

Board Oversight

Our board has been taking an active role in climate-related matters discussion. We recognise that climate change is a critical business issue, contributing to a set of risks and opportunities. We are taking more deliberate actions to elevate sustainability, especially climate-related discussions at the Board, to shape the long-term strategic direction of the company.



Key activities undertaken by the Board, prepared by the Executive Leadership Team (ELT) on climate related matters in 2022 were:

- The Risk Committee reviewed the PETRONAS Corporate Risk Profile with consideration of climate-related risks and mitigation actions on a quarterly basis. The full Board approved the subsequent PETRONAS Corporate Risk Profile.
- Approved the Pathway and aligned it to the annual business plan and budget cycle.
- Approved PETRONAS Position on Nature and Biodiversity and Nature-based Climate Solutions strategy in support of the Pathway.
- Approved the long-term incentive plan for senior leadership that includes a performance measure linked to the delivery of the Pathway. In 2022, 20 per cent of the long-term incentive plan constituted sustainability elements, including net carbon intensity (NCI) as well as diversity and inclusion (D&I).
- Approved the formation of Gentari Sdn Bhd, an independent entity focused on providing clean energy solutions.
- Quarterly conversation series with global experts on climate-related topics which include TCFD, human rights and just transition.