

As a result of our enhanced emissions accounting practices, which includes a change in organisational boundary, we have adjusted our 2019 baseline reference to 54.87 Million tCO<sub>2</sub>e via equity share approach.

The Pathway has short-term and mid-term targets focusing on absolute GHG and methane emissions. The short-term target is to cap Scope 1 and Scope 2 emissions to 49.5 Million tCO<sub>2</sub>e by 2024 for PETRONAS operated assets in Malaysia.

We have set a mid-term target to reduce 25 per cent GHG emissions for Scope 1 and Scope 2 under equity share approach by the year 2030.

A key area of our net-zero efforts is to reduce methane emissions. Methane is a primary component of natural gas and a more potent GHG than carbon dioxide. Thus, we have specified targets for methane emissions reduction as part of our broader GHG targets.

The target is to reduce methane emission groupwide by 50 per cent by 2025 and by 70 per cent by 2030. Additionally, we are committed to drive down methane emissions beyond PETRONAS' own operations within our industry. To this aim, we have established a 50 per cent methane emissions reduction target for Malaysia's natural gas value chain by 2030. The methane emissions reduction targets will support Malaysia's commitment to the Global Methane Pledge of reducing national methane emissions by 30 per cent by 2030.

Moving forward, PETRONAS is updating internal standards and procedures, and building capabilities in GHG and methane emissions management. Commencing in 2023, PETRONAS will commission third party assurance of Scope 1 and Scope 2 GHG emissions.

**Footnote:**

CO<sub>2</sub>e = carbon dioxide equivalent. This unit converts all other GHGs into the common dominator of CO<sub>2</sub>e using Global Warming Potential (GWP) factors following Intergovernmental Panel on Climate Change (IPCC) 4<sup>th</sup> Assessment Report (AR4).

Guided by international principles, frameworks and standards

- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
- Ipieca/API/IOGP Sustainability Reporting Guidance for the Oil and Gas Industry
- Ipieca Climate Change Reporting Framework
- ISO 14064-1:2018; ISO 14064-2:2019; ISO 14064-3:2019
- Methane Guiding Principles
- United Nations Environmental Programme (UNEP) Oil and Gas Methane Partnership 2.0 (OGMP2.0) Reporting Framework
- American Petroleum Institute (API) Compendium of GHG Emissions Methodologies for the Natural Gas and Oil Industry (2021)