



PETRONAS

1ST HALF 2020

SUSTAINABILITY DISCLOSURE

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Letter from the Chairman, SD & HSSE Council

PETRONAS is committed to conducting our business responsibly to benefit the society and the environment while ensuring the efficient delivery of cleaner energy.

I am pleased to note that our efforts to integrate sustainability into our business strategies and processes have progressed significantly, with numerous internal standards and roadmaps created to ensure our smooth journey towards a low carbon economy.

In enhancing our commitment, we introduced the PETRONAS Sustainability Agenda last year to steer Groupwide operations towards a balanced ESG approach. The Agenda comprises four Sustainability Lenses, namely Continued Value Creation, Safeguard the Environment, Positive Social Impact and Responsible Governance.

To set the pace of our journey, we have also disclosed three key targets to measure our progress:

- Reduction of overall emissions capped at **49.5 million tCO₂e by 2024**.
- Achieve installed renewable energy capacity of **3,000 MW by 2024**.
- Nurture up to **24,100 beneficiaries** from PETRONAS Educational Programme by 2024.

However, as with other organisations, PETRONAS has not been spared the unparalleled problems of 2020. The low Brent prices compounded by the COVID-19 pandemic have had an unprecedented impact on the global oil and gas market, forcing us to strive harder to address the energy trilemma of ensuring the affordability and security of supply while maintaining our commitment to sustainability. While we work together to overcome these challenges, I believe that it is also an opportunity that we should grab to see how we can tackle the expanding range of ESG issues and bring more impact to the wider community.

As a responsible organisation, PETRONAS made the deliberate and conscious decision two decades ago to be part of the solution. Today, we move forward in this path with a stronger pledge to sustainable development.

Thank you.



DZAFRI SHAM
Chairman, SD & HSSE Council



Positive Social Impact

Making Community Well-being A Priority in Iraq

PETRONAS has been actively involved in Corporate Social Responsibility (CSR) and welfare services programmes in Garraf Contract Area (GCA) since 2013.

These programmes are designed to provide equal access to basic needs, spur economic growth and improve the quality of life for the surrounding communities. They include infrastructure development, school refurbishments, uplifting healthcare facilities and the “Water for Life” Reverse Osmosis (RO) water sanitation facilities.

The “Water for Life” programme has reached tens of thousands in the Garraf Contract Area through three Reverse Osmosis (RO) water stations. In 2020, three more facilities have been completed and handed over to the community, and despite the present challenges, more facilities are expected to be completed in the near future.

Access to clean and potable water, allows the community to devote more of their time and energy for productive activities like education and the economy, to improve the quality of their lives.

Other initiatives include reliefs in the form of medical equipment such as cots, blood centrifuges and compressor nebulisers for the Al-Fajr Clinic in Al-Farf District, Thi-Qar province, Iraq.

In implementing these programmes, the Group through PETRONAS Carigali Iraq Holding B.V. (PCIHBV) has been working closely with various relevant stakeholders including the Ministry of Oil, Thi Qar Oil Company, Provincial, Districts & Sub-district government authorities as well as community leaders.



SUSTAINABLE DEVELOPMENT GOALS

 In alignment

 Prioritised





Safeguard the Environment

Sustainability as the Core of PETRONAS New Leadership Campus Project

The PETRONAS New Leadership Campus Project team is responding to the pledge towards a sustainable future, starting with its main construction site office, also known as The Cubic. The project’s aspiration to achieve double-platinum certification by Green Building Index (GBI) and LEED USA resonate strongly with the PETRONAS Sustainability Agenda. The journey towards Platinum certification is further solidified by unlocking another milestone through achieving the Platinum at Design Stage by GBI Accreditation Panel.

Sustainable building features are embedded in the thought design of The Cubic. It is built with refurbished intersected container cabins to facilitate air movements and equipped with Photovoltaic Solar Panels, which can cater to the energy demand of 73 KWp. In partnership with VERITAS, a multi-disciplinary architectural design firm, structures such as the workstations are outfitted with salvaged and reused items and materials. The Cubic is also equipped with a rainwater harvesting system for lavatory and irrigation usage.

Sustainability efforts are also incorporated into the scope of works, such as the emphasis on “3R – Reduce, Reuse and Recycle” on materials used, communications of grievance procedures in various languages to workers, engaging with the local community on the operation of canteens, and also engaging in sporting activities with consultants and contractors.

The purpose of the Campus is to “Inspire Leaders to Grow.” With featured spaces that encourage social collaborations and innovative learning experience in support of PETRONAS work culture. It also embodies the sustainability essence in support of PETRONAS Sustainability Agenda.



SUSTAINABLE DEVELOPMENT GOALS

- In alignment
- Prioritised

1 Clean Energy	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH
2 Clean Water and Sanitation			6 CLEAN WATER AND SANITATION		
9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	11 SUSTAINABLE CITIES AND COMMUNITIES			15 LIFE ON LAND	17 PARTNERSHIPS FOR GOALS



Positive Social Impact

PETRONITA Supports Community's Mental Well-being



PETRONITA has embarked on a collaboration with the Malaysian Mental Health Association (MMHA) on a mental health first aid youth programme for secondary schools. The programme seeks to educate teachers on ways to tackle adolescents with mental health issues, whom in most cases are the first responders for students in schools. The pilot programme will involve 100 secondary school counsellors in Kuala Lumpur. It will be funded by PETRONITA and supported by the Kuala Lumpur Education Department. The first mental health first aid training session took place in January 2020, involving 25 teachers at the National Council of Welfare and Social Development Centre in Bandar Baru Sentul.

PETRONITA, an association of Wives and Women Staff of PETRONAS, is a charitable entity which has been continuously committed towards mental health and well-being. Last year, the organisation contributed RM164,000 from the proceeds of its charity programme "Orchid Run & Ride" to Mental Illness Awareness and Support Associations (MIASA).

The donations supported the establishment of MIASA's new activity and crisis management centre in Petaling Jaya, also known as "The Orchid Clubhouse". The centre was launched on 10th September 2020 to aid more patients and caregivers.



SUSTAINABLE DEVELOPMENT GOALS

 In alignment
 Prioritised





Continued Value Creation

PETRONAS Ventures – Strategic and Sustainable Investments

PETRONAS Ventures taps into startups technology and innovation ecosystem to drive PETRONAS' competitive edge as a progressive energy and solutions partner and to position the company for future growth.

PETRONAS Ventures marks its foray into venture capital through investment in Braintree Technologies Sdn Bhd and SOLS Energy Sdn Bhd. Both companies are graduates of PETRONAS FutureTech Accelerator 2019, which aims to contribute to Malaysia's economic future and growing domestic ecosystem.

Investment in Braintree Technologies supports robotics and artificial intelligence software development that would provide total agricultural solutions, converting non-revenue generating land into high-value crop farms via automated farming.

Robotics Farming-as-a-Service

0 Worker 0 Knowledge



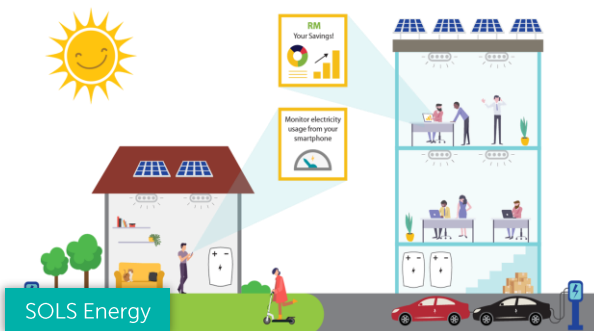
Braintree Technologies

Investment in SOLS Energy reaffirms our commitment to renewable energy as a solutions partner. It helps to expand the innovative business model that provides sustainable energy for residential and small-to-medium enterprise (SME) sectors.

PETRONAS Ventures will continue to support PETRONAS' business growth and sustainability agenda through strategic investment, partnerships and collaborations, closely in line with our Sustainability Agenda, in our commitment to UN SDGs and our Statement of Purpose as a Solution Partner.

"These investments reflect our strategic intent to venture into the startups ecosystem in scouting for breakthrough technologies that support PETRONAS' growth beyond the oil and gas business."

- Mohd Azli Ishak, Head of PETRONAS Ventures



SOLS Energy

About PETRONAS Ventures

Established in 2019, PETRONAS Ventures (formerly known as PETRONAS Corporate Venture Capital) drives technology innovation to maintain PETRONAS' competitive edge in this ever disruptive and challenging business environment. Its investment verticals focus on Industry 4.0, advance materials and specialty chemicals as well as future of energy.

SUSTAINABLE DEVELOPMENT GOALS

 In alignment
 Prioritised





Positive Social Impact

Uplifting B40 Agro-preneurs - Multiplier Impacts for Nation-building

In a collaborative partnership with PETRONAS, Agrobank will be offering micro-financing worth up to RM100 million to B40 micro-entrepreneurs in the agricultural and agro-based sectors over a period of 5 years. The government-owned bank has over 11 micro-financing programmes that support the agricultural sector, such as cultivation of paddy, oil palm, pineapple and dairy products.

It is estimated that the programme will benefit about 3,000 recipients through financing facilities offered by Agrobank, which is in line with PETRONAS' Statement of Purpose to be a progressive energy and solutions partner, enriching lives for a sustainable future as well as supporting United Nations Sustainable Development Goals (SDG), especially in creating Decent Work and Economic Growth.



SUSTAINABLE DEVELOPMENT GOALS

- In alignment
- Prioritised

1 POOR PEOPLE	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH
2 ZERO HUNGER			6 CLEAN WATER AND SANITATION		
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
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THANK YOU