

# Moving Forward with **Purpose**

## About this Report

The framework, boundaries and principles that guide us in our integrated reporting journey.

Reporting Framework,  
Scope and Boundaries

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Reporting Framework, Scope and Boundaries

Reporting Information that is

Dear Stakeholders,

Welcome to our inaugural PETRONAS Integrated Report 2020, which assesses our performance for the financial year ended 31 December 2020, focusing on the value we have created for our stakeholders. Our aim is to share a balanced overview of our progress and impact. As a progressive energy and solutions partner which endeavours to enrich lives for a sustainable future, we strive to always move forward with you.

How this Report Fits Together

We measure our performance by evaluating how we create value for our key stakeholders, as well as progress against our strategy and by regularly measuring returns on invested capital. We understand the risks we take and manage them to minimise the impact on our business and results. We are constantly seeking meaningful collaborations to provide solutions that enrich lives. We believe that it is only when lives are enriched that real progress is achieved.

Scope and Boundaries

This report covers the period from 1 January until 31 December 2020, unless otherwise stated. The information presented relate to the activities of the PETRONAS Group or its subsidiaries, joint operation, joint ventures as well as associates.

Financial and Non-Financial Reporting

This report extends beyond financial reporting. It reflects on non-financial performance, opportunities, risks and outcomes attributable to or associated with key stakeholders, who have a significant influence on our ability to create value.

The non-financial data in this report includes our owned and operated businesses unless stated otherwise, in line with industry practices. It does not include data from equity interest fields/projects, such as joint ventures, where we do not have operational control. Those areas that we do not have operational control over, are included in the form of disclosures of management approach.

The Group reporting standards are continually being developed and improved to make disclosures meaningful and measurable for stakeholders. While we are not a public listed company, we are committed to this process as a means of adding value for our stakeholders as it creates better visibility and allows an informed assessment of our operations.

The Legislation and Frameworks that Guide Our Reporting

This report is guided by local and global standards, including:

- The International Integrated Reporting Council <IR> Framework (IIRC), a principles-based approach that promotes the six capitals concept, and which considers material inputs as well as resources required to create and sustain value in the long term
- International Financial Reporting Standards (IFRS)
- Malaysian Financial Reporting Standards (MFRS)
- IPIECA/API/IOGP Sustainability reporting guidance for oil and gas industry
- Global Reporting Initiative (GRI) Standards

Sustainability

Through our policies and governance structures, we demonstrate our commitment to ethical and sustainable entrepreneurship. We also acknowledge that our stakeholders are taking a growing interest in the sustainability of our operations and our approach to corporate citizenship. We take our responsibility seriously and are fully aware of

the impact of our actions on our social and relationship capital. We are proud to support the United Nations' Sustainable Development Goals (SDGs) and we are committed to identifying and focusing on the goals our business aligns with.

Forward-Looking Statements

This report contains forward-looking statements. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of the various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

The key factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; ongoing and future acquisitions; changes to domestic and international businesses and market conditions such as exchange rate and interest rate movements; changes in domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions; any labour disruptions and industrial action; and the effects of both current and future litigations.

Assurance

Financial information contained in this report and that has been extracted from the audited consolidated Audited Financial Statements for the financial year ended 31 December 2020, was audited by KPMG PLT. The Group's greenhouse gas (GHG) emissions for our Upstream, Gas + New Energy and Downstream operations in Malaysia for the years covering 2017 to 2019, have been externally verified, to a limited level of assurance, by ERM CVS, an independent third-party assurance provider. The verification was carried out under ISO 14064-3. Furthermore, the Group's social risk management processes, which primarily focuses on human rights and is aligned with the UN Guiding Principles on Business and Human Rights, was assessed by an independent party.

Reporting Framework, Scope and Boundaries

Built on Benchmarked Principles

Approval by the Board

The PETRONAS Board of Directors acknowledges its responsibility in ensuring the integrity of this Integrated Report which in the Board's opinion, addresses the Group's ability to create value and fairly represent the Group's integrated performance.

We believe that this report has been materially prepared in accordance with the International Integrated Reporting Council <IR> Framework.

Approved by the Board of Directors and signed on behalf of the Board:

Tan Sri Ahmad Nizam Salleh

Chairman

Tengku Muhammad Taufik

President and Group Chief Executive Officer

The Petroliam Nasional Berhad (PETRONAS) Integrated Report is our primary report.



Integrated Report 2020

Provides a comprehensive overview of the Group's financial and non-financial performance in 2020 and our outlook for 2021.



Financial Report 2020

Provides access to the Audited Financial Statements comprising Directors' Report, Financial Statements, Notes to the Financial Statements and our Independent Auditors' Report.



Scan the QR code to access our Integrated Report 2020 and Financial Report 2020

These reports are supplemented by the following disclosures, which can be accessed online via PETRONAS' website [www.petronas.com](http://www.petronas.com):

- PETRONAS Activity Outlook 2021-2023
- PETRONAS Half-Yearly Sustainability Report
- PETRONAS Human Rights Report 2020

Navigating through this Integrated Report

- Tells you where you can find more information within this report
- Tells you where you can find more information online
- Tells you where you can find more information on PETRONAS' Health, Safety, Security and Environment (HSSE) digital solutions

The following navigation icons are used to indicate various content elements:

Three-Pronged Growth Strategy

- Maximising Cash Generators
- Expanding Core Business
- Stepping Out

Six Capitals

- Human Capital
- Financial Capital
- Social and Relationship Capital
- Manufactured Capital
- Natural Capital
- Intellectual Capital

Key Stakeholders

- Federal Government/ Host Governments
- Media
- State Governments
- Shareholders/ Investors/Credit Rating Agencies/ Financial Institutions
- Customers
- Government Linked Companies (GLCs)/ Industry Players/Partners
- Internal/ Employees
- Communities/ Non-Governmental Organisations (NGOs)

Material Topics

- Climate Change and Environmental Management
- Product Stewardship and Supply Chain
- Health, Well-Being and the Workplace
- Social Responsibility
- Safety
- Governance and Ethics