

Chairman's Statement

I am proud to be part of PDB celebrating its 40th anniversary in 2022, a company which I have been associated with since its inception. In the last four decades, PDB has grown to have the largest network of petrol stations in the country along with the most extensive supply and distribution facilities to serve customers nationwide. We are also the largest marketer of petroleum products under the brand PETRONAS, which is well-recognised and trusted by Malaysians.

Notwithstanding these successes, we at PDB acknowledge that market needs and customer demands are ever-changing. Thus, all efforts to future-proof our organisation by remaining relevant and sustainable must continue unceasingly. In this regard, I am glad to share that our Convenience segment, through Setel and Café Mesra, is rapidly gaining traction to become a key driver of our Moving Forward Together (MFT) journey.

**DATUK
ANUAR AHMAD**
Chairman



DIVIDEND PER SHARE

76.0 sen

DIVIDEND
PAYOUT RATIO

100%

Our Retail-Fuel business recorded its highest sales volume ever, whilst Mesra Retail & Cafe Sdn. Bhd. (MESRA) and our other businesses achieved commendable returns and significant year-on-year growth.

COMMENDABLE PERFORMANCE

Buoyed by a recovering economy, all our core businesses performed very well in 2022. Our Retail-Fuel business recorded its highest sales volume ever, whilst Mesra Retail & Cafe Sdn. Bhd. (MESRA) and our other businesses achieved commendable returns and significant year-on-year growth. This outstanding performance enabled us to register a Profit Before Tax of RM1,135.0 million.

Accordingly, the Board has declared a dividend of 76 sen per share for the year, inclusive of a special dividend of 14 sen per share, exceeding our payout policy of 50% of the Company's Profit After Tax (PAT). The fact that PDB has always met our dividend policy affirms our unrelenting commitment to rewarding our shareholders.

FOCUS ON SUSTAINABILITY

We believe strongly that the Company will do well by doing good and we live up to our ideals by continuously reinforcing our sustainability framework, integrating sustainable matters into our business strategy and operations.

In 2022, we strengthened our formal sustainability governance by implementing our newly-established Sustainability Roadmap. We expanded the scope of the existing Board Risk Committee (BRC) to include sustainability matters, and changed its name to the Board Sustainability and Risk Committee (BSRC). To ensure a focused execution of sustainability initiatives within our operations, the BSRC is assisted by a Sustainability Action Committee (SAC), chaired by the MD/CEO.

Along with greater focus on sustainability, we are making steady progress in many areas especially in clean energy ventures. Together with our strategic partners, we have expanded the network of electric vehicle chargers at our stations. We also pioneered the use of Sustainable Aviation Fuel (SAF) in the country.



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As part of our sustainability journey, we are enhancing our reporting. To strengthen the credibility of our Sustainability Report, we will be engaging the services of an independent expert to perform limited assurance on a range of sustainability indicators.

CARING FOR THE COMMUNITY

Being a responsible organisation, our caring is not limited to customers but extends to the community and society. We support the community by working with small suppliers to introduce Mesra own-label products and local delicacies at our stores. Together with institutions such as MARA, Perbadanan Usahawan Nasional Berhad (PUNB) and SME Bank, we encourage locals to participate in our AutoExpert network, an automotive maintenance and repair programme.

Beyond business and financial support, we make full use of our assets to alleviate the suffering of people during any crisis including natural disasters. Following the recent floods, for instance, we deployed ROVR to supply fuel to affected locations.

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GOOD GOVERNANCE

As part of ongoing efforts to strengthen our governance and compliance, in 2022, PDB strengthened its internal controls by adopting PETRONAS CoBE and PETRONAS ABC Manual in line with the Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act. In addition, we also sanctioned an independent review to ensure adequate procedures are well embedded within the organisation leading to the continuous enhancement of Prevention, Detection and Response (PDR) initiatives. PDB's aspiration, ultimately, is to nurture a Generative Ethics and Integrity Culture, in which ethical behaviour is deeply entrenched within PDB's business and operations.

During the year, PDB Compliance Universe was launched as the official communication channel reaching out to internal stakeholders by disseminating the latest knowledge and initiatives focusing on compliance with five Critical Legal Areas. In further reinforcing our compliance culture, we also introduced the Anti-Bribery and Corruption e-learning module for our external stakeholders including our Retail-Fuel, Commercial and LPG Dealers to enhance their understanding of the fundamental principles and application of PETRONAS ABC Manual throughout their business relationships with PDB.

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It would be remiss not to acknowledge the immense contributions of our external stakeholders. And I would like to take this opportunity to thank all our customers, shareholders, business partners and suppliers for contributing to what PDB is today.

Credit for PDB's remarkable performance in 2022 goes to the entire team, and I would like to thank everyone in the organisation for their hard work and dedication.



In safeguarding PDB's data privacy and protection, we developed and deployed the Data Privacy Manual (DPM) to ensure that PDB's personal data collection, processing and retention are in full compliance with the prevailing laws and regulations. Additionally, we also enhanced the Data Secrecy Manual (DSM) to incorporate the latest requirements in the Management of Customer Information and Permitted Disclosures (MCIPD) Policy Document issued by Bank Negara Malaysia with regards to PDB's measures and controls in handling customer data for SmartPay business.

ACKNOWLEDGEMENTS

Credit for PDB's remarkable performance in 2022 goes to the entire team, and I would like to thank everyone in the organisation for their hard work and dedication. 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 employees.

This year saw a strengthening of our Board composition with the addition of three new Directors – Datuk Sazali Hamzah, Mohd Yuzaidi Mohd Yusoff and Tunku Alizakri Raja Muhammad Alias. Each brings invaluable expertise and experience, adding immensely to the Board's intellectual capital. On behalf of the Board, I would like to warmly welcome our three new Directors. I am also pleased to share that, with their appointments, 60% of our Directors are independent. At the same time, we would like to record our appreciation for the contributions of Ahmad Adly Alias who resigned during the year.

