

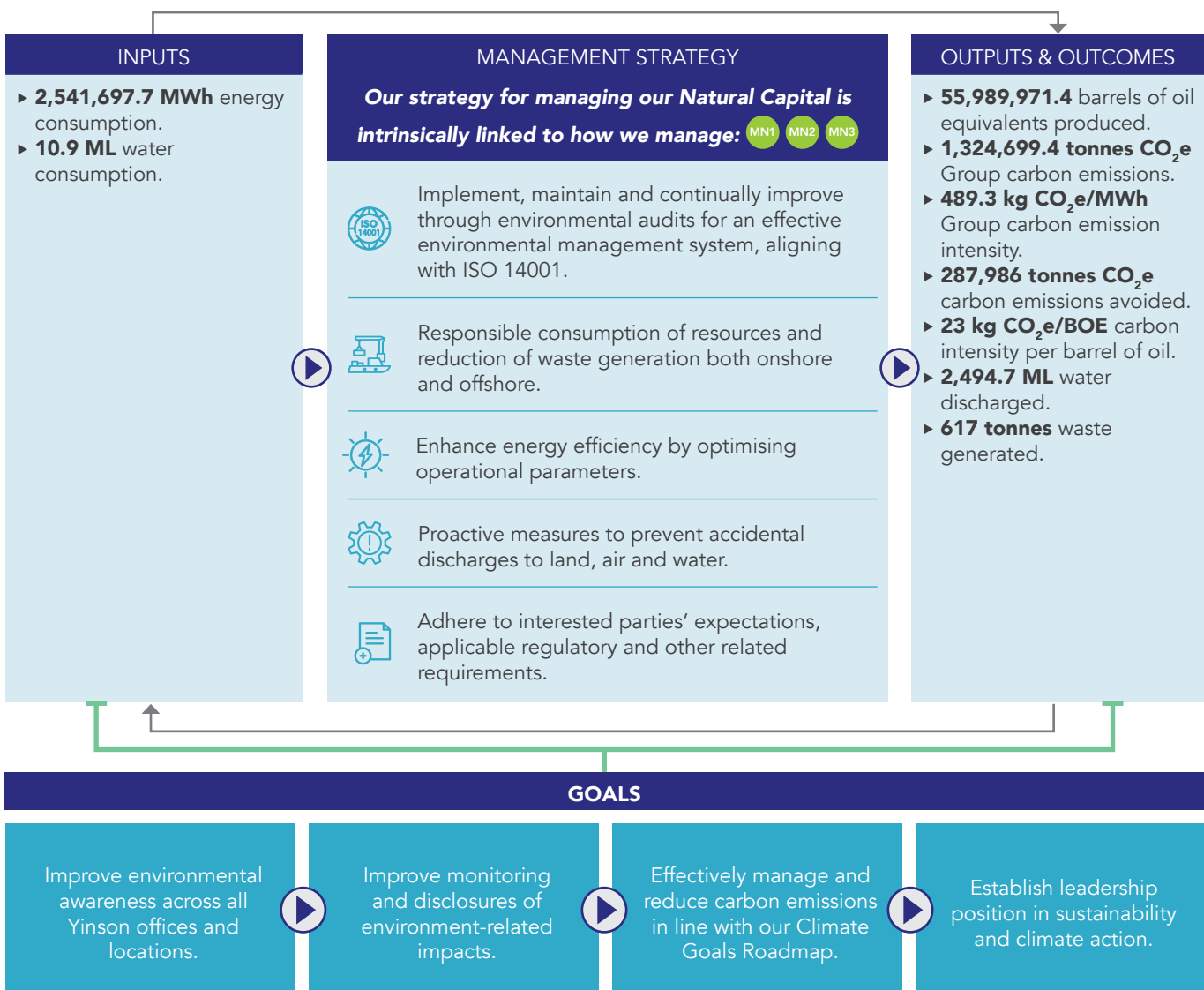
NATURAL CAPITAL

Natural Capital consists of all renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organisation.

'Climate Change & Greenhouse Gas Emissions', 'Environmental Stewardship' and 'Waste & Pollution Management' are three of Yinson's material topics, identified during our materiality assessment. 'Climate Change & Greenhouse Gas Emissions' was identified as one of Yinson's most material topics, and where we have the highest potential to lead. 'Waste & Pollution' was identified as a topic that can add operational value to Yinson, whereas 'Environmental Stewardship' is a foundation topic for us. Our strategy for managing our Natural Capital focuses on improving awareness internally and across our value chain, implementing innovative solutions for lowering our environmental impact, improving our environmental monitoring and disclosure and establishing a leadership position in sustainability.

Yinson is committed to ensure the accuracy and integrity of information and underlying operational processes, to improve the quality of our decision-making processes. We undertake internal and external environmental audits regularly to ensure environmental performance.

HOW YINSON MANAGES OUR NATURAL CAPITAL



NATURAL CAPITAL

MN1 MATERIAL TOPIC: CLIMATE CHANGE & GREENHOUSE GAS EMISSIONS

DEFINITION OF MATERIAL TOPIC
 Integration of climate-related considerations into business strategies, as well as limiting the generation of carbon emissions from all operations.

IMPACTS

S1 S2 S3 S4 S5 S6 S7 S8 S9
 GS1 GS2 GS3 GS6

WHY IS THIS TOPIC MATERIAL TO US?
 Many key sustainability risks that are financially material are climate-related. Hence, climate change forms a large portion of sustainability risk in Yinson's business. We recognise that we cannot manage what we do not measure. Therefore, carbon accounting and GHG emissions is one of the topics that we focus on in our engagements with our stakeholders. Acknowledging the business' vulnerability to the impact of climate change is a critical consideration when making strategic business decisions, as it has a material effect on our performance, reputation, operating environment, supply chain and overall long-term business sustainability.

- CHALLENGES**
- The maturity and feasibility of many climate technologies are not yet established, which may lead to higher costs and risk of failure for early adopters.
 - It may become increasingly challenging and expensive to source high-quality carbon offsets which are independently verified, which could affect an organisation's ability to achieve its climate goals.
 - Companies that do not manage and disclose their GHG emissions well may face added stakeholder pressure, eventually affecting their reputation and ability to operate.
 - Poor management and disclosure of GHG emissions can result in exclusion from sustainability indexes, business and financing opportunities.
 - The workforce is increasingly seeking climate-responsible employers, which will cause issues with employee attraction and retention for companies that do not manage their climate risk well.

- OPPORTUNITIES**
- Factoring climate change considerations into decision-making will strengthen strategic planning capabilities, resulting in business models that are resilient and lead to sustainable growth trajectories.
 - Early adopters and innovators of climate solutions and technologies may have a headstart in their GHG reduction journey, establishing their leadership position in this area.
 - There is potential to commercialise climate solutions and technologies towards achieving global climate targets.
 - Businesses that generate high quality carbon credits may reap financial benefits.
 - Good management of GHG and climate matters can boost a company's reputation, whilst increasing the company's attractiveness as an employer and client.
 - Good management of GHG and climate matters opens up new business and financing opportunities.

Management approach

Data monitoring & verification

Yinson accounts for and reports Scopes 1, 2 and 3. We are committed to ensuring the adoption of appropriate calculation methodologies in order to maintain the integrity of information disclosed. Our methods are based on internationally recognised practices and standards such as EEMS, Greenhouse Gas Protocol, ISO 14064 and IPIECA. We also conduct verification of our FPSO operations' GHG emissions with a third-party verifier, which is available on our website.



Scan this QR code to view the verification statement on our GHG emissions

Our offshore production division is the Group's largest emitter of GHGs, thus great focus is devoted to monitoring, verifying and disclosing its emissions. When reporting on emission from our FPSOs, we consider:

- GHG emissions from FPSOs, such as fuel gas and MGO consumption, flaring and production volumes.
- Energy consumption on FPSOs, which is the energy content of the hydrocarbon fuel used to produce electricity, heat, steam, etc.
- Cold venting from cargo tanks.

A detailed elaboration on the scope of these emissions, as well as the calculation methodology and ratios used, are detailed in the GHG Methodology & Verification section of our Sustainability Statement.

GHG methodology & verification, pg 134

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Improving the quality of our disclosures

Climate disclosure standards are constantly evolving, with both the scientific and business communities maturing in their understanding of emissions and in line with changing global trends. As a company that strives to demonstrate sustainability leadership, Yinson aims to improve the quality of our emissions disclosures in line with latest standards, in order to reflect a transparent picture of our climate action journey.

In line with this, we have adjusted our GHG consolidation approach from equity share to operational control, and reclassified the accounted emissions for FYE 2022 and moving forward. Yinson reassessed the selection of consolidation approach due to several reasons as follows:

- To align with the industry best practices and to be comparable to our peers.
- To reduce any potential double counting of Scopes 1 and 2 emissions among clients, suppliers and partners.
- To identify the areas of operations and emissions where Yinson has direct control.

We also discovered an error in our disclosure for the total emissions during a third party assurance, which caused a variance of less than 1%. With this, we have restated our GHG emission for FYE 2021, which has been verified by DNV.

Details on the reclassification and restatement is elaborated in further detail in our Sustainability Statement.



GHG methodology & verification, pg 134

Stakeholder advocacy & engagement

As a responsible business owner, we acknowledge the importance of accounting Scope 3 emissions. Therefore, further engagements will be conducted with clients to understand the collaboration effort and partnership required to reduce the emissions of these FPSOs.

There is currently a shrinking pool of skilled FPSO contractors and a significant increase in project awards this year, resulting in a strong FPSO market. This market positioning gives Yinson greater opportunities to engage with potential clients to warm up to the idea of lower emissions FPSOs. As a Group that has sustainability at our core and that has set the lowering of our fleet's emissions as a non-compromisable KPI, we believe we bring the extra edge when it comes to executing FPSO products in line with the evolving trends of the energy transition. As such, we will continue to engage with potential clients on low emission designs for our FPSOs and current clients on the possibility of including low emission technologies onboard our current assets.



Climate Action: No longer a luxury but a necessity, pg 41; Embracing the Energy Transition, pg 43; Leading the way with responsible solutions, pg 103

Our climate initiative performance has been identified as a key area of concern for many of our stakeholder groups. For our bankers & lenders, how we manage our climate risk and GHG emissions helps them to gauge our long-term outlook and how well we are insulated against potential crisis. For our Government & regulatory bodies, meeting environmental performance standards provides us with our regulatory license to operate. Thus we frequently engage with our stakeholder groups on this topic, as listed in our Stakeholder Engagement section.



Our approach to stakeholder engagement, pg 124

Reducing our carbon emissions

Yinson has set an ambitious target to achieve carbon neutrality by 2030 and net zero by 2050, in which it covers emissions from Scopes 1 and 2. We aim to reduce Scopes 1 and 2 emissions from our operating assets and increase the utilisation of renewable energy in our operations. Apart from reducing carbon emissions in our operations, Yinson also focuses on purchasing high quality carbon credits to compensate for the emissions in our operations. Yinson will continuously revisit the strategy as carbon removal technologies such as CCUS and DAC solutions become technologically and economically feasible.

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Yinson recognises the importance of Scope 3 emissions and our role in the value chain to reduce emissions on a global scale. Yinson is looking to have close partnerships and regular discussions with our clients to further reduce Scope 3 emissions, especially emissions from downstream leased assets. We are also expanding supplier engagement through our VRP to further understand Scope 3 emissions accounting in our value chain.



Compliance of our supply chain & third parties, pg 73; Sustainable supply chain management, pg 157; Client relationships, pg 158

MN2 MATERIAL TOPIC: WASTE & POLLUTION MANAGEMENT

<p>DEFINITION OF MATERIAL TOPIC Responsible management of materials from acquisition to waste disposal that relate to the achievement of our business goals.</p>	<p>IMPACTS</p>
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WHY IS THIS TOPIC MATERIAL TO US?
Waste and pollution are byproducts of Yinson’s business operations that can have a significant negative impact on our surrounding natural environment and biodiversity if not managed well. Waste and pollutants from our offshore operating assets need to undergo highly specialised handling procedures, due to the specific nature of the waste as a byproduct of oil & gas production; as well as the asset’s position of being out at sea, i.e. with limited access to waste disposal infrastructure on land. Management of waste and pollutants is highly regulated, and needs to be adhered to in order to receive our regulatory license to operate. Managing this material topic well contributes to the creation of natural surroundings that are more conducive to business activities in terms of health and wellbeing, smooth business operations and positive brand recognition.

<p>RISKS</p> <ul style="list-style-type: none"> • Poor waste and pollutant management results in a natural environment that is polluted, causing health & wellbeing issues and loss of biodiversity, with long-term effects on the balance of the natural ecosystem – indirectly impacting business operations. • Poor waste and pollutant management affects brand reputation and performance against ESG indicators, making a company less attractive to skilled talent, investors and other stakeholders. • A company may face penalties or lose its license to operate if found to be in violation of regulatory standards for waste and pollutant management. 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Good waste and pollutant management contributes to healthier natural surroundings and biodiversity, providing a conducive environment for business operations. • Companies which display strong leadership in managing waste and pollutants can enjoy a strong brand reputation, which is attractive to skilled talent, investors and other stakeholders. • Companies that invest in technologies to monitor and manage their waste and pollutants can establish a competitive edge, as well as contribute to industry improvement in this area as a whole.
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Management approach

Waste Management Plan

Yinson Production adheres to the International Convention for the Prevention of Pollution from Ships (MARPOL). The requirements set out in Annex V of the protocol aims to eliminate any discharge of garbage from shipboard operations to the environment. This is achieved by creating vessel-specific Garbage Management Plans to ensure a system for garbage management onboard our assets. The waste onboard is segregated into 11 different categories, among those are plastics, food waste, cooking oil, e-waste and fishing gear, hazardous waste from our operations and cargo residues.

Yinson continuously strives to keep waste or potential pollutants that we may be emitting from operations at a minimum level. Where unavoidable, we seek to ensure all such discharges are properly handled as per guidance from relevant regulatory and best practice approaches.

Data monitoring

We cannot manage what we do not measure, hence much focus is placed on ensuring we accurately monitor the waste and pollutants we generate onboard. We monitor and measure waste and pollutants onboard our vessels through our ISO 14001-certified HSE Management System and internal processes detailed within our YMS. Our environmental performance is monitored through dashboards that provide up-to-date, aggregated graphical representations of environmental statistics.

NATURAL CAPITAL

MN3 MATERIAL TOPIC: ENVIRONMENTAL STEWARDSHIP	
<p>DEFINITION OF MATERIAL TOPIC Advocacy of environmentally-friendly organisational practices including considerations for efficient energy management.</p>	<p>IMPACTS</p> <div style="display: flex; align-items: center; gap: 10px;"> <div style="display: flex; gap: 5px;"> <div style="background-color: #ffc107; padding: 2px; font-size: 8px; font-weight: bold;">7</div> <div style="font-size: 8px;">SUSTAINABLE AND CLEAN ENERGY</div> </div> <div style="background-color: #dc3545; padding: 2px; font-size: 8px; font-weight: bold;">8</div> <div style="font-size: 8px;">SECURE WORK AND ECONOMIC GROWTH</div> </div> <div style="display: flex; gap: 5px; margin-top: 5px;"> <div style="background-color: #ffc107; padding: 2px; font-size: 8px; font-weight: bold;">9</div> <div style="font-size: 8px;">INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div> </div> <div style="display: flex; flex-wrap: wrap; gap: 5px; margin-top: 5px;"> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">S2</div> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">S3</div> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">S4</div> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">S7</div> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">S8</div> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">S9</div> </div> <div style="display: flex; flex-wrap: wrap; gap: 5px; margin-top: 5px;"> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">GS1</div> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">GS2</div> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">GS5</div> <div style="background-color: #17a2b8; border-radius: 50%; padding: 2px; font-size: 8px; font-weight: bold;">GS6</div> </div>
<p>WHY IS THIS TOPIC MATERIAL TO US? Taking responsibility for our environmental impact contributes towards creating natural surroundings that are more conducive to business activities in terms of health and wellbeing and smooth business operations. It also lowers overall operations costs and improves positive brand recognition, giving us the social license to operate. As a large multinational company, Yinson has the capacity to make a real difference in the promotion and practice of environmental awareness and environmental stewardship. There are also strict regulatory standards that must be complied to which could have regulatory repercussions if not met. The key areas in which Yinson focuses on environmental stewardship are energy, air emissions, water and biodiversity.</p>	
<p>RISKS</p> <ul style="list-style-type: none"> • A natural environment that is polluted and not well-balanced causes health and wellbeing issues in the community and disruption to business operations and daily lives. • Unsustainable energy consumption takes a toll on the energy supply chain. • Lack of environmental stewardship by businesses can affect biodiversity of the local area, with long-term effects on the balance of the natural ecosystem. • Poor environmental stewardship affects brand reputation and performance against ESG indicators, making a company less attractive to skilled talent, investors and other stakeholders. • Regulatory penalties and disruptions to operations may occur if companies are found to be in breach of environmental requirements and standards. 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Good environmental business practises contribute to healthier natural surroundings for employees and the local community, leading to improved business operations and community wellbeing and preservation of biodiversity. • Responsible energy use promotes a more stable and affordable supply chain, contributing to the development of local economy and improved quality of life – leading in turn to a more conducive business operating environment. • Companies with strong environmental stewardship and display leadership in this area can enjoy a strong brand reputation, which is attractive to skilled talent, investors and other stakeholders. • Companies that invest into technologies to monitor and manage their environmental indicators can take a leadership position in this area. This can be a competitive edge and a potential revenue stream, as well as a means to contribute to the industry's environmental stewardship as a whole.
Management approach	
<p><i>HSE governance</i></p> <p>We leverage on our overarching Sustainability Policy, specifically the Environmental Conservation & Protection principle, to guide our focus in maintaining excellent performance in environmental stewardship. Governance on our Sustainability Policy has Board and Management-level oversight, and is driven by our Corporate Sustainability Department and ESG Taskforce, which comprises representatives from every business division. This ensures that the operations both at Group and division-level adhere to the principles in our Sustainability Policy. The ESG Taskforce representatives are assigned with accountability of ensuring the execution of our Sustainability Policy's principles.</p> <p>All environmental discrepancies are reported to relevant stakeholders such as the regulatory bodies, NGOs or national governments.</p>	
<p><i>Biodiversity & ecosystem management</i></p> <p>Our management and employees are committed to remain vigilant in any HSEQ matters including potential biodiversity impact from Yinson's operations. We have also committed to SDG 14, Life Below Water, to ensure the prevention of marine pollution of all kinds and sustainably manage and protect marine and coastal ecosystems.</p>	

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Yinson integrates a combination of international and national regulation and industry best practices as the basis in our engineering solutions. We also comply to these regulations and procedures in our operational practices. These regulations include:

- International Convention for the Prevention of Pollution from Ships (MARPOL):
A convention aimed to limit the discharges of potentially pollutive substances in the waters where we operate and covers regulations to prevent pollution by oil, noxious liquid substances, sewage, garbage and air pollution. Yinson adopts the MARPOL requirements onboard all our units.
- The International Convention for the Control and Management of Ships' Ballast Water and Sediments:
A convention aimed to limit the adverse impact of the discharging of ballast water in sensitive areas, and by extension to prevent the introduction of foreign organisms into marine biomes.

Yinson practices regular reporting to any external and internal stakeholders of any accidental discharge of potentially harmful substances in accordance with MARPOL and the International Convention on Oil Pollution Preparedness, Response and Co-operation. In addition, to mitigate the risk of adverse impact on the biomes where we operate where residual risk remains we implement operational procedures and emergency response procedures.

All Yinson Production assets have a unit-specific Shipboard Marine Pollution Emergency Plan (SOPEP) onboard. The SOPEP Manual outlines emergency preparedness scenarios in the event of a discharge to the marine biome surrounding our operating assets. We are committed to transparency in our reporting and will disclose the number of any events in our annual reports, as well as the volume of spills as shown in the Performance Data section of this report.

Our clients have prepared Environmental Impact Assessments (EIA) for the offshore fields where our assets operate. We are cognisant that our operations have the potential to impact the marine environment and as a result, we have created a framework to limit our potential impact based on international regulation, national regulation and industry best practice.



Environmental performance, pg 101; Sustainability governance, pg 123

Energy management

Energy is a key resource that we consume in the operation of our business. Our FPSO division consumes the highest portion of energy in our business, as electricity is generated onboard using gas from the field to power our FPSO operations. Our offshore marine operations utilise purchased fuel to operate our marine vessels and equipment onboard. The least consumption comes from our onshore offices. We seek to monitor our energy usage well, and lower it where possible, such as through conversion of equipment with low load ratings, energy efficient buildings onshore and efficient monitoring systems to detect inefficiencies.

Air emissions

These are defined as non-GHGs associated with air emission, such as nitrogen oxides, sulphur dioxide, sulphur oxides, carbon monoxide, and volatile organic compounds. The emissions are based on activity data and conversion factors recommended by UK Oil & Gas 'EEMS – Atmospheric Emissions Calculations (Issue 1.810a)'. We actively monitor and measure the air emissions onboard our assets to meet stringent regulatory requirements on emissions levels. We aim to minimise our air emissions as much as possible by selecting low-emission technologies and engines for utilisation onboard our assets.

Water

Through the production process, Yinson's FPSOs discharge produced water, slop and seawater (used for cooling purposes) to sea during daily operations. The World Bank requires that produced water discharges containing oil and grease to be below 30 ppm. We have successfully reduced our produced water discharges to levels below 15 ppm across all our assets, hence going below regulatory requirements. This is a feature created by design, whereby the discharge system for slop tanks (which is used for storage and eventual discharge of produced water and slop) is designed to only allow discharge after confirmation of slop tank oil in water levels to be below 15 ppm.