policy (University of Sussex)

Past Experience

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

Key Responsibilities

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



Enoch Hermanus

General Manager: Retail

AGE: 46 **GENDER:** Male **NATIONALITY:** South African

DATE OF APPOINTMENT: 1 October 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



Drikus Kotze

General Manager: Commercial + International Business

AGE: 57 **GENDER:** Male **NATIONALITY:** South African

DATE OF APPOINTMENT: 1 December 2017

Academic / Professional Qualification

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

Past Experience

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

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.



Khalid Latiff

General Manager: Corporate Strategy and Communications

AGE: 48 **GENDER:** Male **NATIONALITY:** Malaysian

DATE OF APPOINTMENT: 1 January 2019 (resigned 31 March 2023)

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



Fiona Gumede

General Manager: Company Secretariat, Legal and Security

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

DATE OF APPOINTMENT: 4 July 2011 (resigned 13 September 2022)

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.



Ivershini Reddy

General Manager: Human Capital

AGE: 56 **GENDER:** Female **NATIONALITY:** South African

DATE OF APPOINTMENT: 1 August 2019

Academic / Professional Qualification

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

Key Responsibilities

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

Past Experience

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



Sykry Hassim

General Manager: Refinery

AGE: 48 **GENDER:** Male **NATIONALITY:** Malaysian

DATE OF APPOINTMENT: 1 March 2019 (resigned 31 March 2023)

Academic / Professional Qualification

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

Past Experience

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

Key Responsibilities

Responsible for the safe, reliable and efficient operations of the Engen refinery. Responsible for delivery of RTT and Refinery Repurpose projects.



Steve Williams

General Manager: Supply Chain

AGE: 62 GENDER: Male NATIONALITY: South African

DATE OF APPOINTMENT: 1 July 2020

Academic / Professional Qualification

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

Key Responsibilities

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

Past Experience

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



Siphokazi Vabaza

General Manager: Enterprise Risk and Assurance

AGE: 45 GENDER: Female NATIONALITY: South African

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 Manager, 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.



Sharveen Maharaj

General Manager: Lubricants

AGE: 42 GENDER: Male NATIONALITY: South African

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



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 November 2022.

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.

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 8 members (increased to 9 members in January 2023), including four non-executive directors (increased to 5 in January 2023), 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"> Mr. Nkosemntu Nika (Chairman) Ms. Nosipho Molope Ms. Nombulelo Moholi 	<p>Members</p> <ul style="list-style-type: none"> Ms. Nombulelo Moholi (Chairman) Ms. Nosipho Molope 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) - <i>resigned 31 March 2023</i>
<p>Meetings</p> <ul style="list-style-type: none"> Minimum of 4 meetings per year Additional meetings may be held 	<p>Meetings</p> <ul style="list-style-type: none"> Minimum of 4 meetings per year Additional meetings may be held 	<p>Meetings</p> <ul style="list-style-type: none"> Minimum of 3 meetings per year Additional meetings may be held
<p>Key Focus</p> <ul style="list-style-type: none"> Reviews and oversees: <ul style="list-style-type: none"> Engen group's finances Integrated reporting System of financial controls The governance of risk Compliance with legal and regulatory requirements Internal audit function Effectiveness of the combined assurance plan and outcomes Reviews all audit findings (internal and external) Governance of technology and Information 	<p>Key Focus</p> <ul style="list-style-type: none"> Assists the Board with oversight on remuneration matters with the following key roles: <ul style="list-style-type: none"> Ensures that Engen's directors and executives are remunerated fairly and responsibly and that their remuneration is aligned with shareholders' interests Ensures that Engen's remuneration strategies and policies are designed to attract, motivate and retain quality employees, directors and senior management, committed to achieving the overall goals of the company Makes recommendations to the Board and shareholders for their consideration and final approval regarding remuneration strategy and policy Benchmarks Engen's remuneration against competitor companies Ensures that Engen's leadership is representative of all race groups and is in accordance with the spirit and targets set out in the Department of Trade and Industry's (DTI) Codes of Good Practice Ensures that the appointment of Engen's directors is transparent and governed by the formal procedures set out in the committee's terms of reference and Board Charter 	<p>Key Focus</p> <ul style="list-style-type: none"> Assists the Board with the oversight of social and ethical matters relating to the Engen Group. It performs an oversight and monitoring role in terms of: <ul style="list-style-type: none"> Embedding a culture of ethical behaviour in Engen organisational ethics Activities with regard to any relevant legislation or codes of best practice Good corporate citizenship Performance in terms of the environment, health and public safety, including the impact of our activities on our products and services Consumer relations Promotion of equality, prevention of unfair discrimination, reduction of corruption, transformation policies and strategies and social responsibility policies and strategies
<p>Composition</p> <ul style="list-style-type: none"> All independent non-executive directors Standing invitees with no vote: <ul style="list-style-type: none"> CEO General Manager: Finance General Manager: Enterprise Risk and Assurance Senior Manager: Enterprise Risk and Assurance External auditor, by invitation Standing Invite - Company Secretary 	<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 - Company Secretary 	<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 (resigned 31 March 2023) General Manager: Human Resources Standing Invite - Company Secretary



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 and IT program / project implementations, general IT controls and cyber-security. As the risk around cyber-security is evolving, this is a priority area for the organisation with continuous investment on enhancement of the control environment.

With the increase in digital projects, this is enabling a more data driven organisation, allowing internal audit to consider using data analytics and automation to support audit activities.

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.

COMPLIANCE

Compliance with POPIA:

As part of our Protection of Personal Information Act (POPIA) road map, which was detailed in our last report, we are in a process of working towards the integration of a Consent Management System.

The Consent Management System is an essential aspect of our commitment to protecting the privacy rights of our customers and stakeholders in compliance with POPIA.

The Consent Management System is a process that will allow us to effectively manage all consent received through our online interface, where it is required for our organisation to collect, process, or store personal information.

The Consent Management System will provide individuals with the options to consent as well as to withdraw their consent at any time and ensure that the process for withdrawing consent is simple and accessible.

For Engen, the system will improve our data governance system and improve our efficiency by automating the process of obtaining, managing, and maintaining consent.

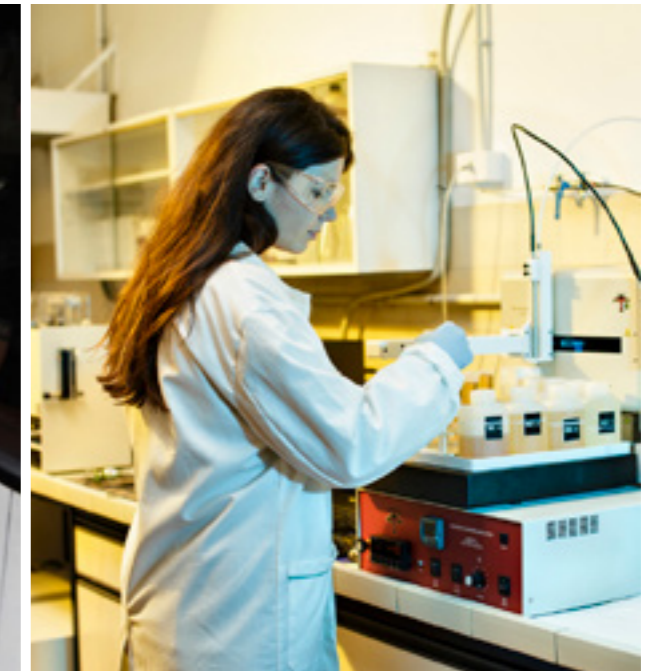
ISO 37001 Anti-Bribery Management System

The ISO 37001 Anti-Bribery Management standard is designed to help organisations establish and maintain an effective anti-bribery program. By implementing the standard, Engen has committed to ethical business practice and demonstrating our dedication to preventing corruption in all forms.

The ISO 37001 Anti-Bribery Management project has involved several steps over the year, including:

- Conducting gap analysis to identify areas where our current anti-bribery program may fall short of the requirements of the ISO 37001 standard.
- Developing implementation plans to address any of the identified gaps and ensure that our anti-bribery program meets the requirements of ISO 37001.

We are confident that this standard will help us strengthen our anti-bribery programme and maintain our commitment to ethical business practices.



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.



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Sustainability

111 Sustainable Development Goals Programme

114 Human Capital

121 Social & Relationship Capital

138 Manufacturing Capital

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Sustainability at a Glance

Material Matters	Indicators	Unit	2022	2021	2020	2019	2018	
Environment and Climate Change	Greenhouse Gas (GHG) Emissions	'000 tCO2e	2.17	3	10.02	12.36	10.43	
	Total Energy Generated from Solar Installations	MWh	3 016	594.6	510	-	-	
	Major Environmental Spills	Number	0	0	0	0	1	
	Hazardous Waste Generated	Tonnes	16 261	9 657	18 848	18 054	20 406	
	Hazardous Waste Recycled	Tonnes	15 102	2 557	16 458	13 184	16 135	
	Hazardous Waste Disposed	Tonnes	1 157	1 260	2 390	4 870	4 271	
Safety and Health	Fatalities	Number	0	0	0	0	0	
	Fatality Accident Rate	Recordable fatalities per 100 million man-hours	0	0	0	0	0	
	Lost Time Injury Frequency	No. of LTI per one million man-hours	0.37	0.36	0.74	0.33	0.42	
	Total Reportable Case Frequency	No. of Total Reportable Case per one million man-hours	1.57	1.17	2.32	2.25	1.68	
Human Capital	Total Employees	Number	2 972	3 107	3 385	3 680	3 485	
	Female Employee Composition							
	• Total Workforce	%	34%	34%	33%	30%	27%	
	• Leadership Team	%	42%	42%	42%	42%	42%	
	• Board Composition	%	22%	22%	20%	20%	20%	
	People with Disabilities	%	3%	3%	3%	3%	2%	
	Manpower Investment (salaries and benefits excluding training)	R million	2 567m	2 335m	2 091m	2 230m	2 168m	
	Training Beneficiaries	Number	2 673	1 804	2 644	1 974	3 132	
Human Rights	Investment in Bursaries & Learnerships	Rmillion	14.7m	11.9m	9.2m	10m	10.35m	
	Employees under Collective Bargaining Agreements	Number	666	669	697	648	584	
Corporate Social Responsibility	EMSS	No. of Learners Enrolled (Gr10-12)	1 570	1 529	1 527	1 543	1 622	
	EMSS	No. of Learners who wrote matric	434	429	483	463	532	
	EMSS Matric Pass Rate	%	97%	77%	84%	96%	93%	

Sustainable Development Goals Programme

As a leading Downstream energy supplier, Engen recognises the critical importance of Sustainable Development for the benefit of all people, the planet, and our business. In addition to our long-established Health, Safety, Environment, and Quality Policy, we have formalised our commitment to responsible business practices in the areas of Social Responsibility; Environmental Stewardship; and Governance, Ethics and Compliance, while delivering value. These pillars are encompassed by PETRONAS' 4 Sustainability Lenses, which are:

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



ENGEN'S SUSTAINABLE DEVELOPMENT FRAMEWORK

In 2022, Engen's SDG Programme continued with emphasis placed on commencing implementation of identified initiatives, scoping requirements and resource planning for 2023 and beyond, as well as refining our plans based on emerging data and information.

Work progressed across the nine goals that were previously selected as focus areas (as per the graphic and table below). We also further prioritised two SDGs, namely SDG 6 – Clean Water and Sanitation, and SDG 7 – Affordable and Clean Energy, as 2022 priority focus areas. Initiatives were reviewed on a quarterly basis with our senior management team and opportunities for further enhancement identified.



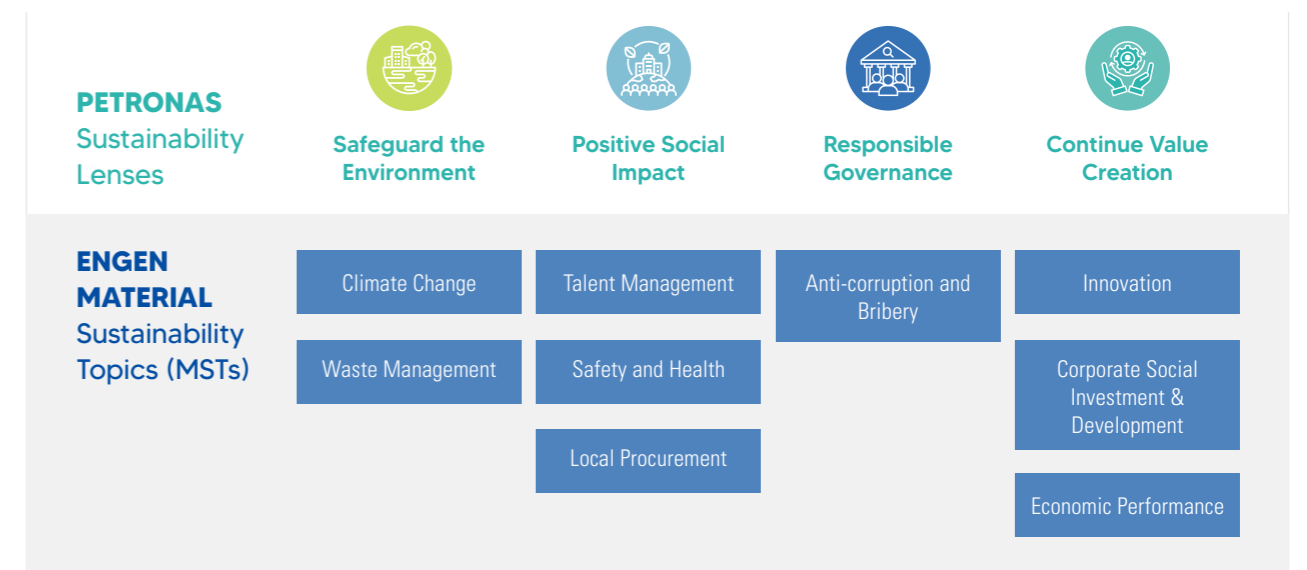
“ In 2023, we plan to further prioritise our efforts on the SDGs and identify where we need to focus our energies and resources to achieve a higher impact. ”

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"> - <i>Water Vulnerability;</i> - <i>Protection of Water Resources; and</i> - <i>Water Efficiency</i>
	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



In 2023, we plan to further prioritise our efforts on the SDGs and identify where we need to focus our energies and resources to achieve a higher impact. The work and initiatives already in progress will continue. To support our prioritisation, we completed a sustainability materiality assessment in December 2022. This process highlighted 13 sustainability topics of significance to Engen which can be grouped into the below 9 topics aligned with the PETRONAS sustainability lenses in the graphic below:



The results of the materiality assessment confirm several of our existing focus areas and along with an internal review will be used to formulate our updated sustainability strategy and action plan.

Human Capital

Post the Covid-19 pandemic, the focus for Engen’s Human Resources has been on driving initiatives to influence positive change and to overcome the many challenges impacting our people.

We have concentrated on developing the workforce and ensuring that our people and leaders are able to manage and lead in the changing world of work. In support of the organisation’s strategic initiatives, we have also ensured that training programmes also supported and complimented Engen’s corporate strategy.

The focus of our HR strategy has been on creating a high-performance organisation with a workforce that is able to deal with challenges from both internal and external forces in a resilient and agile manner. Covid-19 underlined the urgency for a more dynamic talent and work model. Our focus in 2022 was on the back of our experience of profound disruption because of the COVID-19 crisis, which created immediate changes to how business and societies operate and how individuals interact and work. We experienced a shift to remote work, the dynamic reallocation of resources, and the acceleration of digitisation and automation to meet Engen employees changing individual and organisational needs.

As an organisation, we navigated the challenges of the crisis and have transitioned to a post pandemic era. The foundation was set for a model that required more flexibility and responsiveness. We developed initiatives that supported a more connected work environment, increased automation, drove lower costs, and embraced the demographic shifts.

Target setting aligned to our Business Plan, longer-term workforce requirements and driving the effective implementation of HR goals was key in ensuring a highly productive environment and the achievement of overall strategic goals. The targeted objectives resulted in a positive impact on employee satisfaction and engagement, resulting in increased retention and a reduction in turnover.

Our Human Resources Strategy is aligned to the Engen Strategy and leverages the foundation of a workforce that is empowered, enabled and agile - building on, **GREAT TALENT, GREAT ENVIRONMENT** and **GREAT LEADERS**.

Outcomes

Through the development and implementation of our HR strategies and initiatives, and aligned with the overall Business Strategy:

- HR analytics have set the foundation to create value to provide data-driven insights to business and talent decisions to support talent-driven transformation.
- Nurtured a corporate culture that boosts morale and encourages employee engagement.
- Identified changing training needs and developed critical skills to promote the transformation of employees’ skills sets.
- Re-evaluated reskilling for the post-pandemic world that was triggered by Engen changing its business model of the refinery to an industrial hub and the Covid-19 crisis that supercharged transformation driven by automation and digitization, resulting in a corresponding skill shift for the organisation.
- Recognising the importance of what constitutes an ethical culture and why is it essential, HR implemented employee ethics and compliance preventive initiatives. The objectives and outcomes drive ethical and responsible business informed not only by the law but by Engen’s own values and principles, and defined by a sense of common purpose, in which employees routinely consider the impact of their decisions.

EMPLOYMENT EQUITY

Transformation remains a priority for us, with focus on ensuring an increase in the representation of designated groups to ensure alignment and compliance with our Employment Equity (EE) Plan, including ensuring that we have a gender balance throughout the workforce and at all levels.

One of our achievements has been to maintain the representation of our People with Disabilities, which has always been above the threshold as set out in the EE Scorecard. Engen remains a Top Employer achiever, with our overall skilled workforce population closely aligned to the EAP targets.

Key Highlights	
EMPLOYMENT EQUITY (SA): 55% BLACK 21% COLOURED 15% INDIAN 8% WHITE 1% NON-SA	
GENDER: MALE 66% FEMALE 34%	PEOPLE WITH DISABILITIES 3%
TOTAL WORKFORCE: PERMAMENT 93% CONTRACTOR 7%	GENERATION 76% >= 35 YEARS 24% <= 35 YEARS
NATIONALITY: 99% SOUTH AFRICAN 1% NON-SA	TOP EMPLOYER CERTIFICATION Certification Achieved

TOTAL WORKFORCE (31 DECEMBER 2022)

Engen continues to drive transformation to ensure adherence and compliance to the EE Act. All recruitment and talent management efforts for 2022 have been to ensure we close gaps in terms of employee representation per occupational levels and for People with Disabilities.

Total Workforce South Africa (31 December 2022)

Occupational Levels	MALES				FEMALES				FOREIGN NATIONALS		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	1	0	2	2	2	0	1	1	2	0	11
Senior Management	28	16	19	21	14	6	7	9	6	1	127
Professionally Qualified	223	130	146	71	182	85	43	43	5	2	930
Skilled Technical	241	107	82	35	195	97	38	19	2	0	816
Semi-Skilled	421	63	27	9	93	23	2	1	0	0	639
Grand Total	914	316	276	138	486	211	91	73	15	3	2 523

People With Disabilities Total Workforce (31 December 2022)

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
Middle Management	3	1	3	1	4	3		1	0	0	16
Skilled Technical	3	6	3	0	3	5	1	1	0	0	22
Semi-Skilled	0	4	1	0	22	7	1	0	0	0	35
Grand Total	6	12	7	2	0	0	0	0	0	0	75

Total Workforce (Including Affiliates)

In 2022, we witnessed a decline of 4% in our overall total workforce (including affiliates), with permanent employees dropping by 5% in South Africa.

Total Workforce (Including Affiliates)

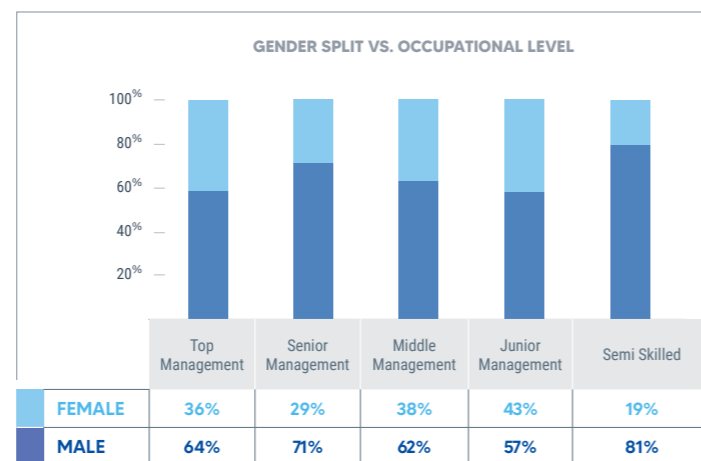
	CONTRACTOR			PERMANENT			GRAND TOTAL		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Non-SA	8	6	3	222	224	223	230	230	226
SA	369	425	450	2 373	2 449	2 622	2 742	2 874	3 072
Total	377	431	456	2 595	2 637	2 845	2 972	3 104	3 298

Gender Diversity

Remaining firmly committed to our people transformation agenda, we continue to place emphasis and effort on promoting gender diversity. As an industry that has a history of a male dominance, gender balance remains a challenge. This has emerged as one of the top priorities identified, where increased efforts and initiatives have been identified to not only close the gaps but also to deliver on our Sustainable Development Goals (SDG 5) targets.

A considerable number of female employees have been recruited and promoted to both Middle and Senior Management roles. We recognised the importance of this progression and will continue to prioritise initiatives in support of gender parity. To this end, we have also put further plans and initiatives in place within our talent management process to close the gaps.

As a company, we acknowledge the need for a diversified and inclusive culture. We have therefore adopted changes to our practices ensuring that we create an environment that is conducive and representative of all employees.



PATH TO SUSTAINABILITY

The Covid-19 pandemic has resulted in several challenges in the workplace. Engen adapted to remote and hybrid work models, different and varied approaches to employee and customer interaction, and unprecedented uncertainty. As a result of this, the top priorities for Engen Human Resources shifted to adapt to the new world of work, recognising that many of these priorities are here to stay.

Effective reskilling and upskilling of employees was a programme that we embarked on, which included a blended-learning journey that includes traditional learning (training, digital courses, job aids) with non-traditional methods (enhanced learning journeys and leaders and peer coaching).

We have made sustainability a key focus of how the business transforms. Engagement from our employees makes these goals actionable and an important initiative for Human Resources to contribute to the overall goal of facilitating sustainable resource solutions focused on purpose and doing good for change. Our employee engagement on sustainability projects and goals is achieved by building employee capability on sustainability.

OUR EMPLOYEES

Our employees continue to be key in driving and maintaining Engen as a GREAT place to work. Human Resources continues to play a critical role in ensuring that the organisation is able to successfully adopt and deploy the requisite skills to deliver the business requirements:

- Ensuring that all employees have the skills, attitudes, and behaviours necessary to successfully meet the demands of their jobs.
- Developing new leadership capabilities for 'Engen of the Future' by building an agile and personalised learning culture - HR plays a significant role in progressing the Capability and Leadership Development and a culture of ongoing learning in the context of increasing demand for new and different skills and the requirement for talent to continuously learn, unlearn and relearn.
- Building capability through assessments and individual development training plans that address the business and employee needs to meet the knowledge and skills now and for the future.

RETHINKING THE WAY WE WORK

Slipping back into old habits is not an option and Engen is poised to switch from adaptability to transformation. As we continue to cope with the post-pandemic developments, the emerging Human Resources focus is shifting towards transforming the workplace and shaping the future of work.

As we look ahead with a clearer focus on the changes we face, and Human Resources role in driving this continued evolution in the world of work, we have grown more comfortable with the ambiguity that permeates the post-pandemic environment and understand the need for agile approaches that can adapt to our new constantly evolving world of work.

The awareness has refocused us as Human Resources toward employee experience and is allowing us to co-create programmes with employees. As we progress, we continue to examine our practices, shed the ones that no longer serve Engen and employees, and build anew for the new constructs of work. The shift away from prescribed programmes and piloting and adopting new practices will be centred on employee experience and co-created with our employees.

TALENT MANAGEMENT FRAMEWORK & ACHIEVEMENTS

Engen has a mature talent management framework with talent principles that guide the way talent is managed.

Our talent strategy aids the achievement of our business strategy and effective talent management is recognised as a strategic imperative that aids the achievement of business strategy and vision.

Our talent management is viewed as a foundational management principle which is integrated into the annual business planning cycle. It strives towards managing the employee lifecycle from Hire to Retire.

Every employee is a valued member of the organisation, and the organisation delivers its succession management practice through established People Development Councils (PDCs). The 9 skills groups PDCs are chaired by an Engen General Manager and meet at least quarterly to review and develop talent - attended by all senior managers in the skills group.



The Engen PDC is chaired by the CEO and attended by all Engen GMs. It is expected to meet quarterly. In 2022 there was an accentuated focus on talent development and the Engen PDC met six times.

As a result of our talent management efforts and a focus on 'growing our own timber' Engen was able to exceed its goal of hiring at least 70% from within the organisation. 2022 had much reduced opportunity for promotions given the number of promotions in 2021 and 2020 (over 250 promotions in each year) but still saw 158 Engen talents promoted, even with the reduction of work opportunity at our former refinery.

Our talent management efforts have also contributed to a high retention rate of all segments of talent with less than 2% turnover and minimal regretted losses. 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.



SOUTH AFRICAN SKILLS DEVELOPMENT EMPLOYED BENEFICIARIES

Engen recognises the importance of education, as well as skills upliftment and improvements for our youth to contribute towards the fight against high rates of unemployment in our country. We therefore continuously invest in the development and skills enhancement for previously disadvantaged individuals as depicted by the numbers in the table below.

YEAR	AFRICAN	COLOURED	INDIAN	WHITE
2022	1 516	527	403	227
2021	993	352	274	185
2020	1 514	507	398	225
2019	1 058	413	326	177
2018	1 858	622	457	195



ENGEN'S YOUNG TALENT

Bursaries, Graduate Development and Learnerships

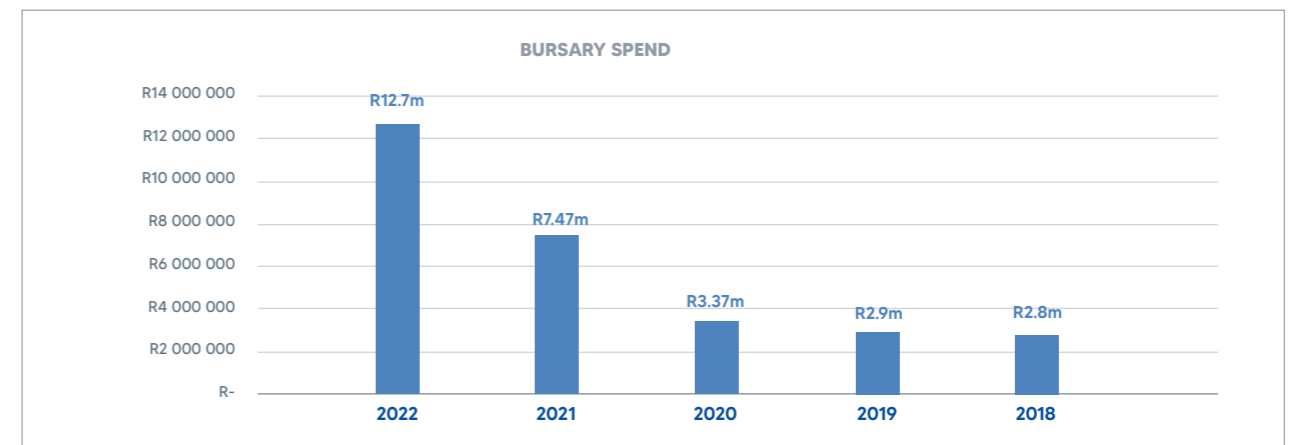
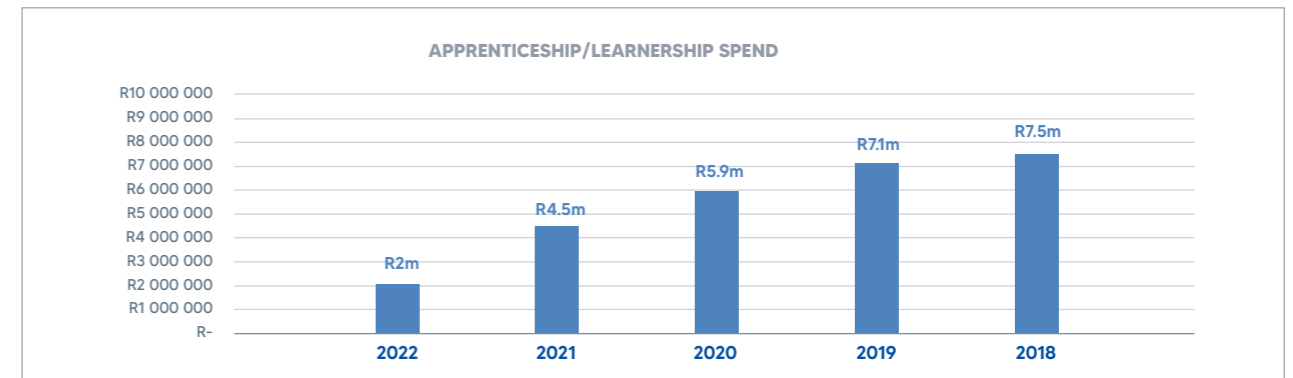
Engen continues to prioritise skills development with focus on young talent and this has been through investing in building the pipeline of our future talent. We have over the years invested in sponsoring bursary students, undergraduate students as well as in Learnership Programmes. In 2022, we increased these investments to R14.7 million. We have also over the years seen the growth and improvement in the uptake of our Engen Maths and Science School (EMSS) learners that have been integrated in our Bursary Scheme.

To contribute to the Sustainable Development Goals (specifically SDG 4), education remains our key priority and we have focused on delivering and improving youth development for previously disadvantaged communities, who are studying towards qualifications - that are critical in the energy industry through our Young Talent Programmes.

We have also extended educational assistance support on to our employees' children whereby we offer bursaries for all qualifications. This is our initiative to fight unemployment and contribute to the country's economy. Engen's 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. Our support to these students is not only financial but further stretches to skills and knowledge transfer whereby they are later exposed to the world of work through experiential learning, vacation work or in-service trainees to prepare them for the future.

Our Graduate Development Programme (GDP) supports identification and development of young deserving graduates from previously disadvantaged backgrounds. We also involve the graduates in our critical business projects, with targeted mentorship support from skilled and dedicated leaders where the graduates have gained vital experience.

Engen's 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 2022 increased from the previous year, with the bursary spend being R12.7 million and the Learnership spend R2m.





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 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, 666 Engen employees were employed under Collective Bargaining Agreements.

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

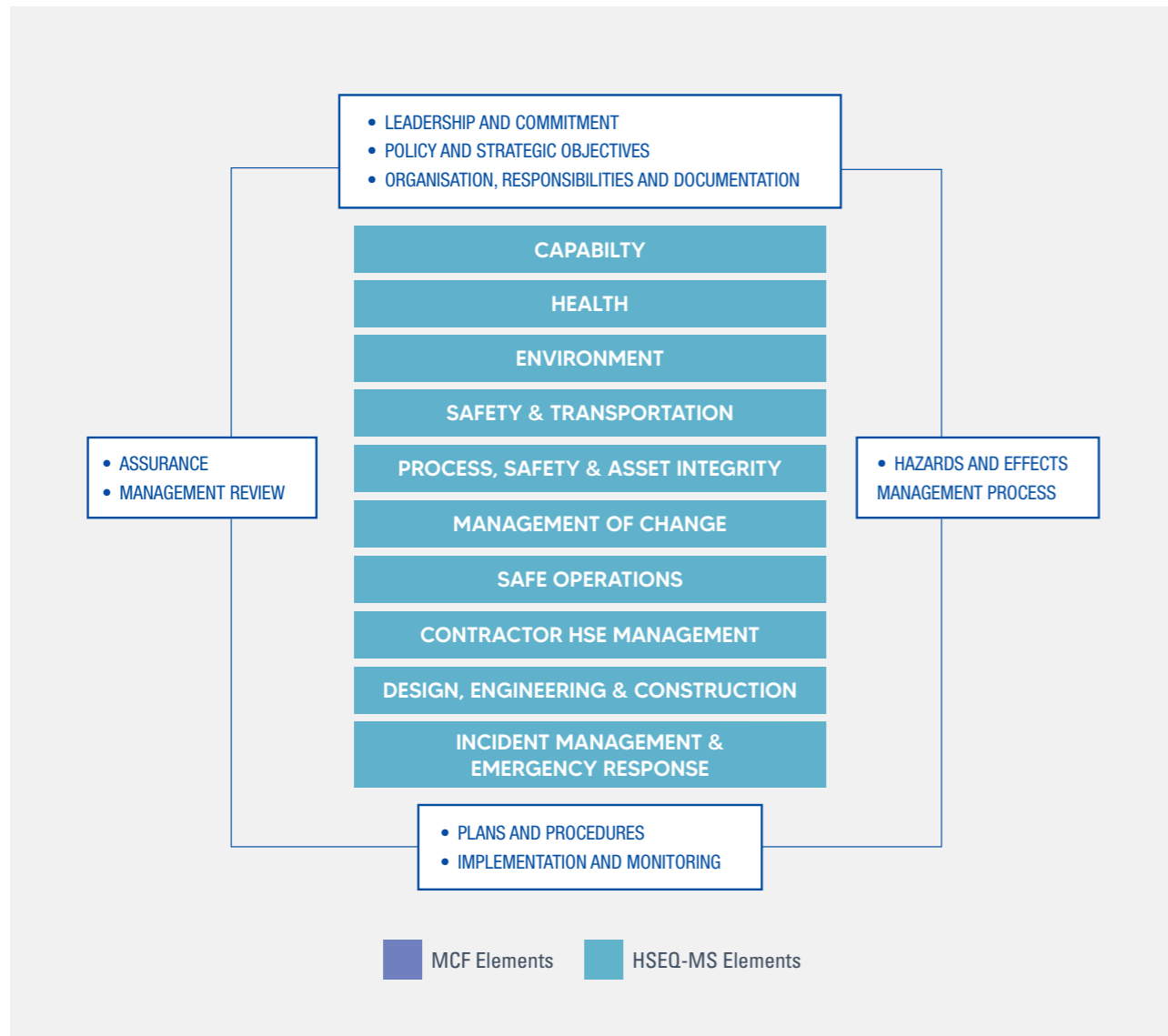


and cascaded to all working levels. Through continuous employee engagement, they set clear expectations, targets and objectives for each employee.

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 2022, 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.



We continued to see a reduction in incidents and contaminations during 2022 because of the programmes started in 2021.

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. Visible felt leadership has been improved across the company and the new Enhanced Behaviour Safety programme is in place. In 2023, we will continue to focus on creating a strong Process Safety and Contractor Management Culture across Engen, whilst continuing to improve the hearts and minds of the Engen staff on safety matters.

Transport Safety

During 2022, we completed the 11-point plan and focused on entrenching the initiatives we started within the plan. We continued to see a reduction in incidents and contaminations during 2022 because of the programmes started in 2021. These programmes included onsite training for retail forecourt staff on deliveries, contaminations, and slow speed moving on sites.

Engen continues to review its contracted fleet to ensure compliance and better utilisation. The contracted fleet is audited annually with an emphasis on continual improvement to ensure safe delivery of our products to our customers.

Contractor Management

Steady progress has been made in 2022 to close off findings from the external audit. This exercise will continue in 2023. The new audit approach that was implemented throughout Engen will ensure that HSEQ is entrenched in the business when a contractor is onboarded. An HSE Pre-Qualification Process (PQA) is being conducted by

Engen Business Enterprise Services (EBES). A central HSEQ focal point was established to assist the Contractor Sourcing department to emphasize Engen’s HSEQ requirements to all contractors and the need to conduct their activities safely.

Over the long-term, this aims to ensure Engen contractors continuously improve and sustain their 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, visible felt leadership and various trainings interventions. These engagements will ensure that our contractors become our partners in business.



Our Safety Performance

We recorded zero fatality cases, four reportable Loss Time Injuries (LTI), and zero Major Fire in 2022. Of the four LTI cases, the most common causes were human factors or noncompliance to Engen HSEQ requirements.

KPIs (Lagging)	2022	2021	2020	2019	2018
Manhours	10.83m	11.11m	10.78m	12.00m	16.70m
FAR (per 100 mil. Manhours)	0	0	0	0	0
No. Fatalities	0	0	0	0	0
LTI Frequency (per 100 mil. Manhours)	0.37	0.36	0.74	0.33	0.42
LTI Cases	4	4	8	4	7
TRCF (per 100 mil. Manhours)	1.57	1.17	2.32	2.25	1.68
Major Fire	0	0	1	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.



ORGANISATIONAL HEALTH

Engen's organisational health service comprises several health-related activities across the company, linking with risk management, legal compliance, human resources and industrial relations. The key objectives are to support the company in the following areas:

- To assist Engen meet its Occupational Health related legal compliance requirements.
- To maximise the productivity and quality of life of its employees through health initiatives aimed at optimising their health and wellbeing.
- To reinforce Engen's position as an employer of choice

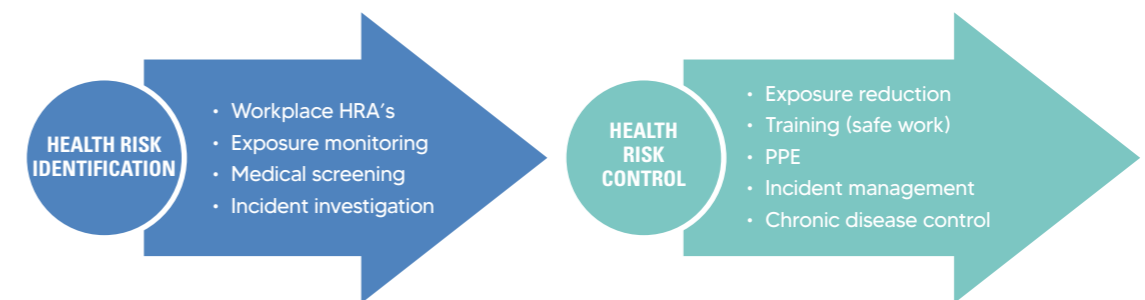
by providing a tangible expression of the company's care for its employees, thereby encouraging employee engagement, and attracting the best talent available.

Our Health and Wellness activities are arranged into the Occupational Health Service and the Employee Wellness Service.

Occupational Health Service

The key purpose of the OH service is to control the work-related health risks to employees. This is achieved through workplace health risk identification and risk control. This process of OH risk control is summarised as follows:

FIGURE 1: PROCESS FLOW OF THE OCCUPATIONAL HEALTH SERVICES



Engen’s main occupational health hazards are chemicals, noise, fatigue and ergonomics. In addition, our international travellers face the risks of long flights and potentially hazardous destinations.

In compliance with the South African Occupational Health and Safety Act (OHSA), and related legislation in other African countries, we regularly conduct workplace health risk assessments and exposure surveys (collectively known as our industrial hygiene program) which are performed by rigorously selected Approved Inspection Authorities. In addition, the health team conducts biological monitoring of exposure to augment the air measurements, to provide a comprehensive understanding of exposure. During the past 5 years, Engen has performed well in keeping exposures to workplace hazards below legal limits and generally “as low as reasonably practicable.”

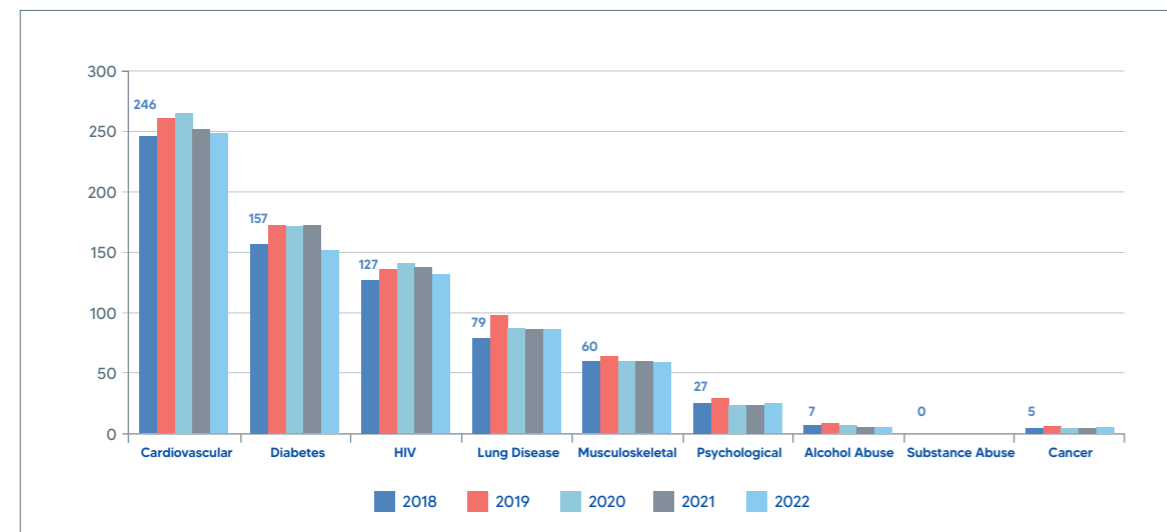
Engen’s medical screening program, with its double objective aimed at assuring fitness to work (medical certification), and screening for early signs of occupational disease (“medical surveillance”), continued uneventfully. Note however that whilst all Engen employees are offered annual health screening, not all screening is mandatory. For those who do not perform safety-sensitive work, or who are not exposed to significant occupational health hazards, the screening is aimed at personal health risks, and is voluntary (ie. is part of the Employee Wellbeing Service covered below).

Engen did not identify any new cases of work-related occupational disease during the past year.

Employees identified to have a chronic disease are followed up by Engen’s occupational health staff and, where applicable, are registered on the Engen Medical Benefit Fund’s chronic disease risk management programme. This close interaction between employees, occupational health staff, line managers, a network of selected service providers, and the Engen Medical Benefit Fund plays an important role in safeguarding employee health. Controlling chronic disease contributes significantly to Engen’s sustainability as it has a positive effect in two ways; for all employees, it halts the progress to impairment and disability, and for employees involved in safety sensitive work, it reduces the likelihood of accidents.



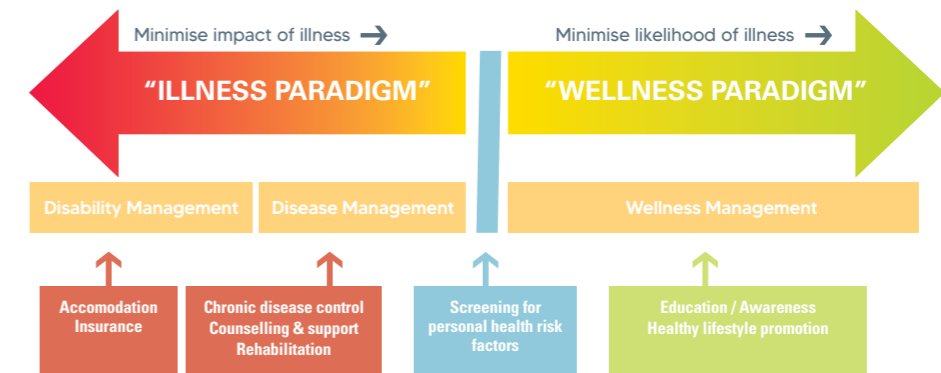
FIGURE 2: PROFILE OF TOP CHRONIC DISEASES IN ENGEN OVER THE PAST 5 YEARS.



Employee Wellness Service

The key purpose of the Wellness Service is to optimise the general health of employees. This is achieved through personal health risk identification and personal health risk control. This is summarised as follows:

FIGURE 3: OVERVIEW OF ENGEN’S INTEGRATED EMPLOYEE WELLBEING SERVICE

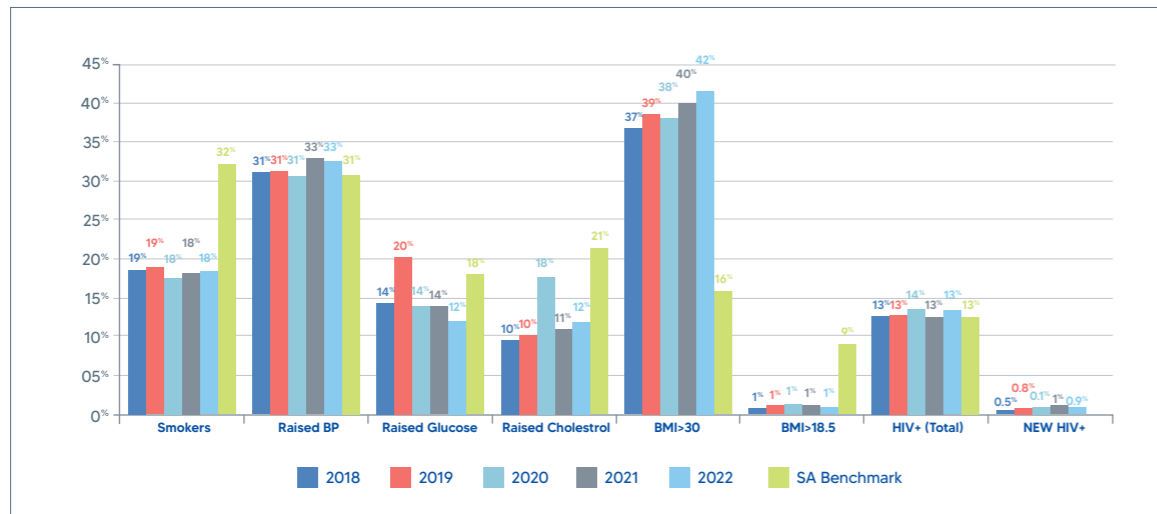


The “Wellness Management” component in the image above (education, awareness and healthy lifestyle promotion) is embodied in a diverse collection of interventions known in Engen as “MESTI Fit 4 Health”. M stands for Move Right. E stands for Eat Right. S stands for Sleep Right. T stands for Think right. I stands for Individual Right. Wellness initiatives in 2023 covered all these areas but there was a particular focus on Think Right, in support of mental health – in recognition that

this is a particular area of concern for Engen, as it is for all employers. Initiatives in mental health included resilience development programmes, focused group support sessions and presentations by experts.

The outcomes of the personal health risk screening programmes, as well as the statistics related to causes of incapacity, disability and premature death, provide useful guidance to the education and awareness drives.

FIGURE 4: PROFILE OF PERSONAL HEALTH RISKS AT ENGEN OVER THE PAST 5 YEARS.

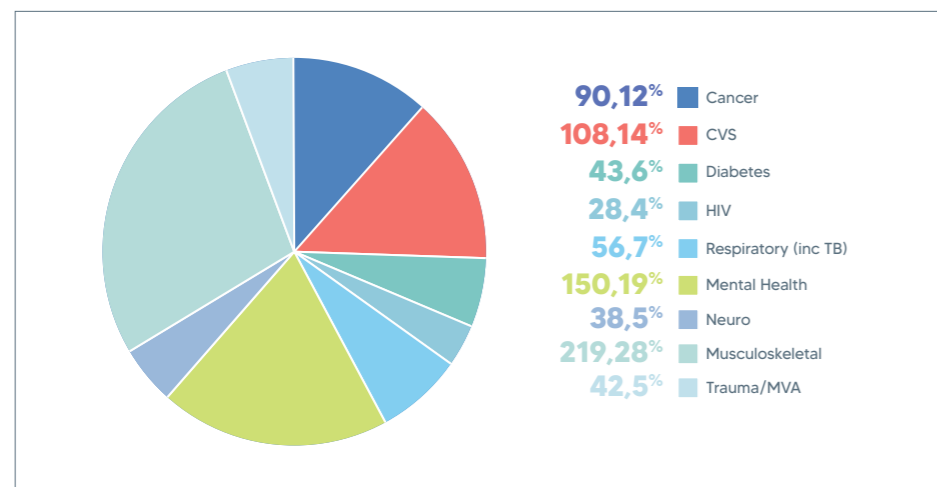


This graph compares the prevalence of the main health risk factors in Engen with the South African population. Note that this data is about risk factors, not chronic disease. It shows that the Engen employees that were tested were generally at or below the national benchmark. Only body weight indicated an excess relative to the national average. Obesity will continue to be a focus area for Engen's Wellness Programme for the foreseeable future.

Incapacity and Disability

Notwithstanding all the efforts of the Wellness Services available to Engen employees, unfortunately some progress to incapacity then disability. For these, the objective is to optimise the access to disability and death benefits for the affected employees and their families. Engen monitors cases of disability very carefully, and has systems to try to intervene when employees at risk are identified.

FIGURE 5: THE PROFILE OF CAUSES OF INCAPACITY, DISABILITY OVER THE PAST 5 YEARS



This graph shows that the burden of illness at Engen is like most developing countries, with the presence both non-communicable illnesses (cancer, cardiovascular disease and diabetes) and communicable illness (HIV) in the list of main causes. It is also noteworthy that mental health is now prominent, which is also a worldwide trend in insurance claims. The mental health and musculoskeletal claims are mostly in the temporary incapacity category, funded through Engen's generous Extended Sick Leave facility, made available since 2014 when a revised Sick leave policy was initiated.

CORPORATE SOCIAL RESPONSIBILITY

The purpose of our Corporate Social Responsibility (CSR) is to contribute to the wellbeing of society, thereby enriching lives for a sustainable future.

As a company, we recognise that to be considered a responsible corporate citizen we need to play a role to help alleviate poverty, address unemployment and inequality, and contribute towards inclusive socio-economic growth. It is our firm intent 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).

Our CSR projects focus on Education; Health Safety & Environment; Community Wellbeing and People with Disabilities. All projects seek to create sustainable 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 and high levels of hunger and food insecurity in South Africa (an estimated 30 million people are experiencing food insecurity in SA), compounded by the lingering effects of 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

Engen contributed R2 million worth of fuel to enable Food ForwardSA to expand their geographical footprint. Powered by Engen fuel, their trucks travel vast distances, distributing monthly food provisions to remote rural communities. This has helped Food ForwardSA to reach an additional 230,000 vulnerable people in rural communities through 29 Mobile Rural Depot (MRDs) across S.A.

Gift of the Givers

Engen contributed R2.5 million worth of fuel to Gift of the Givers, Africa's largest disaster response non-governmental organisation of African origin on the continent. This helps Gift of the Givers bring hope and restores dignity to the most vulnerable during times of disaster and need.

South Durban Community

R1 million support for environmental and greening projects in areas adjacent to the Engen Refinery in Wentworth, Durban.

Teacher Development

R850k towards upskilling of Engen Maths and Science School Educators and Coordinators with an introduction to e-learning.

Department of Minerals Resources and Energy

Partnership projects with DMRE totalling R350k supporting special needs schools with specialised equipment and books.





Education & Upskilling Programmes

Engen Maths and Science Schools

The Engen Maths and Science Schools (EMSS) have provided supplementary Mathematics, Science and English classes to grade 10-12 learners for over 37 years, to ensure the underprivileged learners reach their full potential and continue with tertiary education.

We are proud to announce that another EMSS school (based at Manzomthombo Secondary School in Mfuleni in the Western Cape) was added in 2022. This is our 10th EMSS in South Africa and our second in the Western



Cape. We will be adding another centre in the Orange Farm area of Gauteng in 2023.

In 2022, EMSS classes are hosted at the Cape Peninsula University of Technology (CPUT) in Cape Town, as well as in Port Elizabeth (Uitenhage High School), East London (Buffalo City High School), and Cala (Cala Secondary School) in the Eastern Cape, and in Johannesburg (Zakariyya Park Combined School). In KwaZulu-Natal classes were conducted from Fairvale Secondary School, Ganges High School, Umlazi Commercial Secondary School, and Hillview Secondary School.

The high-quality learning experience offered to the 1 570 learners enrolled in the EMSS programme in 2022, also included the provision of educational materials.

The 2022 EMSS matric class attained an 96.85% overall pass rate, versus the South African national average of 80.1%

Caring 4 Girls – Sanitary Support Programme

In 2022, Engen's support of the Imbumba Foundation's 'Caring 4 Girls' initiative helped distribute 14 000 sanitary towels to female learners at 25 schools spread across all nine South African provinces.

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.

Engen Computer School – Computer Literacy

In 2022, 198 unemployed South Durban residents completed SETA accredited computer literacy courses offered by the Wentworth-based Engen Computer School. Approximately 30% of the graduates have secured employment so far.

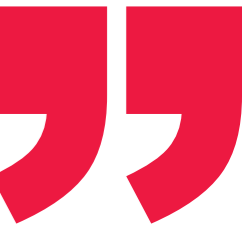
The Engen Computer School, run in collaboration with Added Advantage Academy has been in operation since 2009, and aims to uplift and empower unemployed persons who reside in areas adjacent to the Engen refinery.

Barista Training

Twenty unemployed young South Durban residents attended barista training, courtesy of a community development partnership between Engen and the Blue Roof Life Space (BRLS), to learn the techniques and skills required to make the perfect cup of coffee thereby boosting their chances of securing employment in the hospitality and/or coffee industry. (Value of programme R52k)



The 2022 EMSS matric class attained an 96.85% overall pass rate, versus the South African national average of 80.1%



Support for People with Disabilities

Disability Economic Empowerment Trust

Engen partnered with DEET in 2022 on various projects to upskill 100 unemployed people with disabilities to ensure they become economically independent. This included artisan training in wheelchair repairs and plumbing and carpentry courses. The programme was implemented in the Eastern Cape, Limpopo, Mpumalanga, Free State, KwaZulu-Natal, and the Northern Cape. Recipients of the training have been placed at various institutions to render their services and obtain an income as a result of the programmes. (Value of programme R775k)

Breede Valley Association for Persons with Disabilities

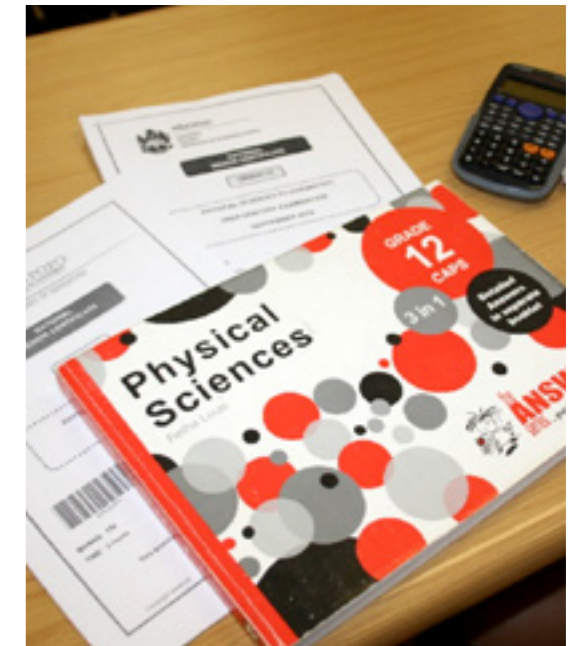
Support was given to farming communities in the Western Cape via the BVAPD, a non-profit organization that renders therapeutic, social and community development services to persons with disabilities in the Breede Valley Municipal area of the Western Cape, including the communities of Worcester, Rawsonville, De Doorns and Touws River. The funding support will ensure 65 persons with disability per annum receive upskilling to help them achieve a level of independence and empowerment to boost their chances of securing employment. (Value: R300k per annum from 2022-2024).

Siloe School for the Blind

School shoes for 120 special needs and visually impaired Grade R to Grade 7 learners from Thokgoaneng Village, located approximately 35kms south of Polokwane as well as 2 Washing Machines. (Value: R 90k)

Mason Lincoln Special School

Engen stepped up to support Mason Lincoln Special School, an Umlazi-based school which caters for physically challenged, visually impaired, autistic, intellectually impaired (mild), epileptic learners, and learners with albinism. The donation included a specialist ultrasound machine and TheraBand exercise stability balls that will



provide learners with access to specialist physiotherapy and crucial rehabilitation. (Funding value: R22 000)

Environmental Projects

In 2022, we collaborated with various schools in South Durban to plant spekboom and fever trees. We also installed public benches in areas identified by the community.

Employee/Dealer Outreach Initiatives

Dealer & Employee participation in community care projects continued into 2022 with Engen's employees and dealers actively participating in various community outreach initiatives in the various regions where we operate. Employees supported national fundraising events such as Casual Day (for disabled persons), National Cancer Month, various Mandela Day initiatives and National Food Awareness Day.



The Women's event continues to go from strength to strength, with six players who participated in Engen Champ of Champs already called up to play for national teams.



Rugby

Engen continued to strengthen its association with the Springboks in 2022. This was achieved through experiential activations at stadiums across South Africa, that created unique fan experiences at Springbok test matches to drive association of Engen's fuel sponsorship of the reigning world champions. Engen also continued to successfully leverage its partnership with SA Rugby's 'Get into Rugby' development programme. 'Get into Rugby' forms part of SA Rugby's strategy to grow the game and encourage players of all ages to try, play and stay in rugby. It is a grassroots initiative spread across all nine provinces and aims to support young people and discover raw talent.

SPONSORSHIP

Engen Knockout Challenge

The Engen Knockout Challenge successfully celebrated its 20th anniversary in 2022. Qualifying matches commenced in mid-May to determine entrants for the three regional Engen Knockout Challenge tournaments for men and women, which were successfully staged in Gauteng (01-03 July), Cape Town (08-10 July), and Durban (15-17 July). The Engen Champ of Champs was staged from 3-5 October 2022 in Johannesburg. Kaizer Chiefs and University of Johannesburg were crowned men's and women's champions respectively. The Women's event continues to go from strength to strength, with six players who participated in Engen Champ of Champs already called up to play for national teams.



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 2022 for our continued commitment to B-BBEE transformation. This is the third consecutive year that we have achieved B-BBEE Level 1 status. This means all our clients can enjoy 135% Procurement benefit recognition for every 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	2022 B-BBEE POINTS	2021 B-BBEE POINTS	2020 B-BBEE POINTS
Ownership	25.00	24.35	23.64	25.00
Management Control	19.00	15.28	14.75	12.98
Skills Development	20.00	13.16	17.12	14.88
Enterprise And Supplier Development	40	42.73	40.39	42.57
Socio Economic Development	5.00	5	4.31	5
Total	109 (118 BP)	100.50	100.21	100.43
Compliance Level		1	1	1
Recognition Level		135%	135%	135%

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

Ownership

Total weighting Points	Ownership Performance				
	2022	2021	2020	2019	2018
25	24.35	23.64	25.00	24.03	21.67

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 in the 2021 financial year. A total of 24.25 points have been achieved in the 2022 financial year audit.

As a result of the Flow-Through Principle, EPL has an effective black shareholding of 24%, while Modified Flow-Through resulted in EPL's black shareholding going to 30.70%. Black Women Voting Rights were verified at 16.76% and Black Women Economic Interest at 16.15%.

Management Control

Total weighting Points	Management Control Performance				
	2022	2021	2020	2019	2018
19	15.28	14.75	12.98	13.03	12.54

Engen achieved 15.28 points out of a possible 19 points, an improvement of 0.53 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				
	2022	2021	2020	2019	2018
20	13.16	17.12	14.88	16.14	14.29

Our Skills Development interventions, including our extensive Learnership and Apprenticeship programmes, Engen has managed to achieve a total of 13.16 points out of a possible 20 points. Engen has managed to absorb a number of learners into the company. Furthermore, established a Global Citizen Development Programme in the South Durban Basin, Kwa-Zulu Natal which aims to provide the learners from the local communities with an opportunity to gain valuable knowledge and skills which are required in the market.

Enterprise and Supplier Development

Total weighting Points	Enterprise and Supplier Development Performance				
	2022	2021	2020	2019	2018
40	42.73	40.39	42.60	37.39	36.68

Engen continues to perform well on this element and managed to achieve 42.73 points.

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 73.85% of total spend, and 70.05% 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 FY2023.

Following on page 136 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 40 black owned retail sites.

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 ten businesses. These are predominantly in manufacturing, tank maintenance engineering, and retail.



Socio-Economic Development

Total weighting Points	Enterprise and Supplier Development Performance				
	2022	2021	2020	2019	2018
5	5	4.31	5	5.00	4.94

Engen achieved 4.31 points out of a possible 5 points in the previous year. During the year, Engen implemented several programmes that drive strategic socio-economic reforms in communities that we operate in. As a result, Engen has managed to achieve the full 5 points.

We have spent more than the required target of Net Profit After Tax (NPAT) on programmes that have more than 80% black beneficiaries.

Please refer to page 129 of this report for Engen's Corporate Social Responsibility initiatives implemented during the year.



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.

During the 2022 financial year, various initiatives have been operationalised and progressed to repurpose the refinery resources. These initiatives have explored new business opportunities that will play a leading role in growing KwaZulu-Natal and South Africa's future economic prosperity by providing the platform for the development of new investment opportunities. They should also serve as a catalyst for economic growth, support job creation and socio-economic growth, and ensure Engen continues to be a positive contributor to both the provincial and national economies.

In February 2022, the Engen Limited Board authorised the Engen Business and Energy Solutions (EBES) initiative. EBES aims to provide consulting and execution services across a wide variety of disciplines and secured employment for 39 impacted Refinery employees. Following the appointment of a Business Manager, a marketing strategy and plan to operationalise the new business was developed.

Further afield, local production of kerosene-based solvents used in the mining and coatings sector have been limited due to diminished refining capacity in South Africa. In November 2022, the Engen Limited Board approved the repurposing of refinery infrastructure to enable the manufacture of locally produced kerosene-based solvents reducing the dependency on imports and limiting customer exposure to price sensitivity.

The opportunity to host these new and future strategic initiatives will fall to a new eco-industrial hub (EIH) located at the former Engen refinery site. The vision of the EIH is to host symbiotic tenants that will leverage synergies off each other, thereby creating new value and business opportunities, while further supporting job creation and driving local investment in the area.

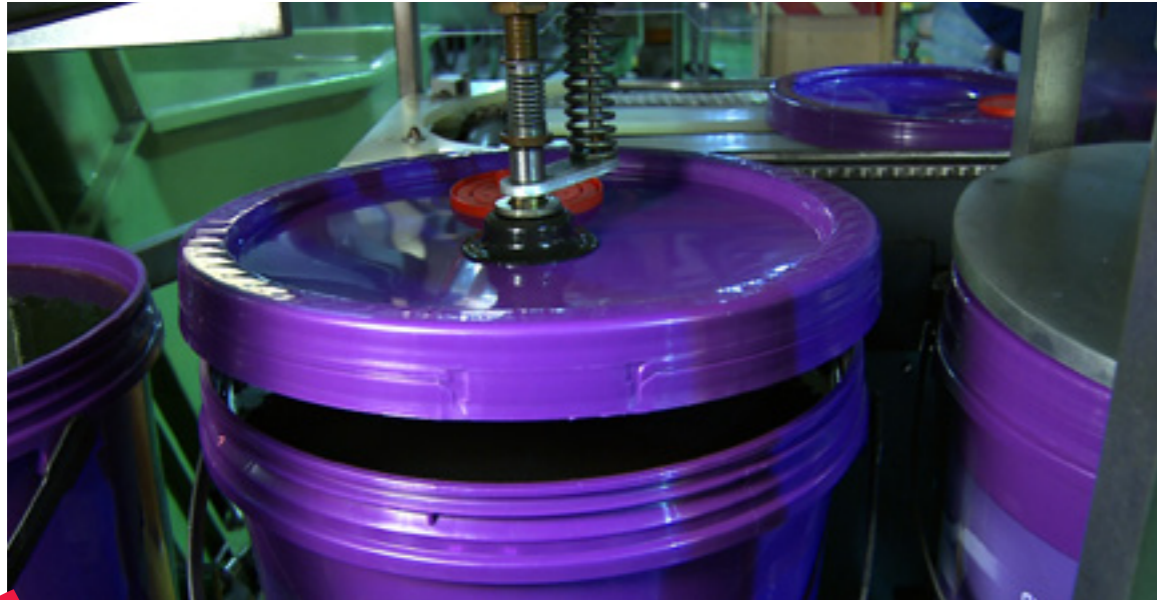
Further projects currently under consideration are aimed at creating sustainable, carbon conscious businesses that will enable Engen to grow its 'Progressive Energy and Solutions Partner' programme.

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.



During the 2022 financial year, various initiatives have been operationalised and progressed to repurpose the refinery resources.





We have maintained Zero LTI's for 16 and 8 years at ZBP and LOBP respectively.

LUBRICANTS MANUFACTURING

In 2022, we consolidated our two lubricants manufacturing facilities, namely: Lubricants Oil Blend Plant (LOBP) and Zenex Blend Plant (ZBP), both based in Island View in Durban, into one operating unit. We are pleased to report a steady growth in throughput following adverse periods during the Covid-19 pandemic. Accompanied by aggressive sales strategies, we envisage continued growth.

HSE is high on our priority list, and we have maintained Zero LTI's for 16 and 8 years at ZBP and LOBP respectively. Our RFT (Right First Time) was 99.55% and we continue to maintain our IATF16949, ISO 17025 & ISO 9001 quality assurance certifications.

Following the Engen Limited Board's decision to repurpose the refinery, lubricants manufacturing also absorbed some impacted refinery employees. These highly skilled people will help ensure that our equipment reliability targets become realistic and minimise unplanned mechanical failures so that we can optimally sweat our assets. This will allow for a shift from our actual OEE performance of 50.41% to an improved target of 55%.

Our Lubes manufacturing operating unit supports the corporate Environmental Sustainable Governance (ESG) strategy and seeks new and improved methods to conduct its operations in an environmental friendly manner.



This includes engagement in rainwater harvesting projects, reduction in CO₂ emissions, and prudent energy management and reduction, amongst others.

LOBP improved its outcomes from the various quality audits conducted in 2022. The number of audit findings decreased year on year with zero major audit findings recorded in the period 2020-2022. This included the IATF 16949 certification audit. This accomplishment is 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.

Our 2022 OEM performance demonstrated sustained customer focus with zero disruptions or being placed on OEM special status.

Our laboratory's ISO 17025 accreditation audit frequency decreased from 12 to 18 months demonstrating the maturity of the system. This is testament to the robust quality plan and rigorous internal audit programme deployed at LOBP.

As mentioned above, our manufacturing RFT improved from 99.3% in 2021 to 99.5% in 2022, with no product failures at ZBP. The RFT was supported by the proactive identification of potential product failures and detailed corrective actions.



Other sustainability initiatives successfully implemented at the manufacturing plant included the introduction of recycled material in the manufacture of 20L decorated pails and the recycling of label backing paper to be used in the manufacture of tissue paper, thus reducing our carbon footprint.

SUPPLY CHAIN

Engen's Supply Chain enables our sales and marketing teams 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.

Supply Chain is an integral part of Engen's deliverables through ensuring security of supply, alignment of infrastructure to current and future demand requirements, optimal product sourcing and safe delivery of all customer fuel requirements on time, and with no impact to the environment.

Our Supply Chain division manages and operates all Engen terminals and depots as well as the bulk transport fleet that services our network of retail service stations and commercial customers.

Following the cessation of manufacturing at the Engen refinery in December 2020, and the subsequent announcement of the plant's conversion to a world-

class import terminal, our Supply Chain division ensures security of supply through well-established contracts with other local oil majors, imports secured from international markets through our import terminal in Durban, all of which is supported by a market leading depot footprint across South Africa, which holds sufficient inventory to ensure continuous supply to the market.

Due to an evolving refining landscape in South Africa, as well as the impact of the geopolitical upheaval arising out of the Russian-Ukrainian conflict, the historical global supply and demand balance has been impacted. This has resulted in a shortage of product from normal international import sources due to product being shifted to the European market to fill the gap resting from Russian product sanctions. Engen's Supply Chain division has made the necessary interventions through its relationships with international suppliers to ensure that product supply is still available to our customers.

The Russia-Ukraine conflict has also had an adverse impact on product price and premiums. This resulted in various initiatives by Engen to claw back disadvantages brought about by high product prices and premium whilst also engaging with government to ensure import parity pricing correctly reflects market conditions.

By carefully balancing the procurement of refined products between terms and spot purchases from the various geographical locations, Supply Chain also ensured that product is landed at optimal cost.



Engen continues to develop its Supply Chain capability by investing in infrastructure, continuous efficiency improvements, de-bottlenecking initiatives as well as utilising 3rd Parties.



Implementation of our Business Continuity Plan (BCP), following cessation of our refining capacity in December 2020, has allowed Engen to convert its multipurpose infrastructure – including tankage and transfer lines - within the Durban precinct to facilitate new ways 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 has been tested for adequacy to support demand growth in the short to medium term.

Engen continues to develop its Supply Chain capability by investing in infrastructure, continuous efficiency improvements, de-bottlenecking initiatives as well as utilising 3rd Parties. This approach ensures that Engen has sufficient access to the right resources at the right time to maintain Engen's leading market share for now and into the future.

With fuel demand in South Africa recovering, Supply Chain has responded 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.

We also continue to put building blocks in place to secure a watertight end-to-end supply chain that reduces costs, improves work efficiencies, and maximizes returns. 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. Engen adopts an approach of leveraging third party assets, including its current assets, to optimise and provide the most robust solutions to meet customer requirements. This strategy has proven to be a fruitful exercise and Engen's Supply Chain continues to deliver a superior customer experience.

Engen's Supply Chain Network continually adapts to meet both Sourcing and Marketing challenges. It recognises that these are extremely dynamic across the extended value chain and is building resilience and agility and improving efficiencies as part of our drive for operational excellence.

As a key measure of customer service, Supply Chain endeavours to continually improve on OTIF (On Time in

Full), i.e., the supply chain reliability measurement of how often Engen delivers customer order quantities in the agreed delivery timeline. OTIF allows Engen to determine how well dealers and commercial customers are serviced by ensuring that the orders that are placed are efficiently fulfilled. Despite pipeline hot tapplings, as well as cable theft which caused disruptions, our OTIF average for the year was maintained at 96% (97% for Retail and 96% for Commercial customers). In addition, a targeted Dealer Survey was introduced to measure their level of satisfaction.

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 incremental supply into the Western Cape.

Looking ahead, one of our key focus areas is HSEQ improvement because the health and safety of our employees, customers, and environment is our foremost priority. Supply Chain therefore continues to focus on initiatives that are geared to ensure 'Zero is Possible'.

In addition, key focus areas also include process safety management, sustainability initiatives to reduce waste and save water, and always striving to limit Engen's environmental impact with a target of zero carbon emissions by 2050.

Through an integrated Equipment Reliability Strategy, Engen manages process safety risks, optimized asset performance and structures effective maintenance strategies.

Supply Chain has 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, monitoring the changing dynamics of the refining industry within South Africa and its possible impact on the shared infrastructure and interdependency risk, is continuously assessed and reviewed to improve mitigations where necessary.

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.

The protection of national environmental assets is an increasingly critical undertaking for business, particularly production facilities. Driven by our HSEQ policy, we place particular emphasis on protecting our natural resources. This is integrated into the way we conduct our business and is a critical topic across all leadership spheres.

A series of internal systems - such as our Mandatory Control Framework (MCF) and Health Safety and Environmental Management Systems (HSEMS) - 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 MCF remains a critical internal standard that informs how we conduct our business. It also ensures the consistent application of systems and processes across our operations.

Our operations are located within developing nations. We have, on several occasions, employed the use of international first world standards to protect natural resources.

Engen's environmental performance is enhanced through consistent monitoring and analysis of key environmental performance indicators, the updating of associated risks and implementation of appropriate mitigation measures. Furthermore, we also have policies and procedures that are reviewed regularly to ensure that all risks are correctly documented and managed. With well experienced teams, our management systems are entrenched into our day-to-day operations. Dedicated resources for environmental management ensure adequate focus in this area.

For the reporting year, we continue to find ways to minimize our environmental footprint as well as associated impacts. This can be seen in the changes in our key performance indicators. The ceasing of operations of the Engen refinery also meant that several storage tanks required cleaning and maintenance. This generates waste that is not part of normal operations. Recycle options were considered at every opportunity to minimise landfill disposal.



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.

To protect and minimise the risk of impact to groundwater resources, we use the Risk-Based Corrective Action (RBCA) approach to focus our efforts and minimise the risk posed by groundwater-related impacts on receptors. Through this approach, an appropriate level of action and oversight can be afforded to contamination on a situational basis.



All our operations fulfilled statutory reporting requirements as per the National Atmospheric Emission Inventory System (NAEIS) with no adverse findings being identified.



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 continued in 2022, with zero emissions on some of priority pollutants. This is mainly attributed to the cessation of the crude oil refining activities in December 2020 and the transition of the Engen refinery into a Fuel Storage Terminal.

We conduct fence line monitoring at selected facilities to ensure emissions from our operations do not negatively impact the health of the communities within which we operate.

Atmospheric Emissions (tons per annum)	2022	2021	2020	2019	2018
Refinery So ₂	0**	0.40	2246.79	2826	2602.3 ^{RA}
Refinery No _x	0**	166	976.96	1048	952.27 ^{RA}
Refinery Filterable Particulate Matter *	0**	1.62	67.75	77	72.90 ^{RA}

* Total Particulate Matter (2015 factors based on US EPA-AP42)
 ** Due to closure of the Engen Refinery
 RA - Reasonable Assurance

All our operations fulfilled statutory reporting requirements as per the National Atmospheric Emission Inventory System (NAEIS) with no adverse findings being identified.

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.

While there was an increase in total waste generated in 2022, this did not translate to an increase in waste disposal. This can be attributed to our recycling efforts.

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

As a responsible corporate citizen, 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.



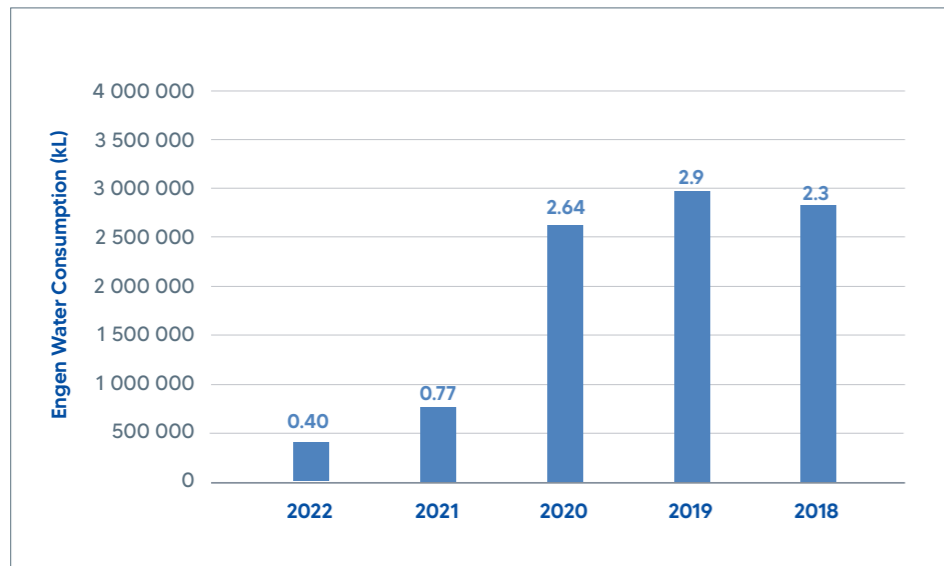
While there was an increase in total waste generated in 2022, this did not translate to an increase in waste disposal.



Refinery Waste Management (tonnes)	2022	2021	2020	2019	2018	
HAZARDOUS WASTE	Generated	16 261	9 657	18 848	18 054	20 406
	Recycled	15 102	2 557	16 458	13 184	16 135
	Disposed	1 157	1 260	2 390	4 870	4 271
NON-HAZARDOUS WASTE	Disposed	553	908	1 105	915	1 194
	Recycled	93	85	178	520	1 037
Total Disposed to Landfill	1 710	2 168	3 495	5 785	8 314	
Total Recycled	15 196	2 642	16 636	13 704	17 172	



In 2022, water consumption further decreased by 48% compared to our consumption in 2021.



WATER MANAGEMENT

Freshwater availability remains a global challenge, and in Africa we are facing the impacts of low rainfall and lack of safe access to water exacerbated by climate change, poor infrastructure, and maintenance. Engen has over the years implemented initiatives to raise awareness and change the business culture towards water management through adoption of SDG 6: Clean Water and Sanitation as one of the prioritised goals to receive focus by us in 2022. Our aim is to ensure good water management practices are embedded in our operations and is considered in all our projects and activities.

Activities at our refinery site continued to be the largest water user within our organisation in 2022, though a steep decline in water use is noted as our refinery transitions to a Terminal following the decision to cease Refining operations in 2021. In 2022, water consumption further decreased by 48% compared to our consumption in 2021. With the transition and repurposing of our refinery site, we do expect to see some fluctuation in water consumption over the next few years until we stabilise and reach our new baseline post our repurposing. Close monitoring and intervention will continue to ensure we use water efficiently.



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, continue to retain their ISO 14001 certification.

Over and above the external accreditation for management systems, internally we have a PETRONAS Mandatory Control Framework, a system which 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) and all facilities are audited on this requirement and gaps identified were tracked and closed. 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

The world is required to act with pace to limit the impacts of a climate crisis to people and the planet. Efforts must be accelerated to significantly reduce greenhouse gas emissions and have adaptation strategies in place to mitigate the already felt impacts of climate change. As an energy supplier, Engen is committed to addressing its emissions and seeking opportunities to increase the proportion of renewable energy used in its business.

Engen also continues to comply with its 2022 reporting obligations in terms of the National GHG Reporting Regulations requirements as well as the requirements of the Carbon Tax Act.

The graphs below present our GHG and Energy performance from owned or controlled sources from our operations in South Africa. In continued efforts to review and develop a comprehensive GHG Inventory for Engen, we have updated our inventory to include Scope 1 and 2 GHG emissions for our Retail network. Where electricity data was not available, data was extrapolated based on volume throughput and methodology approved by external assurance provider.



It is important to note that as part of repurposing the refinery precinct, these emissions are expected to increase compared to 2022. Our aim is to continue seeking opportunities to manage our carbon emissions through this change.

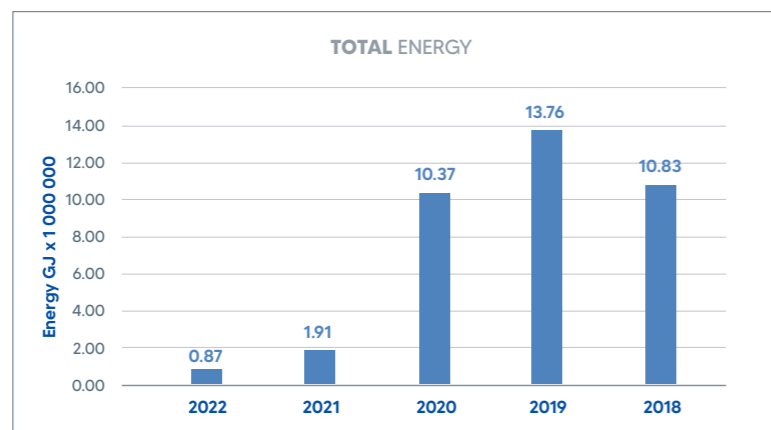
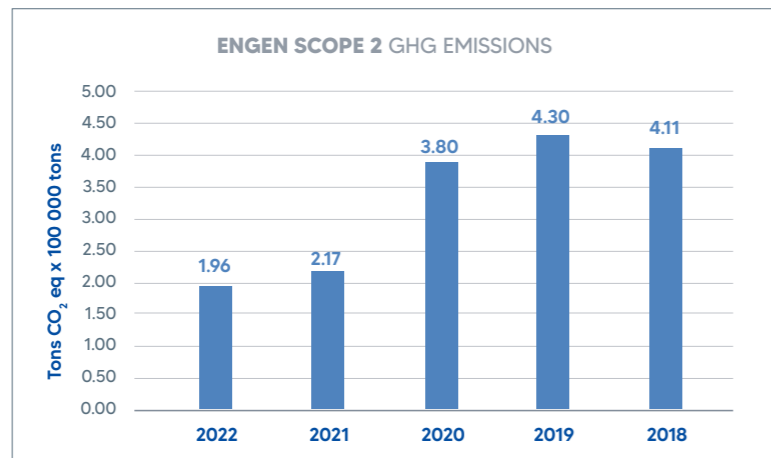
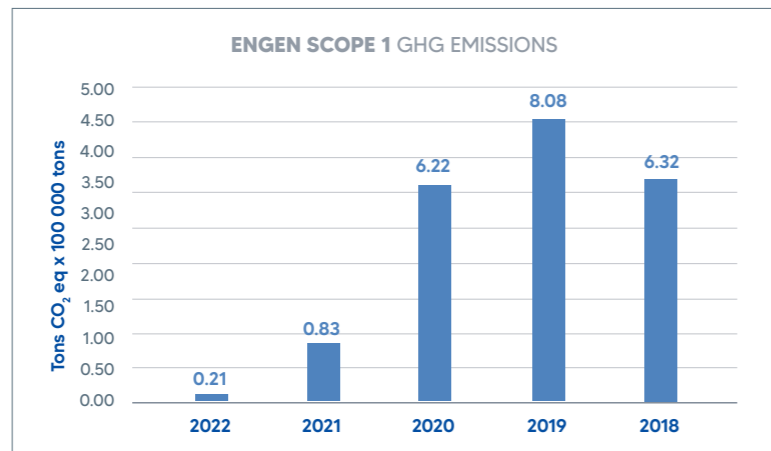
Our Scope 1 and 2 emissions have decreased in 2022 by 75% and 10% respectively from 2021 largely due to the transition of our refinery to a world-class import terminal.

Through our focused efforts and with the adoption of SDG 7: Clean and Affordable Energy as a priority SDG we made progress in 2022 with our solar PV rollout at Engen facilities including our Retail sites and some of our internal facilities.

By the end of 2022, our Retail division successfully installed and commissioned to date solar PV at 52 of our service stations in South Africa, 18 in Namibia and 6 in Botswana. In addition, solar PV was also installed and commissioned at our Zenex House (Gauteng Regional Office) in Johannesburg and our Retail Training Academy in Durbanville, Cape Town. This contributes an additional ~1.8 MW power capacity from renewable energy for use within our business with a potential estimated avoided CO2 emission of 2191 tonnes annually in SA, 756 tonnes in Namibia and 60 tonnes in Botswana.

In 2023, we aim to complete solar PV installation at 51 additional sites within our retail network in SA, Namibia and Botswana (combined). We will also begin installing solar PV at our supply depots and terminals.

Our efforts to manage and mitigate the effects of Climate Change on our facilities also received focus in 2022. A key deliverable for us in 2022 was the completion of Climate Change Vulnerability Assessments (CCVAs) and Adaptation Plans at three of our facilities within South Africa. We will continue to assess our Climate Change Vulnerability at 3 facilities in 2023 as well as assess the impact for our Retail network, where located in vulnerable regions.



*Note: Independent Limited Assurance conducted for the 2017 – 2022 Scope 1 and 2 GHG data



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 recently.

Engen is committed to addressing this increase and we have several ongoing initiatives aimed at improving Process Safety, Asset Integrity and Transport Safety. We continue to strengthen Process Safety Culture through Leadership focus, competency building, and key performance drivers aligned to international industry standards, while 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	2022	2021	2020	2019	2018
Number of Major Lopcs	3	3	0	0	3
Volume Major Lopcs (KI)	13.61	124.17	0	0	46.8
Number of Major Environmental Spills	0	0	0	0	1
Volume of Major Spills (KI)	0	0	0	0	8.82





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