Our Sustainability Agenda

Sustainability is deeply rooted in our Statement of Purpose, “A progressive energy and solutions partner enriching lives for a sustainable future”. As a purpose-driven organisation, sustainability considerations contribute directly to what we do as a business, how we operate and how we engage with employees, customers, suppliers, service providers, local communities, regulators, investors and other stakeholders.

Scientific findings on climate change are accelerating the pace of the energy transition which demands tangible and urgent actions to reduce greenhouse gas (GHG) emissions to the atmosphere. Recognising the signs early on, PETRONAS’ leadership has taken progressive steps to position the organisation forward. The leadership team, together with a strong mandate from the Board, has announced our net zero carbon emissions by 2050 (NZCE 2050) aspiration, the first from an oil and gas company in Southeast Asia. We are making this pledge to make a positive change, not only to pursue new opportunities in the energy transition, but because a fundamental shift is needed, and the organisation wants to be part of the solution towards a more sustainable future.

In stepping up our sustainability efforts, PETRONAS is shaping our approach to net zero carbon emissions and deliver on our aspiration. In the process of developing our Paris Agreement-aligned pathways, we will be conducting a systematic climate risk evaluation and quantification, as well as reviewing our emissions baseline and strengthening our carbon management capabilities. In doing so, we aim to shape our wider ecosystem and catalyse national and regional green growth. We are continuously guided by our four sustainability lenses and seven prioritised United Nations’ Sustainable Development Goals (SDGs).

As part of our broader efforts to achieve our NZCE 2050 aspiration, we are collaborating with various global organisations. In November 2021, we endorsed the World Bank’s Zero Routine Flaring by 2030 Initiative and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to deliver greater transparency around actions on climate change.

The Zero Routine Flaring Initiative aims to end flaring of associated gas from oil production. We have pledged to avoid routine flaring in new field developments and end routine flaring at existing oil production sites by 2030. This is applicable to our upstream operations within operational control and excludes flaring sources due to safety and non-routine flaring. We will publicly report our flaring data on an annual basis, with our first disclosure targeted in 2023.

We have also announced our support towards the recommendations of the TCFD and will work to adopt the disclosure framework from 2023 onwards. We intend to proactively strengthen our reporting while shaping Malaysia’s national climate-related risk disclosures.

In April 2021, we joined other oil and gas companies in submitting a letter of commitment to the World Economic Forum’s Stakeholder Capitalism Metrics. We have published the first PETRONAS disclosure on World Economic Forum Stakeholder Capitalism Metrics in our corporate website.

Meanwhile our membership in the World Business Council for Sustainable Development (WBCSD) helps us further align our efforts with global best practices, strengthen capacity and capability as well as raise awareness among leadership on sustainability. Our President and Group Chief Executive Officer, and Vice President and Chief Sustainability Officer are actively involved as Council Member and Liaison Delegate respectively. Additionally, our Executive Vice President and Chief Financial Officer is part of the WBCSD Chief Financial Officer (CFO) Network, and our Senior Vice President Group Human Resource Management is a member of the WBCSD Business Commission to Tackle Inequality.

Our President and Group Chief Executive Officer also chairs the CEO Action Network, a coalition of leaders of major Malaysian businesses that focus on sustainability advocacy, capacity building, action, and performance improvements.