



PETRONAS

2nd Half 2019 Sustainability Disclosure

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Letter from the Chairman, SD & HSSE Council



*Dzafrî Sham
Chairman, SD & HSSE
Council*

PETRONAS has been on its sustainability journey for nearly two decades now; and in fact, this has been part of our 45-year DNA. Our belief in talent investment goes back to 1975, starting with the first student that we sponsored and to date, we have invested a total of 3 billion Ringgit in the education of our young generation and had benefitted 89,000 students. While for our environmental footprints, we have recorded a cumulative reduction of 12 million tonnes of GHG emissions since the introduction of our Carbon Commitments in 2012. These efforts are a testament to a responsible company.

The world as we know is changing. We cannot continue to manage sustainability the same anymore. We need a more holistic, focused and top-down approach moving forward. Taking inspiration from our Statement of Purpose, we have recently launched our Sustainability Agenda, supported by the four Lenses of Sustainability. The four lenses, namely Continued Value Creation; Safeguard the Environment; Positive Social Impact and Responsible Governance will further steer our focus and direction.

Under the lens of **Continued Value Creation**, we give priority to areas such as return on capital, cost management, reinvestments and innovation for long term economic growth.

In **Safeguarding the Environment**, the focus is on environmental footprints and risk mitigations. As an energy player, a wide spectrum of topics is covered under this lens including reduction of emissions, waste management, biodiversity ecosystem services, clean & renewable energy and responsible sourcing of materials.

We will continuously strive to create **Positive Social Impact** on the communities and stakeholders wherever we operate. The health, safety and security of our own very important stakeholders – our staff is always at our priority while the programmes under Yayasan PETRONAS is closely linked to our commitment in creating a positive impact to the communities around us.

Finally, the lens of **Responsible Governance** underpins all the earlier stated three lenses through management oversight on ethical practices, compliance with regulatory/policies and internal controls that promote integrity in both employees and contractors alike.

Steered by our four Lenses of Sustainability which are aligned to the seven SDGs, we believe that we are on the right track to contribute to the world's sustainability efforts. However, our efforts do not end here, nor can we change the world alone. It is a task for all and everyone; including the policymakers, the private sectors, unions, academia and even the consumers have a role to play. It is a universal call to action for all, which brings us closer in generating a cohesive progress for a better tomorrow.

Thank you.

“Sustainable development is here to stay and it’s up to us to make this world a better place.

PETRONAS made a conscious decision to be part of the solution for a better tomorrow. But, we too, can’t do it alone. Let’s do it together.”

Stepping Out into New Energy through Partnership

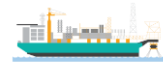
PETRONAS' New Energy Unit recently signed a Letter of Intent (LOI) with UiTM Energy & Facilities Sdn Bhd (UEFSB) to jointly develop Large Scale Solar Photovoltaic Power Plants and, On-Campus Energy Optimisation and Solar Rooftop projects. UEFSB is a wholly owned subsidiary of UiTM Holdings Sdn Bhd (UHSB), the investment arm of UiTM.

Under the agreement, both parties aim to leverage on each other's strengths and experiences to jointly develop and execute renewable energy and energy optimisation projects. With over 30 campuses nationwide, UiTM can potentially save up to 30 per cent on its annual energy expenditure.

PETRONAS New Energy business aims to contribute at least 1.5GW to the Malaysian Government's renewable energy target of 6GW by 2025, and collaborations between industry and educational partners, such as UiTM, are crucial to achieve this target.

This is also aligned with our three-pronged strategy for growth to 'Step Out' in tandem with the transformation of the energy sector.





PETRONAS Floating LNG DUA (PFLNG DUA)

PETRONAS celebrates another milestone as a progressive energy and solutions partner with the official naming of our second floating LNG vessel, known as PFLNG DUA.

This is a true embodiment of the amalgamation between our Statement of Purpose at heart and the three-pronged strategy for growth, by capitalising on the potentials of natural gas as a lower carbon alternative with our leading-edge solutions.

The world's first deepwater FLNG can operate in water depth of about 1,500 metres and extracting gas straight from subsea wells to provide a reliable and secure supply of gas moving forward, in concert with realising our commitment to support the national agenda towards a low carbon economy and a sustainable future.



Sustainability Lenses



Continued Value Creation



Safeguard the Environment



Transitioning to lower carbon solutions.



Capitalising on the global shift towards cleaner energy.

UN SDGs



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION

2nd Half 2019 Success Stories



PETRONAS Group of Companies Won 7 Sustainable Business Awards (SBA) 2019

Organised by Global Initiatives, the SBA is the region's leading sustainable award platform to recognise outstanding leadership in sustainable business practices. The awards aim to increase awareness of sustainable business best practices and demonstrate how sustainable business benefits companies, the environment and all stakeholders, today and for the future.

The recognition further reaffirms our commitment to a solid long-term value creation and our recently enhanced Sustainability Agenda that incorporates prudent Environment, Social and Governance (ESG) risk mitigations.

Award for Best:

Waste and Material Productivity – Petroliaam Nasional Berhad

Business Responsibility & Ethics – MISC Berhad

UN SDGs – MISC Berhad







Workforce – KLCC Property Holdings Berhad

Special Recognition for:

Land Use, Biodiversity and Environment – Petroliaam Nasional Berhad

Strategy & Sustainability Management – MISC Berhad

Energy Management – KLCC Property Holdings Berhad

Sustainability Lenses	 Continued Value Creation	 Safeguard the Environment	 Demonstrates integration of sustainability elements to drive long term value creation in business practices.	 UN SDGs
	 Positive Social Impact	 Responsible Governance		





PETRONAS Integrity Day 2019



PETRONAS continues its stance on engraining a culture of integrity and pledges its ongoing commitment to upholding the utmost standards of governance and combat all forms of corruption within PETRONAS.

To reflect the true embracement of integrity being one of our Shared Values, PETRONAS President and Group CEO Tan Sri Wan Zulkiflee Wan Ariffin led more than 100 leaders and employees to sign the PETRONAS Integrity Pledge before the Malaysian Anti-Corruption Commission (MACC) Chief Commissioner Latheefa Koya, during PETRONAS Integrity Day 2019 recently.

In line with our Sustainability Lens #4 on Responsible Governance, the signing distinctly signifies the continuous management commitment through strong governance mechanisms and ethical business practices.

Sustainability
Lenses



Responsible
Governance



Continuous commitment to
uphold the culture of integrity.

UN
SDGs



PETRONAS walk4trees Challenge

The official launch of walk4trees challenge in collaboration with Yayasan PETRONAS marks PETRONAS' efforts in stepping up the support towards the *Move Right* element of our flagship MESTIfit4health program.

With a targeted outreach of 16,000 participants, it calls upon each of us in the organisation towards a common goal of 20 billion steps over a one-year period. A tree will be planted for every 1 million steps taken, with the ultimate end goal of 20,000 trees to be planted. In perspective, 20,000 trees planted and walking 20 billion steps to displace vehicle emissions are equivalent to about 2,800 tonnes CO₂ reduced collectively as an organisation.







PETRONAS walk4trees challenge

Walk **today** for a better **tomorrow**.

20 billion **steps**. **20** thousand **trees**. **1** exciting **year!**

An exclusive MESTIfit4health program in collaboration with



Sustainability Lenses	 Safeguard the Environment	 Positive Social Impact	 Enhancing the wellbeing of employees.	UN SDGs
			 Positively contributing to the environment.	



Yayasan PETRONAS Reaffirms Commitment to Cancer Research Malaysia

With the greater mission of contributing towards enriching lives and well-being of the society, Yayasan PETRONAS has pledged RM8 million to Cancer Research Malaysia (CRM) to support cutting-edge research in hereditary cancers among Asians.

Established in 2000, CRM is the country's first and only independent and non-profit cancer research organisation. PETRONAS has been one of the leading corporate funders for CRM since 2001 when the partnership started. This additional pledge from Yayasan PETRONAS brings its total contribution to RM21.5 million to-date.

Yayasan PETRONAS aims to deliver sustainable impact, improving the quality of life and socio-economic outcomes for communities across the nation; in line with Sustainability Lens #3 on Positive Social Impact.

Sustainability
Lenses



Positive
Social Impact



Positively contributing towards better health and well being of communities.

UN
SDGs



2nd Half 2019 Success Stories



PETRONAS Awards Scholarships to South Sudanese Students

PETRONAS reinforced our commitment and effort in contributing to capability building in the Republic of South Sudan, particularly in the development of human and technical resources for the petroleum industry by awarding the PETRONAS Education Sponsorship Program (PESP) to 10 South Sudanese students.

The Undersecretary of Ministry of Petroleum, Republic of South Sudan, Honourable Mayen Wol Jong in his speech expressed his appreciation to PETRONAS for the continuous commitment to support the development of technical professionals for the oil and gas industry in South Sudan.

The effort is part of PETRONAS' larger Corporate Social Responsibility programme to contribute to the well-being of the people and nation where it operates. With the addition of 10 new students, the number of South Sudanese sponsored students has increased to 90 since its inception.

Sustainability
Lenses



Positively contributing to the development of technical professionals in South Sudan.

UN
SDGs



Thank you for your passion!



PETRONAS