

## Positive Social Impact



## Security

**We are fully committed to implementing a high-level, well-coordinated and integrated security approach that safeguards our assets, ensures the safety of our people wherever we operate and provides sustainable value for our stakeholders.**

### Why Is It Important?

Persistent geopolitical tensions, global economic uncertainties, increased competition, extreme weather patterns and accelerated technological development have increased security concerns. Given our wide geographical spread and the asset-heavy nature of our operations, we are strengthening our security preparedness further to withstand the changing risk environment.

Our business value chain including offshore and onshore assets are exposed to protests, violence, crime, insider threat, terrorist attacks and geopolitical conflicts. The increasing use of technology has also led to cybersecurity threats and consequently cyber-crimes which call for a holistic focus on enterprise security management. These interruptions may lead to incidental exposures, operational disruptions, supply chain breakdowns, ransomware, price risks and decreased productivity, which lower our ability to deliver sustainable stakeholder value. We are committed to maintain a high-level, well-coordinated and integrated security approach for the integrity of our assets and safety of our people, wherever we operate.

### What Is Our Approach?

Our emphasis is on ensuring security excellence throughout our value chain. We continuously elevate our in-house security culture, harnessing physical security infrastructure and technologies to optimise business efficiencies and productivity whilst providing a conducive workplace. We also embed a security mindset into our organisational culture, supported by coordinated cross-functional awareness measures.

We are governed by the laws and regulations of the countries where we operate. Our practices are supported by robust internal governance stipulations that are regularly updated to help us adapt to the ever-changing external operating environment. With the rising focus on digital security, we fortified our priority on digitalisation, operational and strategic security acumens, steered by governance, compliance, capabilities, communications and technology application.

We established a security academy with targeted programmes to hone a pool of capable security personnel and equip them with suitable capabilities. We offer timely security training and ground exposure that prepares colleagues to manage security effectively, particularly at our high-risk operations.

We also pursued industry-wide engagements to uphold a conducive working environment and prevent maritime security threats on our shores in Malaysia.

#### Policies and Standards:

- PETRONAS Security Policy
- Security Management Systems (SeMS)
- Minimum Security Standard (MS2)

**Value Creation in 2022**

**1 Proactive Security Risk Management**

The robustness of our security controls and practices is vital to how we do our business. Gap closure efforts, assurance activities, penetration tests and security drills were some of the key activities carried out in the year under review covering selected domestic and international assets. A key effort included fortifying and streamlining compliance to our Security Policy via execution of the PETRONAS Group Management Framework, with roll-out planned in 2023. The Groupwide undertaking to enhance governance and assurance marks a formalised approach to accelerate security excellence in all that we do, through clear, concerted and coordinated initiatives, supported by improved communication on demarcation of roles and responsibilities.

Additionally, we continued to provide proactive security insights to facilitate informed management decision that take into account evolving external vulnerabilities.

**2 Partnering for Greater Security**

We believe in fostering closer ties with various stakeholders in Malaysia, including enforcement agencies, to strengthen security excellence for propelling energy security.

In 2022, we signed a Memorandum of Understanding (MoU) with the Royal Malaysia Police to further strengthen collaboration on security awareness and the integration of best practices via cooperation in training and operational support. This aims to spur collective knowledge sharing and enhanced capabilities for PETRONAS' onshore and offshore assets in Malaysia.

The aim is to strengthen our resilience and robustness as we navigate a more dynamic business environment.

We also worked with various enforcement agencies to strengthen maritime security, deploying a range of assets for optimum surveillance of our offshore interests including unmanned platforms. The joint operations led to zero intrusion cases between June and December 2022.

We also leveraged our Auxiliary Police (AP) personnel at our onshore assets in Malaysia. The APs are entrusted with enforcement powers as stipulated in the Police Act 1967. The coverage of PETRONAS' APs also includes certain offshore platforms that have been identified as national

critical infrastructure. Targeted joint operations with the local enforcement agencies were carried out on several occasions.

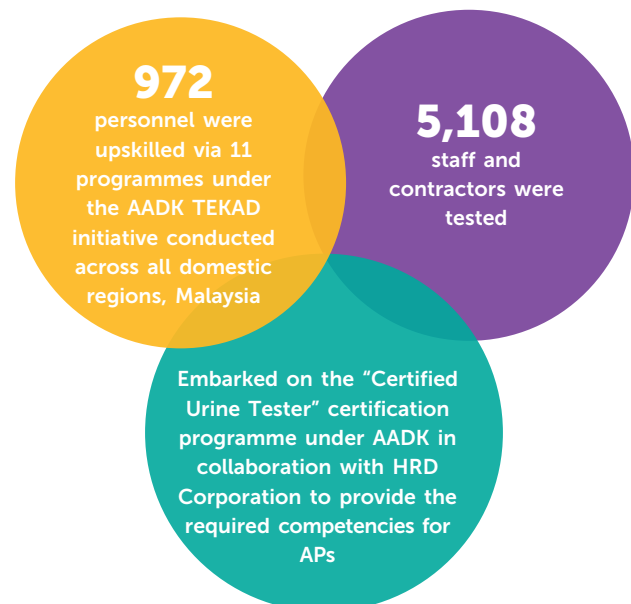
Additionally, we partnered with the industry players to drive collective action via the Sahabat Maritim programme to drive awareness on the dangers of vessel encroachment within the 500 metre safety radius surrounding our offshore operation. The programme ongoing since 2015, also educates local communities in Sabah and Labuan on wider security and safety implications.

**3 Preventing Substance Misuse**

Substance misuse can result in security issues, leading us to embark on *Tempat Kerja Bebas Dadah* (TEKAD), a programme under the *Agensi Antidadah Kebangsaan*, AADK, Malaysia.

TEKAD is a strategic partnership to promote a workplace free of substance misuse. It promoted discussions across multidisciplinary teams on illegal, prohibited substances and arising complexities if mismanaged.

The awareness programme involving staff and contractors also included a Training of Trainers (ToT) for our Auxiliary Police (APs) to undertake urine screening for drug detection. This was conducted as per the Police Act, P.U.A 461/1970 and relevant clauses/sections from Act 234 (Dangerous Drugs Act 1952) and Act 283 (Drug Dependents (Treatment and Rehabilitation) Act 1983).



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### 4 Strengthening Security with Technology

Our security personnel are our frontliners protecting our assets, information, employees and communities to ensure uninterrupted operations. Hence it is vital that we equip them with the latest security equipment and cutting-edge technology.

In 2022, we completed a pilot project in Pengerang, Johor, to maximise our AP's enforcement powers by expanding their focus into marine, investigation and air units. In addition to testing a drone surveillance and monitoring system at the PETRONAS Twin Towers and the East Coast Region, we introduced a facial recognition system at the PETRONAS Twin Towers to improve security at our headquarters. Concurrently, we engaged relevant authorities and agencies on proactive counter-drone measures – exploring the feasibility of drone jammers the need for streamlined standard operating procedures on drone management activities for the corporate sector in Malaysia.

We also enabled centralised monitoring with an Integrated Security Control Centre, equipped with an Emergency Communication Centre (ECC), Mobile Monitoring Control System (M2CS), and drone technology. PETRONAS was also among pioneering corporate organisations to deploy body-worn cameras at our headquarters in Kuala Lumpur, Malaysia, thereby safeguarding our premises.

- Obtained certification for **81** identified personnel (73 APs and eight executives) as drone operators, aligned with the Civil Aviation Authority of Malaysia (CAAM) regulations.

We also signed an agreement with University Teknologi PETRONAS (UTP) to collaborate on various security analytics technology initiatives. This partnership encourages participation between academic and industry practitioners to venture into research on data, cybersecurity and physical security analytics.

- **Three** joint-ventures are being pursued through UTP's Centre for Research in Data Sources (CeRDAS).

### 5 Establishing a Culture of Security

Engagement is critical in upholding a robust security culture, extending existing focus beyond our staff and domestic enforcement agencies to include international constituents. We also strengthened our relationship with local stakeholders to contribute to upholding national energy security.

- Achieved a **5-star** Certification of Key Point Facilities for PETRONAS Chemicals Fertiliser Kedah (PCFK), Gas Processing Santong (GPS) Dungun and Malaysia Refining Company Sdn Bhd (MRCSB) facilities; part of an initiative led by the Malaysia Office of the Chief Government Security Officer (CGSO) of the Prime Minister's Department.



Towards this end, we conducted several key efforts, some of which included:

**Pilot Regional Security Hub – Asia Pacific**

**Objectives**

Streamline security practices across international operations for better line of sight and instil security acumen aligned with local cultures.

**Outcomes**

- Bridged the governance and operational gap between Group Security and ground operations.
- Enhanced relationships with international security stakeholders.
- Provided timely security insights and support on managing ground security complexities.
- Mitigated potential hazards through timely security controls.

**PETRONAS International Security Symposium**

**Objectives**

Establish a common platform for the industry’s security practitioners to share, deliberate and network on the topic of physical security to advance security excellence.

**Outcomes**

- Over 867 virtual participants and 150 physical participants from 11 countries including Indonesia, India, Iraq, Sudan, Turkmenistan and the United Kingdom. The event held on 18 August 2022 in Kuala Lumpur, Malaysia also saw participation from PETRONAS’ Board members, ELT and representatives from various companies from the Energy sector.
- Pioneered a dedicated platform on security for the energy sector featuring a suite of Malaysian and international speakers, with discussions on topics such as security’s transition towards net zero to convergence of physical and digital security acumen.
- Received positive feedback from participants citing a previous absence of a formal platform bringing together the energy sector’s physical security practitioners.

**Security Awareness**

**Objectives**

To propagate security via discourse on timely topics of interest in effort to drive security uptake through better understanding and appreciation of security acumen across the operational and strategic fronts.

**Outcomes**

- 10 webinars, including some for a groupwide audience. Some of these sessions attracted between 200 to over 500 participants.
- Wide range of topics including security risks, security geopolitics and security behaviours. (e.g. Terrorism, country updates and revolutionising security through technology, Kidnap for Ransom, Cybersecurity, Fix the Leak, Information Sharing and Raya Festive Season travel safety advisory).
- Developed podcasts, with three episodes dedicated to Climate Change, Security and Human Rights. The insights reflected correlation between security and sustainability, enabling better appreciation on the role of security in realising long-term business growth. These podcasts also featured PETRONAS subject matter experts and their views on how security is a vital aspect of sustainability.

We established a Security Academy to enhance our security practitioners’ skills, knowledge, and capabilities, enabling them to deliver optimum value and provide equitable services as a business growth partner.

Additionally, identified personnel also attended sessions on Drone Certification, Train the Trainer, Basic Investigation Technique, Basic Forensic Technique and Basic Marine Survival among others. These sessions focused on striking a proper balance across the technical, strategic, and leadership spheres, emphasising the familiarisation of law and regulations.