

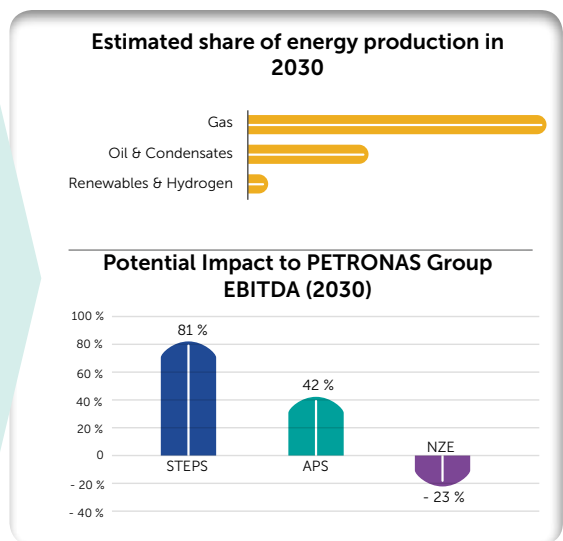
Risks and Opportunities Quantification on Financial Performance

We have identified certain risks and opportunities to our business based on the three International Energy Agency (IEA) scenarios – Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 Scenario (NZE). The scenarios were chosen based on their breadth that consider the world’s different states based on energy makeup and carbon dioxide emission levels. They present three climate pathways, with temperature rise ranging from below 2°C to 2.7°C by 2100, providing granular and regional data breakdown.

The time horizons used were short term (2024), medium term (2030) and long term (2050). Identified risks relate to how oil, gas and carbon prices will impact PETRONAS Group EBITDA*, based on analysis for Upstream, Gas and Downstream businesses for FY2030. We have identified opportunities in renewable energy, hydrogen and green mobility based on their impact on our EBITDA for the New Energy business for FY2030. The chosen scenarios and the corresponding climate outcomes are summarised as below:

Stated Policies Scenario (STEPS)	Announced Pledges Scenario (APS)	Net Zero Emissions by 2050 Scenario (NZE)
<ul style="list-style-type: none"> Reflects current policy context based on sector-by-sector assessments of specific policies and measures affecting the energy markets that are in place and those that have been announced by governments around the world, as of mid-2021. Includes relevant policy proposals, though implementation measures are yet to be developed to put them into effect. Where policies are time-limited, they are generally assumed to be replaced by measures of similar intensity, but the scenario does not assume future strengthening – or weakening – of future policy action, except where there already is specific evidence to the contrary. 	<ul style="list-style-type: none"> Assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, will be met in full and on-time. 	<ul style="list-style-type: none"> Sets out a narrow but achievable pathway for the global energy sector to achieve net zero carbon emissions by 2050, with developed economies reaching net zero emissions in advance of others. Does not rely on emissions reductions from outside the energy sector to achieve its goals. Assumes that non-energy emissions will be reduced with the same proportion as energy emissions. This is consistent with limiting the global temperature rise to 1.5°C without a temperature overshoot (with a 50 per cent probability). Meets key energy-related United Nation’s Sustainable Development Goals, in particular achieving universal energy access by 2030.

- Reduce our Scope 1 emissions (emissions directly associated with our operations) and Scope 2 emissions (includes the energy we buy to run them).
- Establish a centralised Carbon Management Division to drive the decarbonisation of our upstream value chain.
- Manage our carbon storage portfolio for emissions produced by our operations.
- Position Malaysia as a CCS solutions hub in the region.
- Position Gentari as a one-stop clean energy solutions provider. Designed for pace and innovation, Gentari is expected to run independently to deliver our renewables, hydrogen and green mobility aspirations.
- Allocate approximately 20 per cent of our CAPEX for decarbonisation projects and expansion into cleaner energy solutions from 2022 to 2026 to reduce Group emissions and overall carbon intensity.



* EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortisation, and is used to evaluate a company’s operating performance.