



# Sustainability Report 2023

**Flowco Malaysia Sdn Bhd**

10, Jalan Tago 11,  
Taman Perindustrian Tago,  
Sri Damansara, 52200,  
Kuala Lumpur.

## Table of Contents

<b>ABOUT FLOWCO (M) SDN BHD .....</b>	<b>3</b>
About This Report .....	3
Reporting Scope and Boundary .....	4
Reporting Frameworks and Standards.....	4
Assurance Statement.....	4
Feedback.....	5
<b>SUSTAINABILITY HIGHLIGHTS.....</b>	<b>6</b>
Our Approach to Sustainability .....	7
Essential ESG Blueprint.....	7
Flowco's Sustainability Policy.....	8
Defining Our Sustainability Governance Structure .....	9
Responding to the UN SDGs .....	10
Engaging Our Stakeholders .....	11
Materiality Assessment .....	13
Materiality Matrix.....	13
Mapping Our Material Sustainability Matters .....	14
<b>ECONOMIC GROWTH .....</b>	<b>15</b>
Economic Performance.....	15
Supply Chain Management.....	16
<b>RESPONSIBLE GOVERNANCE .....</b>	<b>17</b>
Corporate Governance and Anti-Corruption .....	17
Data Privacy and Cybersecurity .....	19
<b>ENVIRONMENTAL STEWARDSHIP.....</b>	<b>20</b>
Waste Management.....	20
Energy, Emissions and Climate Resilience .....	21
Water Consumption .....	23
<b>SOCIAL RESPONSIBILITY.....</b>	<b>24</b>
Occupational Health and Safety.....	24
Product Quality and Reliability .....	27
Labour Practices and Standards .....	27
Diversity and Inclusion .....	30
Community Enrichment.....	32
<b>CONCLUSION.....</b>	<b>34</b>

## **ABOUT FLOWCO (M) SDN BHD**

Established in 1994, Flowco (M) Sdn Bhd (“Flowco” or “the Company”) stands at the forefront as a premier downstream retail oil and gas equipment supplier and maintenance service provider. Guided by our sustainability commitments, we earnestly embrace strategies and principles that propel us towards a greener planet while fostering social prosperity for both present and future generations.

Nestled in the heart of Kuala Lumpur, our headquarters orchestrates a network of nine strategically positioned warehouses across Peninsular Malaysia and East Malaysia. Anchored by the core values of Safety, Service Quality and Professional Integrity, Flowco remains steadfast in our dedication to excellence. As we navigate an era shaped by technological advancements and environmental considerations, our corporate culture places a paramount emphasis on ESG-related initiatives. This strategic focus forms a deliberate effort to drive long-term growth and deliver sustained value to our stakeholders.

### **About This Report**

Flowco is pleased to present our inaugural Sustainability Report for the reporting period of 1 January 2023 to 31 December 2023 (“FY2023”). As we commence the Company’s sustainability reporting journey towards a lower carbon energy future, we aim to further integrate equitable practices within our operations, aligning with our four ESG pillars.

In recognition of our pivotal role in addressing the impacts of climate change, we have initiated the recording of our Scope 1, 2 and 3 greenhouse gas (“GHG”) emissions in FY2023. This proactive measure indicates our commitment to actively monitor and substantially reduce Flowco’s environmental footprint. Aligning with our overarching commitment to the Global Sustainability Agenda, Flowco proudly embraces four United Nations Sustainable Development Goals (“UN SDGs”) that are deeply intertwined with our business operations. In doing so, we have conducted a comprehensive materiality assessment culminating in a materiality matrix which delineates our primary sustainability concerns for the fiscal year 2023. This strategic initiative positions us to respond effectively to emerging challenges and opportunities, steering Flowco towards a more resilient and sustainable future.

In pursuit towards ESG excellence, Flowco introduced the Whistleblowing Policy reflecting our adherence to transparent, accountable and ethical conduct. Reflecting the impetus for governance standards, this Policy underscores our commitment to fostering a culture of integrity.

Incorporating community empowerment into the Company’s sustainability agenda has become integral, and throughout FY2023, we actively participated in various community outreach programmes. Steadfast dedication to fostering diversity and inclusivity within the Company is evident in our accomplishment of having zero reported instances of discrimination. Additionally, in the fiscal year 2023, we aligned our operations with the recommended best practices outlined in the Malaysian Code on Corporate Governance (“MCCG”). Our Board of Directors is distinguished by a majority of female members, constituting half of the board.

The comprehensive insights provided in this report underscore our progress, challenges and aspirations as we strive to contribute meaningfully to a more sustainable and equitable future. We look forward to building upon these foundations in the years to come, working collaboratively towards a resilient and responsible global community.

## Reporting Scope and Boundary

The Company's Sustainability Report covers the period from 1 January 2023 to 31 December 2023 ("FY2023"). Our sustainability disclosures for this reporting period comprise data from Flowco (M) Sdn Bhd and its warehouses across Malaysia.



## Reporting Frameworks and Standards

The Company's Sustainability Report was prepared with reference to the guidelines set out in Bursa's Sustainability Reporting Guide (3rd edition) and the Global Reporting Initiative ("GRI") Standards. We have also aligned our report with the United Nations' Sustainable Development Goals ("UN SDGs").

## Assurance

All data contained in Flowco Malaysia's FY2023 Sustainability Report has been internally sourced, verified and validated by the respective business divisions and information owners. The Company is dedicated to improving data collection and analysis processes for accuracy and quality as well as enhancing disclosures.

## **Feedback**

We welcome comments and feedback to enhance our sustainability performance and initiatives. Please contact:

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Position: Head of Corporate Governance & HSE, Flowco Malaysia Sdn Bhd

Contact: hafiz.rahim@flowcomalaysia.com | +603-6272 3237 | 6276 5501



## SUSTAINABILITY HIGHLIGHTS

### Key Sustainability Highlights in FY2023

#### GOVERNANCE

**Zero**

reported cases of  
bribery and corruption



Introduced our

**Whistleblowing  
Policy**



Provided anti-corruption  
training awareness to **195**  
employees



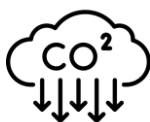
**Zero**

reported cases of  
customer privacy  
breaches and data  
loss



#### ENVIRONMENT

Began monitoring  
**Scope 1, 2 & 3**  
GHG emissions data in  
FY2023



Employed licenced  
contractors to conduct  
recovery operations,  
including waste treatment  
and recycling processes



#### SOCIAL

Invested  
**RM 214,139.64**  
in employee training  
programmes



**Zero**

Lost-time  
injury ("LTI")



**50%** of  
Board of Directors  
in FY2023 were  
women



Recorded a total of  
**1,631** training hours  
for all employee  
categories

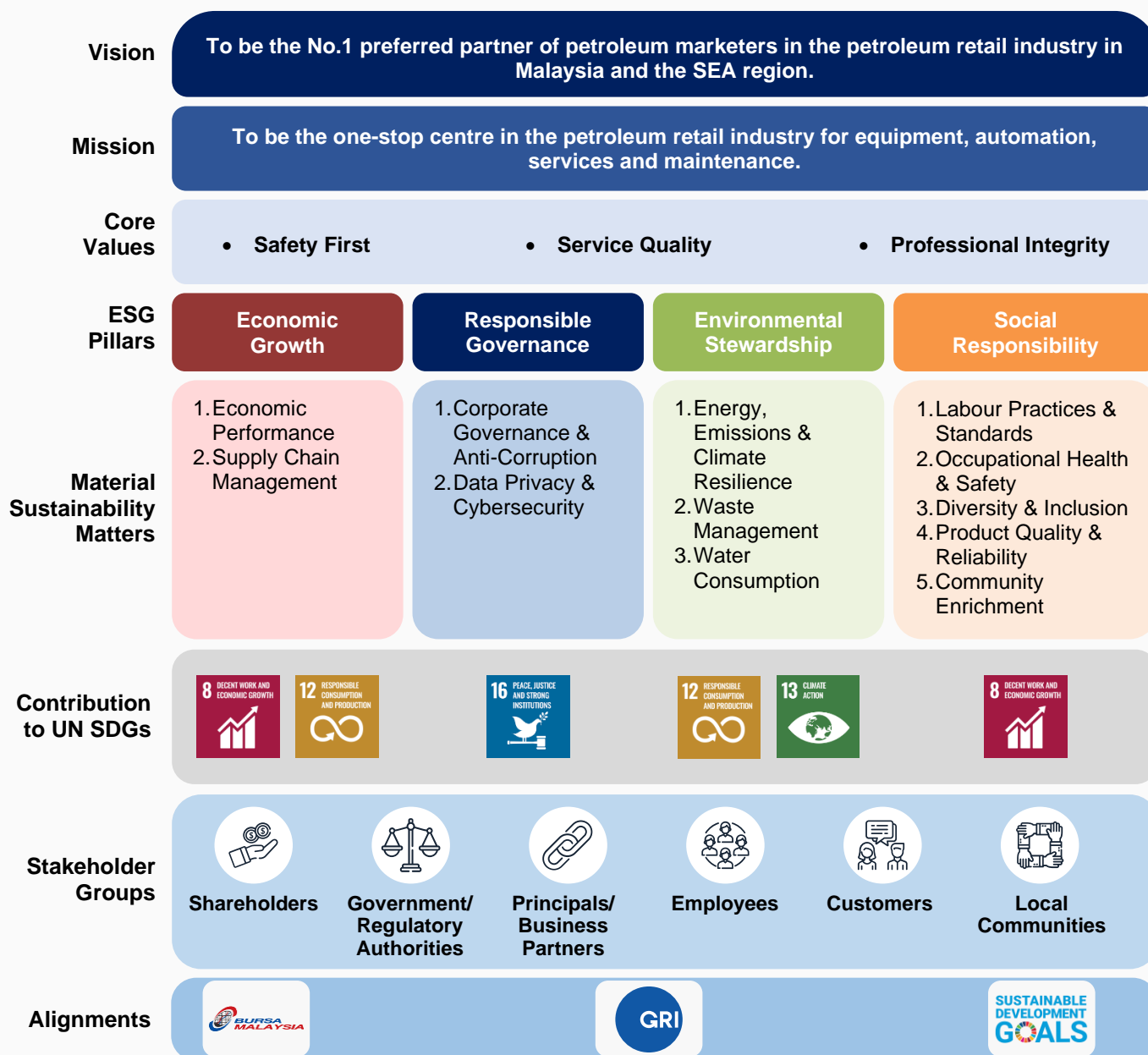


## Our Approach to Sustainability

Flowco's approach to sustainability is holistic and firmly grounded in our vision, mission and values as we navigate through the ever-evolving oil and gas landscape. The four ESG pillars act as a compass to how we address material matters aligning long-term business strategies with stakeholders' interests.

### Essential ESG Blueprint

At the core of Flowco's sustainability objectives lies our robust ESG framework, an integral component of our overarching sustainability agenda. Serving as a guiding beacon, this framework steers us continually forward, seamlessly integrating our aspirations for heightened resilience and proactive engagement amidst global challenges.



## Flowco's Sustainability Policy

The Company's Sustainability Policy articulates our commitment to conduct our operations with the utmost consideration for the well-being of our employees, the communities in which we operate and the planet. Our Sustainability Policy is founded on principles that integrate the four pillars of economic, governance, environment and social.

<b>Economic Growth</b>	<ul style="list-style-type: none"> <li>❖ Recognise the importance of financial resilience as a cornerstone of sustainable economic growth.</li> <li>❖ Integrate sustainability into supply chain practices, promoting responsible sourcing, ethical procurement and fair business practices. This includes ensuring that suppliers adhere to similar sustainability standards.</li> </ul>
<b>Responsible Governance</b>	<ul style="list-style-type: none"> <li>❖ Uphold the highest standards of ethical conduct in all business, including interactions with clients, suppliers and employees.</li> <li>❖ Foster a culture of integrity and transparency that aligns with industry regulations and best practices.</li> <li>❖ Ensure strict adherence to all relevant laws, regulations and industry standards governing the downstream oil and gas sector.</li> <li>❖ Stay informed about changes in legislation and proactively implement measures to maintain compliance.</li> <li>❖ Implement and enforce anti-corruption measures to ensure that all business activities are conducted with the utmost integrity.</li> <li>❖ Uphold a zero-tolerance policy for bribery, corruption and unethical practices within the organisation and its supply chain.</li> </ul>
<b>Environmental Stewardship</b>	<ul style="list-style-type: none"> <li>❖ Strive to minimise the environmental impact of our operations by adopting practices that reduce carbon emissions, conserve energy and minimise waste generation.</li> <li>❖ Maintain adherence to all applicable statutory and regulatory requirements in environmental-related matters.</li> </ul>
<b>Social Responsibility</b>	<ul style="list-style-type: none"> <li>❖ Prioritise the health, safety and well-being of employees.</li> <li>❖ Establish and maintain a safe working environment by proactively addressing potential hazards and risks to prevent accidents and injuries.</li> <li>❖ Adhere to fair labour practices, including reasonable working hours, fair wages and respect for workers' rights.</li> <li>❖ Embrace and advocate for labour standards that prioritise overall employee well-being.</li> <li>❖ Foster a diverse and inclusive workplace that values and respects differences among employees.</li> <li>❖ Promote equal opportunities, eliminate discrimination and create an environment where everyone feels valued and included.</li> <li>❖ Actively engage with and support local communities by contributing to community development initiatives, participating in local events and investing in programmes that enhance the quality of life.</li> </ul>

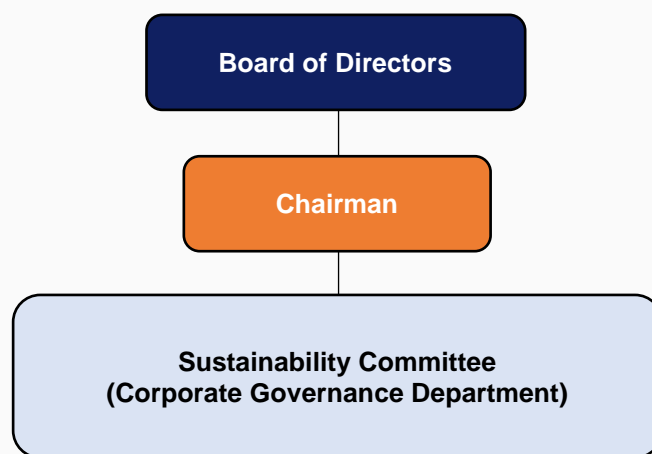


## Defining Our Sustainability Governance Structure

Through Flowco's two-tier sustainability governance structure, we establish rules and regulations that guide organisational behaviour and shape positive outcomes.

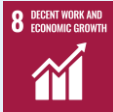



The Board of Directors ("the Board") takes the lead in providing strategic oversight over the Company's overall sustainability agenda. The Board is supported by the Sustainability Committee ("SC"), which evaluates and manages ESG and climate-related risks and opportunities, suggesting policy or procedural changes as needed. The SC also oversees the implementation of sustainability initiatives in its daily operations.

### Flowco's Sustainability Governance Structure



## Responding to the UN SDGs

Flowco strongly supports the UN SDGs, recognising our role in the global effort to promote peace and prosperity for people and the planet. The Company's alignment with four UN Sustainable Development Goals ("SDGs") and their associated targets demonstrates our response to this universal call for action. As we progress in this collaborative journey, we remain steadfast in aligning sustainability initiatives with ambitions that contribute to the betterment of humanity.

SDGs	Target Alignment	Our Contributions in FY2023
	<p><b>8.5</b> Achieve full and productive employment and decent work for all</p> <p><b>8.6</b> Reduce the proportion of youth not in employment, education or training</p> <p><b>8.7</b> Eradicate forced labour, modern slavery, human trafficking and secure the prohibition and elimination of the worst forms of child labour</p> <p><b>8.8</b> Protect labour rights and promote safe and secure working environments for all workers</p>	<ul style="list-style-type: none"> <li>Allocated <b>RM 103,713.85</b> for employee engagement activities</li> <li>Achieved <b>73.6%</b> on Employee Engagement Survey</li> <li>Recorded a total of <b>1,631</b> training hours for all employee categories</li> <li>Ensured compliance with Employment Act of 1995 in prohibiting child and forced labour</li> <li><b>Zero</b> work-related fatalities and injuries</li> <li>Maintained ISO 45001:2018 certification</li> <li><b>384</b> employees received health and safety-related training</li> </ul>
	<p><b>12.5</b> Substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<ul style="list-style-type: none"> <li>Reduction of <b>54.81%</b> in waste generated compared to the previous year</li> </ul>
	<p><b>13.2</b> Integrate climate change measures into national policies, strategies and planning</p>	<ul style="list-style-type: none"> <li>Began reporting our <b>Scope 1, 2 and 3</b> emissions in FY2023</li> </ul>
	<p><b>16.5</b> Substantially reduce corruption and bribery in all their forms</p> <p><b>16.6</b> Develop effective, accountable and transparent institutions at all levels</p>	<ul style="list-style-type: none"> <li>Recorded <b>zero</b> cases of bribery and corruption</li> <li>Introduced our <b>Whistleblowing Policy</b></li> <li>Provided an Anti-corruption training programme to <b>195</b> employees</li> </ul>

## Engaging Our Stakeholders

We prioritise building meaningful relationships with stakeholders as we work towards achieving both business objectives and sustainability goals. Our engagement with stakeholders is characterised by proactive and regular interactions to address their concerns and expectations promptly.



### SHAREHOLDERS

Shareholders are individuals or entities that own shares or equity in Flowco. They play a vital role in corporate governance by participating in key decisions through voting at annual meetings. Effective communication and transparency contribute to a positive and mutually beneficial dynamic between Flowco and its shareholders.

Areas of Concern	Method of Engagement	Frequency of Engagement
<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Corporate Governance</li> <li>Strategic Direction</li> <li>Ethical Business Conduct</li> <li>Growth Trajectory</li> <li>Risk Management</li> <li>Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Corporate Website</li> <li>Annual / Sustainability Report</li> <li>Email / Memo</li> <li>Town Hall</li> <li>Performance Review</li> </ul>	<ul style="list-style-type: none"> <li>Urgent</li> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> <li>Throughout the year</li> </ul>



### GOVERNMENT AND REGULATORY AUTHORITIES

Government and regulatory authorities are institutions entrusted with the responsibility of creating, enforcing, and overseeing the legal and regulatory frameworks that govern the sector within Flowco's operations.

Areas of Concern	Method of Engagement	Frequency of Engagement
<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regular Meetings with Regulators</li> <li>Authority Website</li> <li>Industry Talks</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Urgent</li> <li>Monthly</li> <li>Annually</li> <li>Throughout the year</li> </ul>



### CUSTOMERS

Customers for Flowco are typically companies operating in the downstream sector of the energy industry, such as refineries, petrochemical plants, and facilities involved in the processing and distribution of oil and gas products.

Areas of Concern	Method of Engagement	Frequency of Engagement
<ul style="list-style-type: none"> <li>Service and Product Quality / Reliability</li> <li>Pricing</li> <li>Customer Service</li> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Phone calls, messages, email</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Urgent</li> <li>Monthly</li> <li>Throughout the year</li> </ul>



### PRINCIPALS / BUSINESS PARTNERS

Principals or business partners are one of Flowco's key stakeholders and decision-makers in a business venture, jointly responsible for its strategic direction, overall success and sustained growth. Together, principals contribute to the business's resilience and adaptability, guiding it through challenges while seizing opportunities for continued prosperity.

Areas of Concern	Method of Engagement	Frequency of Engagement
<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Financial Performance</li> <li>Operational Efficiency</li> <li>Health and Safety</li> <li>Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>Regular Meetings</li> <li>Emails</li> <li>Trainings</li> </ul>	<ul style="list-style-type: none"> <li>Urgent</li> <li>Monthly</li> <li>Annually</li> <li>Throughout the year</li> </ul>



### EMPLOYEES

Employees are the lifeblood of Flowco, comprising individuals who contribute their skills, expertise and efforts towards the collective goals and success of the company. Employees contribute to the tangible output of goods or services but also to the intangible aspects of company culture and morale.

Areas of Concern	Method of Engagement	Frequency of Engagement
<ul style="list-style-type: none"> <li>Labour Practices and Standards</li> <li>Training and Career Development</li> <li>Occupational Health and Safety</li> <li>Employee Welfare and Benefits</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Training Programmes</li> <li>Emails</li> <li>Performance Appraisals</li> <li>Employee Engagement Activities</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Throughout the year</li> </ul>



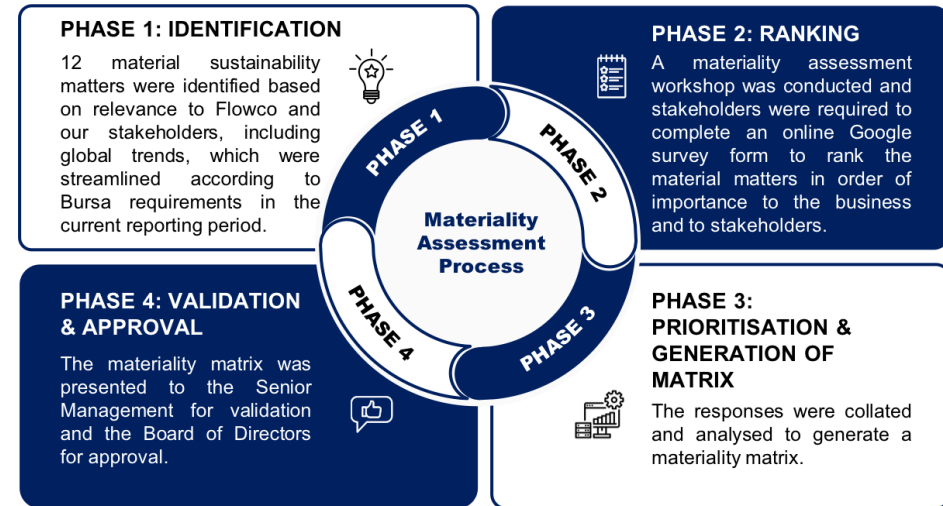
### LOCAL COMMUNITIES

Local communities hold significant importance for Flowco as they form the immediate socio-economic context in which the business operates. Engaging with and contributing to local communities is a strategic imperative for Flowco.

Areas of Concern	Method of Engagement	Frequency of Engagement
<ul style="list-style-type: none"> <li>Contribution to Communities</li> <li>CSR Initiatives</li> <li>Social Contribution</li> <li>Environmental Impact</li> </ul>	<ul style="list-style-type: none"> <li>CSR Programmes</li> </ul>	<ul style="list-style-type: none"> <li>Urgent</li> <li>Annually</li> </ul>

## Materiality Assessment

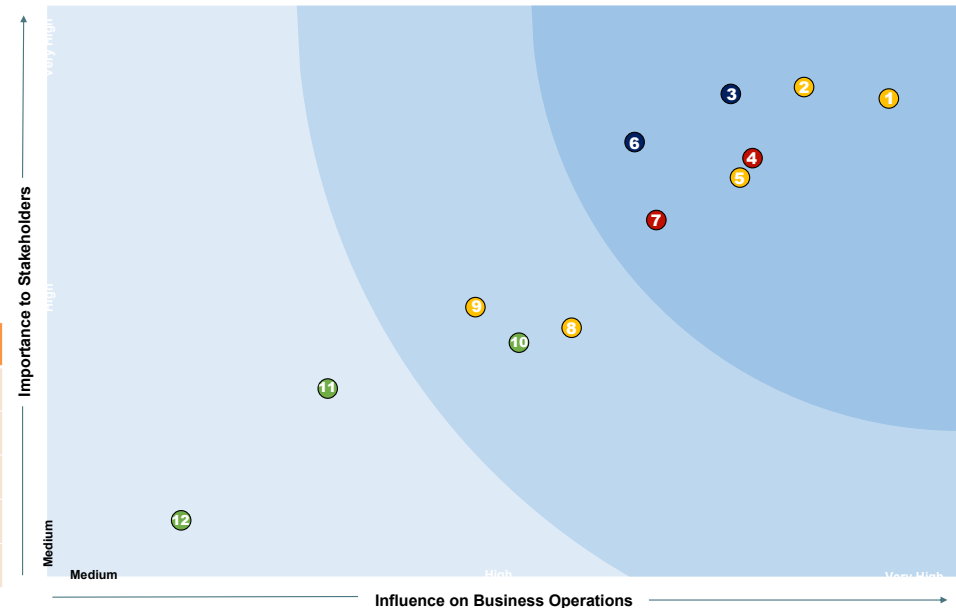
As part of our sustainable business practices, we assess and validate our materiality matters ensuring relevance and importance to Flowco's stakeholders as well as the Company itself. This helps us re-align priorities and guides us in the implementation of the Company's sustainability efforts. The assessment also provides insight into how to manage current and potential risks as well as opportunities.



## Materiality Matrix

The matrix presents a visualisation of the Company's 12 material matters according to their importance. In FY2023, the Company's top seven (7) material matters were Occupational Health & Safety, Product Quality and Reliability, Corporate Governance and Anti-Corruption, Economic Performance, Labour Practices and Standards, Data Privacy and Cybersecurity and Supply Chain Management.















Economic Growth		Responsible Governance		Environmental Stewardship		Social Responsibility	
04	Economic Performance	03	Corporate Governance & Anti-Corruption	10	Waste Management	01	Occupational Health & Safety
07	Supply Chain Management	06	Data Privacy & Cybersecurity	11	Energy, Emissions & Climate Resilience	02	Product Quality & Reliability
				12	Water Consumption	05	Labour Practices & Standards
						08	Diversity & Inclusion
						09	Community Enrichment





## Mapping Our Material Sustainability Matters

Flowco mapped our material matters with respect to the four ESG pillars, commitment statements, relevant stakeholders and corresponding UN SDGs. This process enables us to establish interconnectivity of the different aspects in the Company's overall sustainability agenda.

ESG Pillars	Commitment Statement	Material Matters	Stakeholders	Corresponding SDGs
<b>Economic Growth</b>	Our commitment to enhancing economic stability revolves around optimising economic performance and driving property innovation, ensuring a prosperous future that harmonises financial growth with ground-breaking sustainable solutions.	Economic Performance		
		Supply Chain Management		
<b>Responsible Governance</b>	Conducting our business with a high standard of corporate governance and company values, which emphasises managing all relationships with fairness, decency and good citizenship.	Corporate Governance and Anti-Corruption		
		Data Privacy and Cybersecurity		
<b>Environmental Stewardship</b>	Minimising our environmental impact and carbon emissions by effectively managing energy, waste and water consumption.	Waste Management		
		Energy, Emissions and Climate Resilience		
		Water Consumption		
<b>Social Responsibility</b>	Fostering a culture of mutual respect and security, an inclusive and diverse work environment, an array of professional development opportunities, safe working conditions and fair hiring and labour standards.	Occupational Health and Safety		
		Product Quality and Reliability		
		Labour Practices and Standards		
		Diversity and Inclusion		
		Community Enrichment		

## ECONOMIC GROWTH

01 Economic Performance

02 Supply Chain Management

UN SDGs



Flowco acknowledges the significance of balancing financial objectives with sustainable growth. Therefore, our goal is to build a business that prioritises economic vitality while doing our part in creating a sustainable future.



### Economic Performance

Flowco is dedicated to sustaining economic growth through exceptional performance across all facets of the Company's operations. By implementing strategic planning, conscientious financial management with a focus on delivering high-quality products and services, we realise our goal of facilitating long-term success and sustainability.

### Focused Approach

Flowco is dedicated to implement financial discipline throughout our operations to guarantee business stability. The Company's economic success empowers us to consistently provide products and services that meet the evolving needs and expectations of customers.

### Performance Overview

Flowco's Economic Performance	Total Amount (RM)
Economic value generated (revenue)	70,796,642.44
Operating costs	51,891,828.22
Employee wages and benefits	15,864,816.32
Payments to government (taxes)	1,469,902.97
Community investments	25,930.98



## Supply Chain Management


Flowco's strives to foster a sustainable supply chain network by building strong relationships with suppliers, promoting transparency and implementing ethical and environmentally conscious practices. Our focus is on continuous innovation and adaptation, consistently seeking efficiencies and improvements to enhance value and reliability within the Company's supply chain operations.

### Focused Approach

Flowco conducts evaluations of vendor performance to assess suppliers using specific criteria. These assessments are performed on a project-by-project basis and confirmed by our internal procurement team before engagement with suppliers.

### Performance Overview

We conduct thorough supplier evaluations assessing approved suppliers based on multiple criteria including quality, delivery, communication, price competitiveness, service expertise and overall competency.

 <b>QUALITY</b> <ul style="list-style-type: none"> <li>• Product/Service</li> <li>• Performance/Usability</li> <li>• Packaging/Packing</li> <li>• Specification compliant</li> <li>• Responsive to quality feedback</li> </ul>	 <b>DELIVERY</b> <ul style="list-style-type: none"> <li>• Timeliness of deliveries</li> <li>• Delivery accuracy</li> <li>• Splitting delivery</li> <li>• Emergency delivery</li> <li>• Replacement delivery</li> </ul>	 <b>COMMUNICATION</b> <ul style="list-style-type: none"> <li>• Effective communication system</li> <li>• Positive attitude</li> <li>• Understanding customer needs</li> <li>• Development of new ideas</li> <li>• Prompt response</li> </ul>
 <b>PRICE</b> <ul style="list-style-type: none"> <li>• Open/Transparent price</li> <li>• Cost reduction ideas/resources</li> <li>• Competitiveness of T&amp;C</li> </ul>	 <b>SERVICE EXPERTISE</b> <ul style="list-style-type: none"> <li>• Responsiveness to enquiries</li> <li>• Responsiveness to claim/problem resolution</li> <li>• Information sharing</li> <li>• After sales service/support</li> <li>• Flexible constructive improvement</li> </ul>	 <b>COMPETENCY</b> <ul style="list-style-type: none"> <li>• Experience in industry</li> <li>• Innovation</li> <li>• Customisation capabilities</li> <li>• Research &amp; Development</li> </ul>

Beyond awarding contracts and purchasing materials, our support for local small and medium enterprises ("SMEs") extends to contributing to the growth of the local economy. In FY2023, approximately 36.70% of the Company's procurement budget was allocated to local suppliers.

## RESPONSIBLE GOVERNANCE

**01** Corporate Governance and Anti-Corruption

UN SDGs



**02** Data Privacy and Cybersecurity

As a service provider in the oil and gas industry, our goal is to responsibly utilise resources while minimising environmental, social and corporate governance risks through innovative solutions.



### Corporate Governance and Anti-Corruption

In line with the Malaysian Code on Corporate Governance ("MCCG") 2021, we have integrated strategies into our policies that enable the Board to strengthen corporate governance practices within the Company. These strategies focus on oversight functions, strategic planning, risk management and financial reporting.

#### Focused Approach

To emphasise these principles, we have implemented a Code of Conduct (the "Code") that offers clear guidelines to Flowco's employees. This Code, accompanied by relevant policies, delineates expectations for ethical conduct, legal obligations and measures to safeguard our reputation.

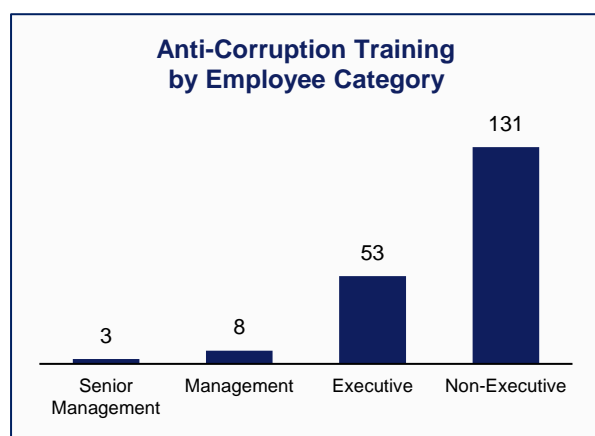
#### Code of Conduct

Flowco's Code of Conduct includes ethical standards such as conflict of interest, anti-bribery and corruption, respect in the workplace through diversity and inclusion with zero tolerance for harassment. The Code also encompasses confidentiality, data protection measures, professionalism and accountability. Mandatory compliance training programmes are conducted for all staff which are also communicated through induction programmes, videos and emails annually.

## Performance Overview

### Anti-Bribery and Corruption Policy

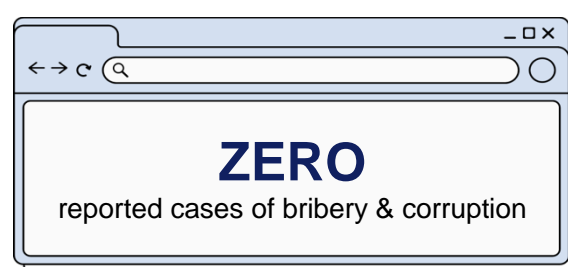
Flowco unequivocally opposes any form of corruption or bribery and actively raises awareness on these topics through training and direct engagement with our employees.



In FY2023, our anti-corruption training programme was provided to 195 employees.

### Whistleblowing Policy

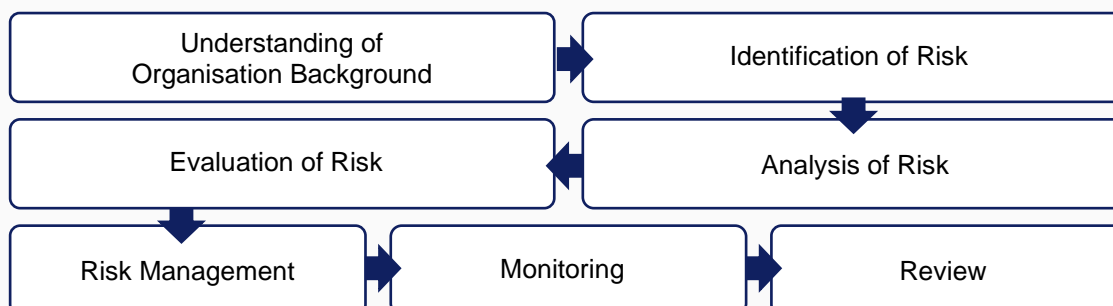
In FY2023, we introduced our Whistleblowing Policy. This Policy is an integral component of the Company's compliance initiative providing various avenues for reporting any potential breach of the Code of Conduct or its associated policies.



### Risk Management

Flowco conducts risk assessments tailored to address the unique challenges and opportunities encountered by each department. This not only ensures transparency but also fosters accountability and instils confidence among the Company's stakeholders. Comprehensive risk management is also integral to the implementation of our sustainable and responsible business practices.

Flowco's structured risk assessment process follows key steps.



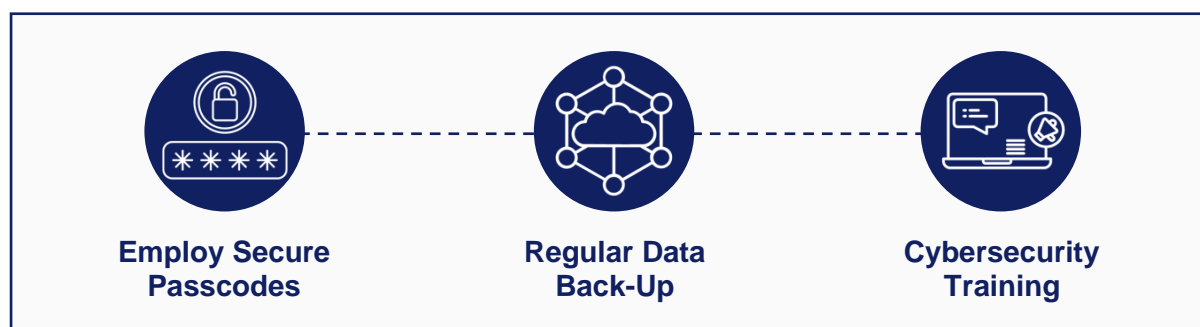




## Data Privacy and Cybersecurity

Our initiatives to protect data privacy and strengthen cybersecurity measures seamlessly align with the provisions of the Personal Data Protection Act 2010. In this way, we guarantee the safeguarding of Flowco's stakeholders' personal data and gain their trust in the digital domain.

### Focused Approach

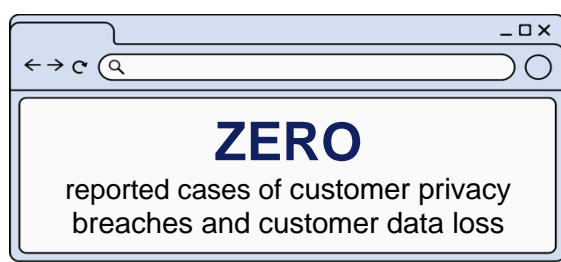


We employ essential cybersecurity measures such as regular data backups for swift recovery in unexpected incidents, ensuring the preservation of critical information. We also enforce the use of strong passwords for all email and sensitive IDs, enhancing the Company's digital infrastructure's security.

In FY2023, Flowco provided cybersecurity entry-level certification training to employees. This increased our employees' understanding of cybersecurity basics and equipped them with practical skills to secure computer systems and respond effectively to cyber threats.

### Performance Overview

We are pleased to report that we had zero reported customer privacy breaches and customer data losses in the past three years.



## ENVIRONMENTAL STEWARDSHIP

**01** Waste Management

**02** Energy, Emissions and Climate Resilience

**03** Water Consumption

UN SDGs



We understand the necessity of conserving the environment and are dedicated to implementing practices that minimise Flowco's ecological footprint. Our practices involve continuous monitoring and strict adherence to stringent environmental regulations.



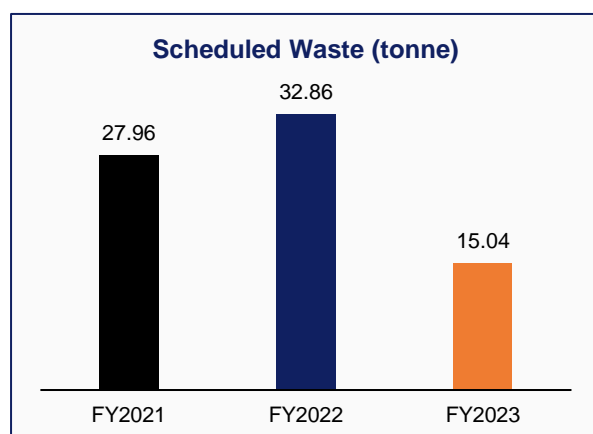
### Waste Management

We recognise the importance of adhering to environmental laws and regulations and implementing robust waste management initiatives, which are fundamental to our commitment as environmentally responsible corporate citizens.

### Focused Approach

Adhering to the Environmental Quality Act 1974 and the Environment Quality Regulation 2005, we ensure that all scheduled waste generated is collected by third-party contractors licensed by the Department of Environment ("DOE"). Scheduled waste contractors carry out recovery operations including waste treatment and recycling processes, aligning with the Company's objective of reducing our environmental impact.

### Performance Overview



In FY2023, a total of 15.04 tonnes of scheduled waste was generated, demonstrating a 54.23% decrease compared to the previous year. This decrease is mainly due to reduced waste management activities compared to the preceding year, attributable to a diminished volume of work orders concerning tank cleaning and tank lining.



## Energy, Emissions and Climate Resilience

The Company recognises the importance of climate risk management and decarbonisation across our value chain amidst escalating environmental concerns and rising carbon emissions.

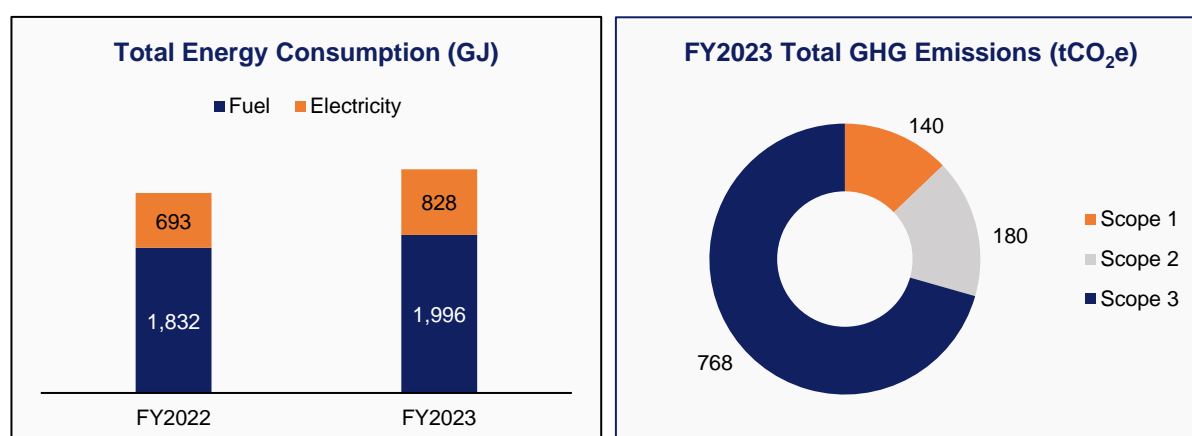
### Focused Approach

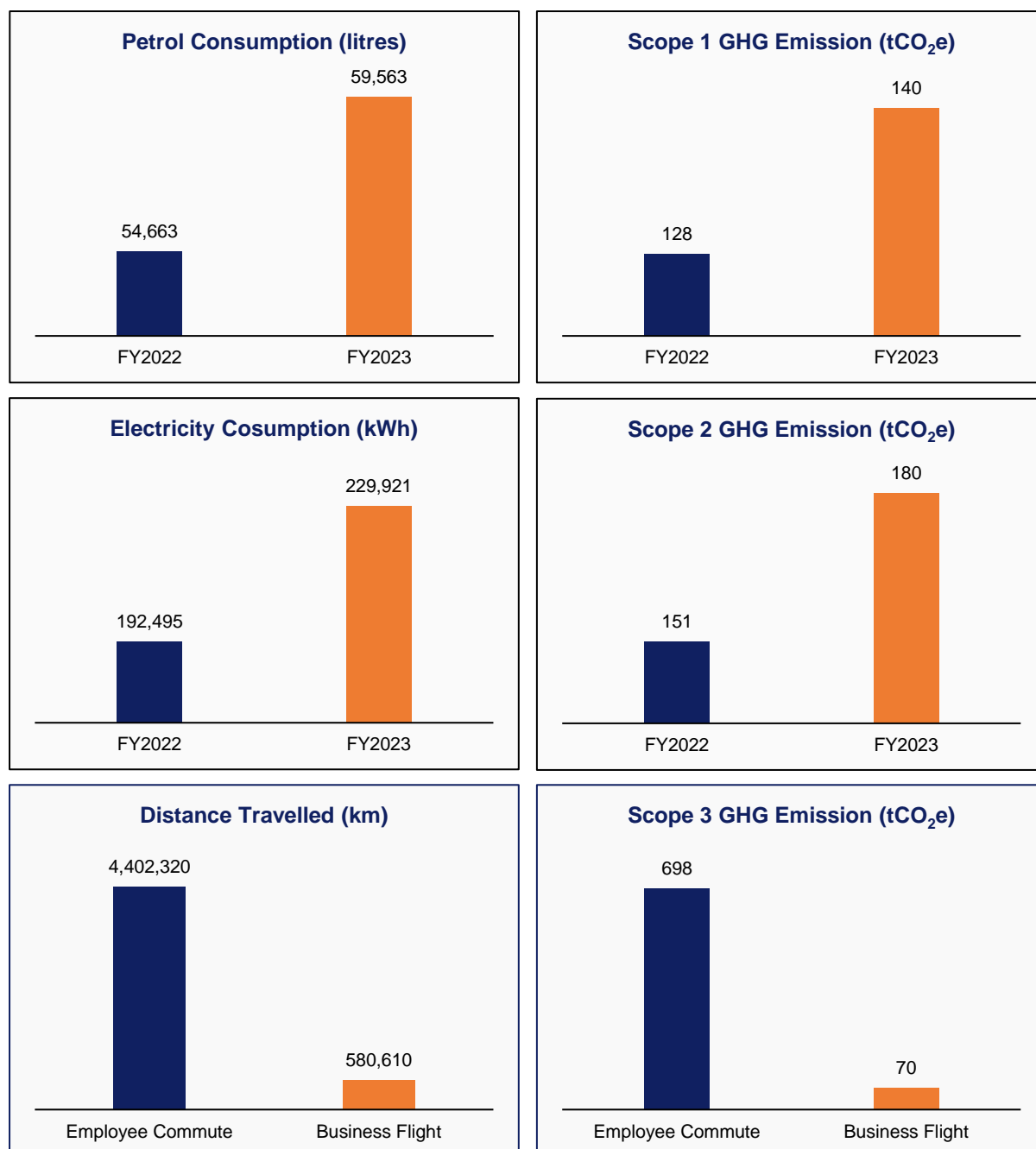
We actively monitor the Company's Scope 1, Scope 2 and Scope 3 GHG emissions throughout our operations. Scope 1 GHG emissions stem primarily from fuel consumption of company-owned vehicles for product deliveries and service-related travel by our technicians<sup>1</sup>. Scope 2 GHG emissions are a result of electricity consumption, which powers Flowco's office and warehouse buildings, product testing and assembly facilities as well as IT servers<sup>2</sup>.

### Performance Overview

Flowco reported a total of 2,824 GJ in energy consumption for FY2023, with 70.68% attributed to fuel combustion and 29.32% to electricity utilisation. In the same fiscal year, we recorded a total of 1,088 tCO<sub>2</sub>e in GHG emissions, of which Scope 1 contributed 12.87% (140 tCO<sub>2</sub>e), Scope 2 constituted 16.54% (180 tCO<sub>2</sub>e), and Scope 3 accounted for 70.59% (768 tCO<sub>2</sub>e). Scope 3 emissions constituted the highest amount, primarily due to the daily commute of employees to work and business travels inherent in the service sector<sup>3</sup>.

Compared to FY2022, we reported a 9.38% increase in Scope 1 GHG emissions and a 19.21% increase in Scope 2 GHG emissions in FY2023. The expansion in Scope 1 GHG emission stems from the incorporation of supplementary maintenance sites for Chevron, facilitated by a new contract covering 124 stations during this fiscal year. Additionally, the Company augmented its fleet with extra service vehicles, including four vans and one four-wheel drive vehicle. As for the rise in Scope 2 GHG emissions, it is attributable to the establishment of new warehouses in Kuantan and Melaka in FY2023, which increases electricity usage and thus contributes to an increase in GHG emissions.





Note: Scope 3 GHG emission from employee commuting covers only 59% of Flowco's employees.

<sup>1</sup> GHG emissions resulting from the direct combustion of carbon-based fuel sources, such as diesel or petrol. Scope 1 GHG emission was calculated using emissions factors from the UK Government GHG Conversion Factors for Company Reporting 2023.

<sup>2</sup> GHG emissions resulting from the purchase of grid electricity, generated in part from the combustion of carbon fuels, such as coal or natural gas. Scope 2 GHG emission was calculated using emission factors from the 2017 CDM Electricity Baseline for Malaysia by the Malaysian Green Technology Corporation.

<sup>3</sup> GHG emissions resulting from the direct combustion of carbon-based fuel sources, such as kerosene or petrol. These emissions occur outside of the company's direct operations but are influenced by the company's activities. Scope 3 GHG emission was calculated using emission factors from the UK Government GHG Conversion Factors for Company Reporting 2023.



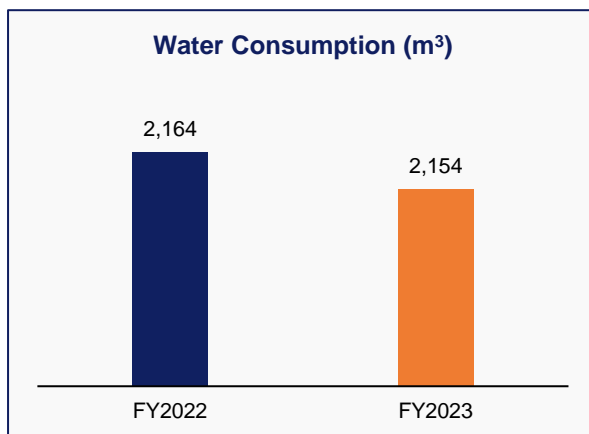
## Water Consumption

The use of water is mainly confined to sanitation purposes within the Company's facilities. Monitoring water consumption is a crucial practice that allows us to conserve this precious natural resource.

### Focused Approach

Effective monitoring assists in identifying problems like leaks and inefficient water usage, resulting in substantial cost reductions. Hence, optimising water usage not only lowers water costs but also plays a vital role in enhancing water security.

### Performance Overview



In FY2023, Flowco's water consumption was recorded at 2,154 m<sup>3</sup>, demonstrating a consumption level similar to that of FY2022, with a decrease of 0.5%.



## SOCIAL RESPONSIBILITY

- 01 Occupational Health and Safety
- 02 Product Quality and Reliability
- 03 Labour Practices and Standards
- 04 Diversity and Inclusion
- 05 Community Enrichment

UN SDGs



Our employees are valuable assets to the Company. We put the well-being of our employees first and provide a safe and healthy workplace where rights are respected. Our focus on delivering quality products and services remains firm, and we persist in supporting local communities through various enrichment programmes.



### Occupational Health and Safety

We are pleased to report that we achieved zero workplace fatalities across all operations in FY2023, attributed to the health and safety risk management practices that we have tailored to our business operations. Through the promotion of a safe workplace, risks are also minimised.

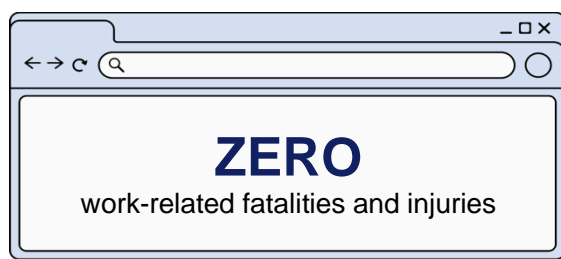
### Focused Approach

Flowco routinely evaluates health and safety risks linked to process operations, transportation, storage, management and administration, as detailed in the Company's Integrated Management System ("IMS") Manual. The Company consistently improves IMS performance, aligning with the standards of ISO9001 and ISO45001.

### Performance Overview

#### Occupational Health and Safety ("OHS") Management Systems







The Company has updated OHS systems to comply with the new requirements of the Occupational Safety and Health (Amendment) Act 2022. In line with this, we hold Annual Health, Safety and Environment ("HSE") Refresher Training programmes at our headquarters, sites and warehouses. A Hazard Identification, Risk Assessment and Risk Control ("HIRARC") system is used to recognise, evaluate, reduce and manage any workplace risks annually or as needed.





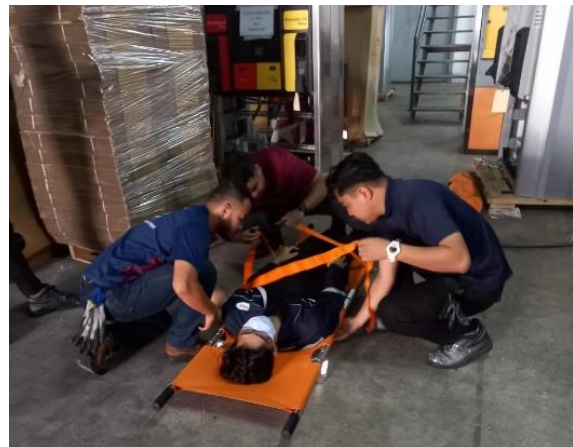
This year, Flowco was honoured with the prestigious National Council of Occupational Safety & Health Award (“NCOSH”) in the Mentor Mentee (MENTEE) Category in October 2023 for exemplary performance in health and safety.

In 2023, a total of 384 employees received health and safety-related training. These are the measures taken in implementing OHS systems and efficiency within the Company.

	Established Occupational Health and Safety Committee
	Incorporated Integrated Management System Manual
	Formulated Health, Safety and Environment
	Conducted HIRARC assessment
	Developed OSH Standard Reporting Procedures to implement control measures
	Conducted awareness talks and training on safety & health at the workplace



HSE Induction Training



Fire Drill Training



Basic Occupational First Aider, CPR and AED



HSE Refresher Training



## Product Quality and Reliability

Flowco is driven to deliver top-tier product and service quality as well as reliability. We enforce stringent standards, exceeding customer expectations which enable us to build our reputation and cultivate customer satisfaction in providing our services.

### Focused Approach

We practise strict adherence to regulatory approval quality and safety standards throughout the Company's operations. During the testing and commissioning phase, our technical staff ensures the functionality and safety aspects of all equipment supplied.

### Performance Overview

We ensure compliance of Flowco's products and services by obtaining relevant certifications on quality assurance from principals. We are pleased to report that in FY2023, 100% of our above ground products were assessed for safety impacts and there were zero incidents of non-compliance with regulations or voluntary codes concerning product safety.



#### QUALITY POLICY

- Customer Orientation
- System and Process Approaches
- Staff
- Achieve Vision, Mission and Goal



## Labour Practices and Standards

The Company respects the rights of employees as they are key to our long-term sustainability. We endeavour to ensure employee satisfaction through proactive employee engagement. This fosters a good employee-management relationship as well as increases productivity and morale within the Company.

### Focused Approach

The Company adheres to local labour laws, ensuring compliance with regulations and striving to surpass minimum standards. Flowco's approach focuses on providing fair wages, providing safe working conditions and ensuring reasonable working hours. Additionally, we ensure that employees are equipped with the necessary skills, knowledge and support to thrive within our organisation.

### Performance Overview

The Company experienced a significant influx of 114 new employees while maintaining an employee turnover of 78 employees, indicating stability within the organisation.



Employee New Hires by Gender, Age and Employee Category

FY2023 New Hires			Total
Gender	Men	93	114
	Women	21	
Age Group	Age <30	81	
	Age 30 - 50	32	
	Age >50	1	
Employee Category	Senior Management	0	
	Management	4	
	Executives	21	
	Non-Executives	89	

Employee Turnover by Gender, Age and Employee Category

FY2023 Employee Turnover			Total
Gender	Men	65	78
	Women	13	
Age Group	Age <30	43	
	Age 30 - 50	33	
	Age >50	2	
Employee Category	Senior Management	0	
	Management	2	
	Executives	21	
	Non-Executives	55	

In 2023, a total of 12 employees took parental leave and we achieved both a 100% return to work rate as well as retention rate for employees who remain employed with us after 12 months.

Parental Leave	FY2023		FY2022	FY2021
	Male	Female		
Number of employees who took Parental Leave	9	3	14	7
Employees who returned after Parental Leave	9	3	14	7
Employees who returned to work after Parental Leave and were still employed 12 months after their return to work	9	3	14	7



To strengthen our employee-management relationship, we conducted multiple employee engagement activities throughout the financial year. In FY2023, we allocated RM 103,713.85 towards these initiatives, including conducting an Employee Engagement Survey every other year to measure employee satisfaction. This year, we achieved a survey score of 73.6%.

### Employee Engagement Programmes



Bowling Tournament



Hari Raya Celebration

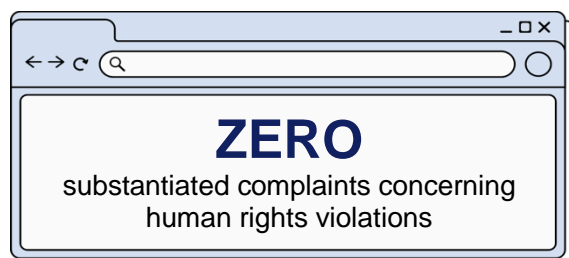


ESG Programme

As a measure to increase job satisfaction, revisions to employee benefits across our business units were implemented:

- Revised Company Term Life and Company Personal Accident insurance policies for all eligible employees.
- Introduced a new employee benefit programme that includes a motorcycle mileage claim.
- Revised the annual leave allocation from 8 days to 12 days, providing eligible employees with increased flexibility and time off for a better work-life balance.

The Company upholds the standards set forth by the Employment Act of 1955, particularly in prohibiting child labour and forced labour within our operations. We adhere strictly to the guidelines stipulated by the Act ensuring all employees meet the legal working age requirements. In addition, we monitor working hours stringently, guaranteeing that no employee exceeds the stipulated 104-hour overtime limit in a month. As such, we not only ensure compliance but also inculcate a work environment built on respect, fairness and ethical practices.



## Talent Attraction and Retention

The Company employs a multifaceted approach to both attracting top talent and retaining our valuable workforce. We value diversity, encourage innovation and support professional growth. Flowco's competitive compensation packages, opportunities for skill development and comprehensive benefits allow for a competent workforce. As such, we establish a workplace where individuals grow and feel invested in the company's success.

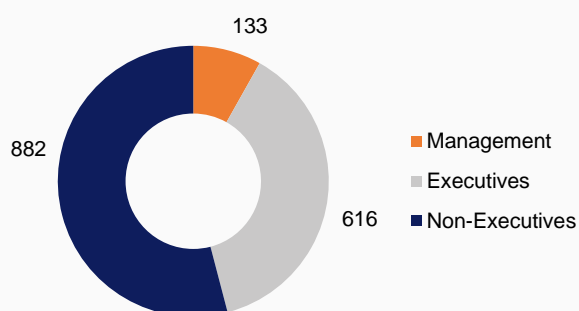
During the reporting period, the training topics ranged from leadership skills and role-based developments to human resources management skills. The Company recorded a total of 1,631 training hours for all employee categories with average training hours of 4.19 per employee.



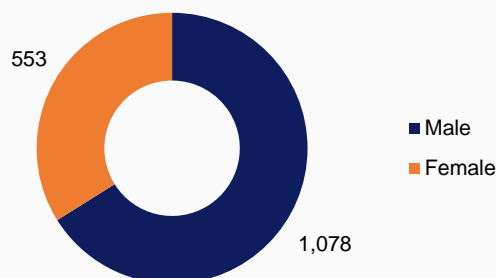
**Total Training Hours**

**1,631**

**Training Hours by Employee Category**



**Training Hours by Gender**



## Diversity and Inclusion

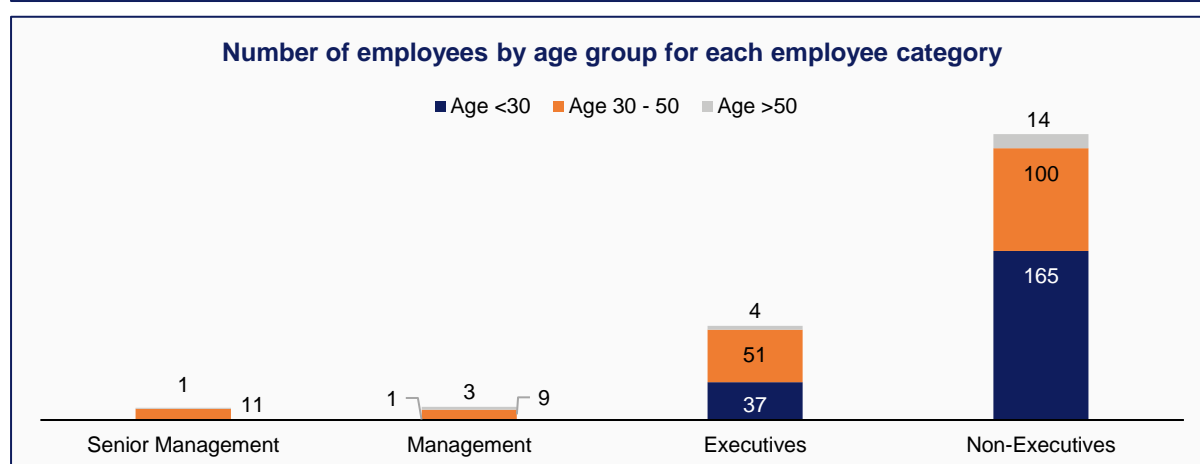
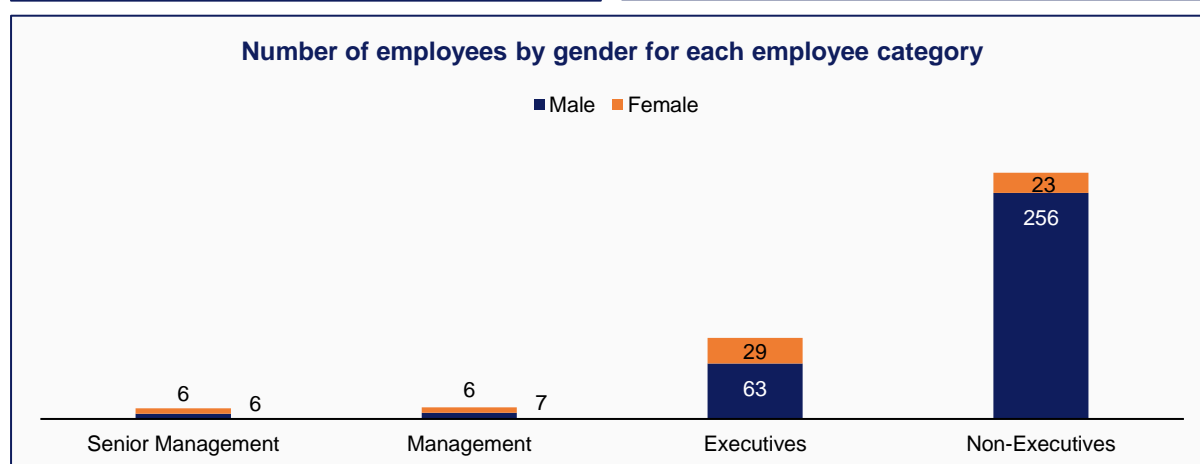
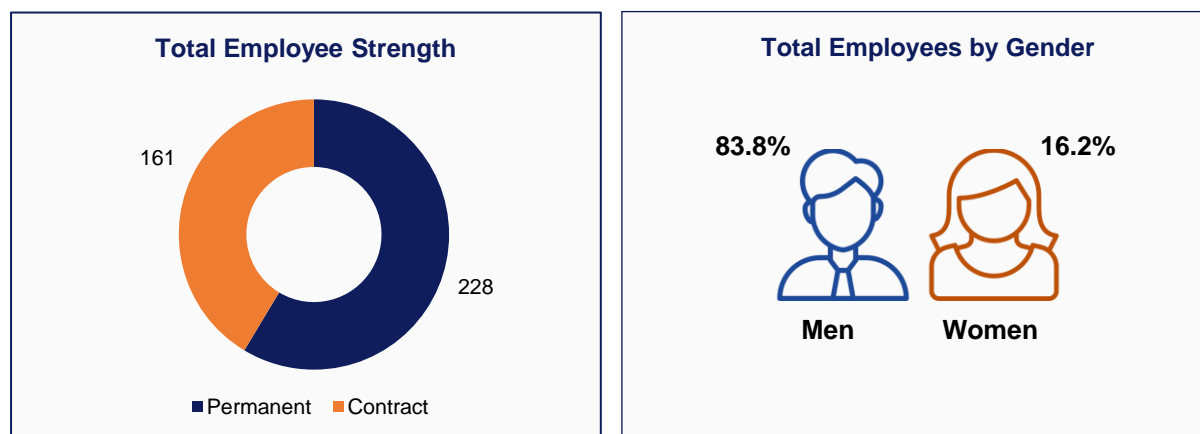
We value the unique perspectives and experiences that each individual brings to the Company. We strive to create an environment where everyone feels valued, respected and empowered contributing to an inclusive corporate culture.

### Focused Approach

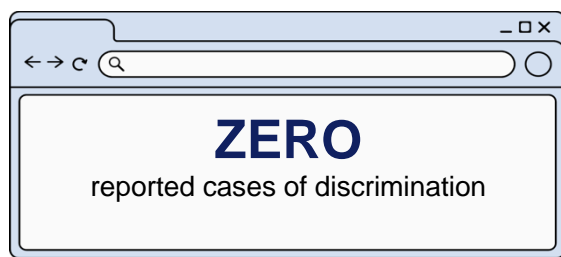
The Company promotes equal opportunity for all employees aiming to eliminate discrimination by ensuring that all individuals are evaluated and rewarded based solely on their skills, qualifications and performance. Through this approach, we create an environment that values merit and expertise, where employees can perform to their fullest potential.

This year, Flowco's workforce comprised 83.8% men and 16.2% women. We will continue initiatives to achieve greater gender parity within our workforce in the coming years. The Company also encourages fair representation of women in top managerial positions. This year, 50% of the Board members comprised of women.

## Performance Overview



The Company is resolute in instilling an inclusive and diverse working environment. We uphold our responsibility to cultivate a culture that values and celebrates differences where everyone can contribute without prejudice or bias.







## Community Enrichment

The Company believes in contributing to the betterment of our surrounding community. We are significantly invested in creating a lasting difference by supporting worthy causes, encouraging volunteerism and actively participating in programmes that uplift and enrich people.

### Focused Approach

Flowco upholds a structured and purpose-driven approach to Corporate Social Responsibility (“CSR”), integrating mechanisms that facilitate impactful and sustainable community-oriented activities. Regular assessments of initiatives are conducted to ensure transparency and accountability, guiding us to continuously refine and expand community enrichment endeavours where we target organising a minimum of two CSR activities each year.

### Performance Overview

In collaboration with the non-profit organisation, Glimpse of Malaysia, we spearheaded a beach clean-up initiative at Pantai Cahaya, Port Dickson. 40 individuals participated, demonstrating a collective commitment to preserving the natural ecosystem. Together, we successfully removed 102.87 kilograms of trash, highlighting the substantial impact achievable through community collaboration. In addition, Flowco made a contribution of RM12,940 to the Malaysian Conservation and Conservation Society, as our pledge to support environmental conservation initiatives in Malaysia.



**Flowco  
Beach Clean-Up  
June 2023**



### 2023 UOB Global Heartbeat Run/Walk



Flowco participated in the 2023 UOB Global Heartbeat Run/Walk on August 12th, 2023. Beyond the spirit of camaraderie and wellness, we donated RM2,000 to the event with the goal of making a positive impact on the lives of disadvantaged children and families across 26 charities globally.

### Jalanan Kasih bersama Warga Hasanah

Additionally, 20 employees participated in the Jalanan Kasih bersama Warga Hasanah in collaboration with Pusat Jagaan Nur Hasanah. We contributed to the well-being of the elderly by donating RM10,000. This meaningful contribution enabled us to foster a sense of community and enhance the lives of others.





## CONCLUSION

As we traverse the evolving terrain of sustainability, we aim to act as a catalyst for positive transformation while intensifying our efforts to explore innovative solutions and diminish our environmental footprint. We firmly believe that sustainability goes beyond mere compliance; it is a collective commitment to forging a resilient future for our stakeholders. We remain perseverant in integrating sustainable practices across our operations as we strive for a more equitable and prosperous world.

