

Engaging with Stakeholders

Partnering with Stakeholders in Delivering Our Purpose

At PETRONAS, we are committed to building meaningful collaborations to progress together with our stakeholders in achieving our business aspirations and realising our NZCE 2050 Pathway. We hold true to our ethos of building trusted relationships with our stakeholders, proactively engaging with a broad range of groups to promote our efforts as a global energy company whilst adding value to Malaysia’s energy resources and supporting economic value creation.

As expectations and scrutiny from stakeholders increase, proactive and frequent engagements are critical in ensuring balanced and timely responses to their concerns and interests. These collaborations are essential in shaping a positive perception of PETRONAS, particularly concerning our approach to sustainability. We monitor our engagement outcomes and measure our stakeholder sentiments periodically to ensure timely interventions. We can achieve our goals and contribute to a sustainable future by working collaboratively with our stakeholders.

FD Federal/Host Governments ●●●●○

Material Topics



Risks



Capitals



UNSDGs



Why Are They Important

Proactive engagements with governments and regulators enable transparent and trusting relationships which ensure seamless and continuous business operations, advance mutually beneficial commercial objectives and contribute to policy formulation that supports positive growth for the energy sector. This strengthens our role as a trusted partner in realising the government’s aspiration to drive the nation’s progress.

Key Concerns

- Nation-building agenda.
- Sustainable development.
- Compliance with laws and regulations.
- Human capital development.
- Social development.
- Health and safety.
- Ethical business practices.
- Environment and climate change.
- Employment opportunities.

Response

- Supported nation-building agenda as a thought partner and policy contributor to develop and strengthen Malaysia’s economic sectors via these initiatives;
 - (i) Collaboration with the Economic Planning Unit (EPU), to expand on collaboration relating to sustainability efforts.
 - (ii) Advisory in Chemical Industry Roadmap.
 - (iii) Support the capability development agenda in the National Oil and Gas Service and Equipment (OGSE) blueprint.
- Operated in compliance to industry safety standard, local and international laws and regulations.
- Supported nation-building initiatives and national-level crisis mitigation efforts such as contributions towards flood relief assistance.
- Engaged in partnerships for social development projects.
- Provided regular updates on issues affecting our operations and the economy.
- Active engagements and continuous collaborations with host authorities and embassies to build strong relationships.

Value Created for Stakeholders

- Supported nation-building through economic contribution, providing human capital development and employment opportunities.
- Contributed to help shape policies for the energy industry towards realising the government’s energy aspirations.

Engagement Platform

Engagement Platform	Frequency
• Face-to-face and virtual meetings	AR
• Regular reporting, briefings and meetings	M
• Periodical performance briefings	Q
• Collaboration and participation in government-led programmes	AR
• Conferences and exhibitions	Y
• National OGSE Steering Committee	T

Quality of Engagement

- No existing relationship
- Relationship established, but much work to be done to improve quality of relationship
- Relationship established, value-generating connection, but with some room for improvement
- Good-quality, mutually beneficial relationship, with some room for improvement
- Strong relationship of mutual benefit

Frequency of Engagement

- AR** As Required
- W** Weekly
- M** Monthly
- E** Every Two Months
- Q** Quarterly
- T** Twice Yearly
- Y** Yearly

ST State Governments ●●●●○

Material Topics



Risks



Capitals



UNSDGs



Why Are They Important

We continuously engage with state governments to broaden their understanding of our operations, given our presence in various key states in Malaysia. We conduct our operations in accordance with all regulatory requirements to ensure safe and reliable operations. With their continued trust and support, we created business opportunities for local industries, empowered local communities and contributed to the state's, and by extension, the country's economy.

Key Concerns

- State economic development.
- Skills and entrepreneurship development.
- Employment opportunities.
- Sustainable development.
- Health and safety.
- Environment and climate change.
- Social development.

Response

- Supported states' economic development via
 - (i) Transformation projects,
 - (ii) Communication with businesses, various state governments and agencies for business opportunities in the new energy sector,
 - (iii) Business arrangements and commercial collaborations,
 - (iv) Advisory in states initiatives and programmes.
- Maintained regular engagements with authorities to ensure close adherence to state laws and regulations.
- Steered Social Impact programmes to elevate socio-economic and community welfare.
- Closely collaborated with state governments via Annual Strategic Dialogues (ASD) and Joint Coordination Committees (JCC) to enhance state participation in the oil and gas industry.

Value Created for Stakeholders

- Spurred the state's economic development and elevate socioeconomy through human capital development and employment opportunities that is equitable for the locals while operating in a sustainable manner.
- Partnered with respective states to explore and provide new business opportunities.

Engagement Platform

Engagement Platform	Frequency
• Face-to-face engagements and virtual meetings	AR
• Annual Strategic Dialogues	Y
• Regular meetings, briefings and updates to various State Ministries	AR
• Participate in state governments' policy shaping initiatives and programmes	Q
• Joint Coordination Committee meetings	Q

Engaging with Stakeholders

C Customers

Material Topics



Risks



Capitals



UNSDGs



Why Are They Important

Customers provide us with valuable feedback to make our business better. We improve customer experience by listening and addressing their needs. We strive to develop innovative products, services and technological solutions to meet their ever-changing demands in a time of increased scrutiny for environmental considerations.

Key Concerns

- Customer experience.
- Health and safety.
- Operational efficiencies.
- Product quality and availability.
- Product pricing and credit terms.
- Ethical business practices.
- Sustainability matters.
- Environment and climate change.

Response

- Provided customers with high quality, innovative products and solutions in line with our approach to sustainability.
 - (i) Diversified petrochemical products for example specialty chemicals.
 - (ii) EV charging network in Malaysia and India.
- Listened to customer pain points and launched initiatives to provide variation and accessibility to customers.
 - (i) Introduced a one-stop e-commerce platform via the PETRONAS Shop, available on the Setel, Lazada and Shopee apps.
 - (ii) Launched Café Mesra, to grow the non-fuel business in the food and beverage (F&B) business.
 - (iii) Launched the first Mini Portable Container System, in collaboration with the Ministry of Domestic Trade and Consumer Affairs to help rural communities in East Malaysia gain access to fuel.

Value Created for Stakeholders

- Created positive customer experience through quality, convenience and innovative products, supported by timely product delivery and reliable after-sales support.

Engagement Platform

Engagement Platform	Frequency
• Face-to-face meetings with customers	AR
• Events, dialogues, roadshows and engagements	Y
• Social Media Platform (YouTube, Facebook, Instagram, Twitter)	W
• PETRONAS corporate website	Q
• Customer feedback system	Q
• Marketing activities and outreach programmes	Q
• Online customer surveys	Y
• Customer appreciation programmes	Q

IE Internal/Employees ○●●●○



Why Are They Important

Our people are our most valuable asset. Their safety, well-being, including their mental and physical health are our top priority.

Our employees are key in realising our growth journey. Their courage and resilience helped us achieve significant milestones in 2022, against a challenging business environment. Their competencies, knowledge, dedication and agility give PETRONAS the competitive edge to drive business goals.

Key Concerns

- Job security.
- Competitive remuneration and benefits.
- Flexible work arrangements.
- Opportunities for career progression.
- Learning and development and on-the-job learning opportunities.
- Strategic direction, business growth and performance.
- Safe, healthy and conducive working environment.
- Ethical and sustainable business practices.
- Diversity and inclusion.
- Positive behaviour and mindset.

Response

- Continued to upskill and reskill our people to maximise their potential.
- Provided regular updates via various internal digital platforms to keep employees informed, engaged and assured.
- Continued holistic wellness support programmes such as the Employee Assistance Programme (EAP), counselling and stress management sessions to safeguard employees’ mental health and overall well-being.
- Extended EAP to family members to strengthen our employees’ support system.
- Introduced the PETRONAS FlexiWork Arrangement to improve employee productivity and enable them to thrive in any working environment.
- Enhanced awareness on the importance of diversity, equity and inclusion which includes programmes that uplift women in leadership through the PETRONAS Leading Women Network (PLWN).
- Provided young talents with a safe space to contribute ideas, connect with peers and nurture their passion through the PETRONAS Young Professionals Club (YPC).
- Recruited talents from the local communities where we operate and ensured effective succession planning for diverse representation in leadership roles.
- Leveraged PETRONAS Organisation Culture Survey (POCS) and internal talent management system (myCareerX) to provide a safe environment for employees to speak up in fostering diversity, inclusion, creativity and innovation.
- Organised appreciation for long-serving employees and retirees by conducting the Long Service Awards (*Majlis Sekalung Budi*) event.
- Conducted nationwide showcase to engage with staff on HR transformation solutions.

Value Created for Stakeholders

- Provided growth opportunities and the right environment to harness our people’s passion to achieve their potential in shaping an innovative and agile workforce of the future.

Engagement Platform

Engagement Platform	Frequency
• Townhalls	Y
• Staff engagement sessions (in-person, virtual and hybrid)	M
• Internal digital communications	W
• Health, Safety and Environment campaigns	W
• Upskilling sessions (in-person, virtual and hybrid)	AR
• Annual health survey	Y
• Organisational culture survey	Y

Engaging with Stakeholders

SIC Shareholders/Investors/Credit Rating Agencies ●●●●○

Material Topics: EC, GHG, LCT, SM, CG, CCR
Risks: MR, FLR, HCR, GR, SR, TR, LR, ER
Capitals: FC, HC, IC, MC, SRC, NC
UNSDGs: 7, 8, 9, 12, 13

Why Are They Important

We nurture stakeholders' trust and confidence to ensure continued access to capital at competitive rates and/or terms.

We engage with stakeholders frequently, as their perspectives and insights enable early identification of opportunities, risks and emerging trends within the financial markets, which contribute towards achieving our strategic priorities in the long term.

Key Concerns

- Business and industry outlook.
- ESG and energy transition.
- Financial positions and shareholders' returns.

Response

- Provided timely and comprehensive reporting.
- Demonstrated robust fundamentals and delivered resilient financial performance.
- Increased disclosure in sustainability to elevate transparency, aligned with international frameworks and standards.

Value Created for Stakeholders

- Timely guidance on PETRONAS' performance, business strategies and industry outlook.
- Clarity on PETRONAS' sustainability journey, particularly on our progress towards NZCE 2050.

Engagement Platform

	Frequency
• Stakeholder engagements	Q
• Quarterly and annual financial results announcements	Q
• Analyst briefings	Q
• Announcements and disclosures via corporate website	Q
• Annual General Meetings	Y

M Media ●●●●○

Material Topics: CG, ABC, IT, LCT, CCR
Risks: SR
Capitals: FC, MC, SRC
UNSDGs: 9, 12, 13

Why Are They Important

We work with media practitioners to gain stakeholder insights and relay accurate information to safeguard our reputation and brand. We maintain professional relationships with the media to build trust and ensure mutual accessibility to information that can increase PETRONAS' share of voice and address the expectations of our targeted audience, the industry and general public.

Key Concerns

- Governance.
- Financial Performance.
- Products and Services.
- Leadership.
- Sustainability and NZCE 2050 Pathway.

Response

- Implemented robust media strategies and plans.
- Ensured timely communication and dissemination of information.
- Provided access and platforms for open and constructive engagement.
- Collaborated and supported meaningful media initiatives.

Value Created for Stakeholders

- Credible partners in communicating accurate and timely information.
- Advocate for transparency, ethical business conduct and practices, business performance, environmental, social and corporate governance, health and safety commitments, innovation and technology.

Engagement Platform

	Frequency
• Physical and virtual engagement sessions which include dialogues with senior management, press conferences, financial results announcements, media interviews (pitched and media buy) and outreach activities during festivities	Q
• Timely dissemination of information (press releases, statements, announcements, responding to media queries)	W
• Media sponsorships to support media causes and accolades	Y

IPG Government Linked-Companies (GLCs) and Industry Partners

Material Topics



Risks



Capitals



UNSDGs



Why Are They Important

Collaborations with other GLCs and industry partners lead to elevating industry standards. It nurtures a mutually-thriving sustainable energy industry through the exchange of insights and expertise. This strengthens our role as a responsible partner for the industry while venturing towards new areas of growth in realising a Just Transition, in support of our NZCE 2050 Pathway and meeting the needs of a low-carbon economy of the future.

Key Concerns

- Governance and integrity.
- Health, safety and environment.
- Industry requirements, regulations, policies and local participations.
- Readiness for energy transition (technology and capability).
- Business challenges and opportunities.

Response

- Enhanced knowledge exchange and avenues for business growth of the Oil and Gas Services and Equipment (OGSE) industry via participation in exhibitions, technical presentations and panel discussions for local and international companies to showcase their capabilities, network and explore business opportunities for example Malaysia Oil & Gas Services Exhibition and Conference (MOGSEC).
- Organised continuous vendor engagement programmes to address their concerns on licensing, procurement processes and more.
- Conducted proactive and regular stakeholder engagements to boost the capabilities of local companies through the Vendor Development Programme (VDP) and VDPx by expanding their footprint across industries to be more resilient and competitive via collaborations with industry partners.
- Regular dialogue sessions while engaging in strategic conversations to exchange feedback, insights and perspectives.
- Participated in GLC Open Day to give the public a closer look and experience with GLC and GLIC as well as global energy conferences, for example, CERAWeek and the World Economic Forum, to exchange new ideas, insights and solutions on energy security, climate change and energy transition.
- Collaborated with local and global partners to accelerate technology research, solutions adoption and talent development.

Value Created for Stakeholders

- Ensured industry growth by cooperating with partners through research, development and commercialisation of technology solutions suitable for the energy industry and beyond.
- Improved industry standards and regulation by working closely with regulators (government and non-government).
- Facilitated operational improvements in the energy industry by applying best practices such as adopting robotics and digitalisation and elevating technology capabilities through multilateral knowledge sharing.
- Encouraged economic growth in the Oil and Gas Services and Equipment (OGSE) industry through local industry and human capital development.
- Coordinated and aligned initiatives where synergies exist to optimise scope and develop fit-for-purpose efforts for the OGSE industry.
- Develop a robust, resilient and globally competitive OGSE sector that ultimately contributes to the sustainable development of industry partners.
- Accelerated collaboration with GLCs and industry partners to advance net zero carbon emissions initiatives and commercialisation of in-house technology.

Engagement Platform

Engagement Platform	Frequency
• Face-to-face and virtual meetings (formal and informal) e.g. courtesy calls	M
• Familiarisation visits with stakeholders	Q
• Official events (MoU signings, Launch etc)	Q
• Forums and Exhibitions	Q

Engaging with Stakeholders

CN Communities/Non-Governmental Organisations (NGOs)

Material Topics



Risks



Capitals



UNSDGs



Why Are They Important

We value the close working relationship we have established with our Non-Governmental Organisation (NGO) partners in enriching lives of the communities where we operate. This is in tandem with our aim to deliver sustainable positive impact and improve the quality of life and socio-economic outcomes for a shared sustainable future.

Key Concerns

- Governance and integrity.
- Health, safety and environment.
- Education.
- Social well-being.
- Ethical practices.
- Human rights.
- Regulatory compliance.

Response

- Implemented community, development, social economic programmes and education sponsorships.
- Collaborated with NGOs for the protection and preservation of wildlife, environmental and social causes.
- Installed solar and lighting systems for 156 *Orang Asli* homes across six villages and clean water solutions in Kampung Gakyah, Bera, Pahang.
- Collaborated with NGOs in providing flood relief assistance which included cash donation, distribution of care packages and flood relief equipments.
- Provided skills training to improve the B40 communities' living standards and income stream through the MEKAR (*Memampankan Ekonomi Asas Rakyat*) programme.
- Uplifted communities and worked with NGOs to create positive social impact, safeguard the environment and deliver continuous value creation.

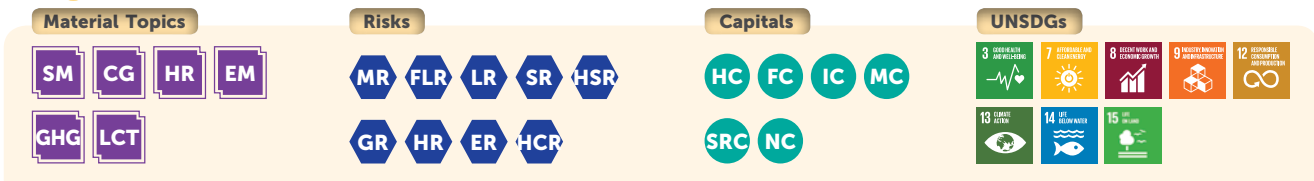
Value Created for Stakeholders

- Provided education sponsorship benefitting about 600 recipients from diverse ethnic and economic backgrounds.
- Provided enterprise-level assistance such as Flood Relief Assistance.
- Collaborated with Universiti Teknologi PETRONAS (UTP) on the Towards Uplifting Life Programme (TULiP) to elevate our Social Impact initiatives, focusing on entrepreneurship training, GIATMARA training for local youth and sustainability of the communities through socio-economic empowerment for Sabah-Sarawak Gas Pipeline (SSGP) in Lawas.
- Contributed home medical equipment to 965 beneficiaries nationwide through the Department of Social Welfare with an estimated value of RM2.2 million. Beneficiaries from 13 states and two federal territories (except Putrajaya) received 609 hospital beds, 44 oxygen concentrators and 312 wheelchairs.

Engagement Platform

Engagement Platform	Frequency
• Social Impact activations	Q
• Periodic briefings	Q
• Regular engagements with local communities	W
• Sentuhan Kasih programmes	M

IO International Organisations ●●●●○



Why Are They Important

We build long-term partnerships based on common goals and continue working closely with key organisations to elevate inclusive participation, discussion and actions for a just and responsible energy transition.

Key Themes

- Challenges and opportunities in the energy transition.
- Capacity and capability building.
- Sharing of global best practices, standards and frameworks.

Response

- Elevated ASEAN leadership in methane emissions management as a convener and co-host of the ASEAN Energy Sector Methane Roundtables. These roundtables raise awareness, build capability and promote ASEAN collaborations in methane emissions management in the region through advocacy, policy harmonisation, technology transfer and financial options.
- Built partnerships and promoted exchanges among key stakeholders, including government officials and international organisations, in advancing the climate actions in conjunction with the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) 27.
- Demonstrated visible leadership on nature and biodiversity by hosting a Business and Nature roundtable with International Organisations, the Ministry of Energy & Natural Resources and forestry departments in conjunction with Convention on Biological Diversity (CBD) COP 15 in Montreal, Canada. The roundtable promotes expediting nature actions across several issues such as nature, biodiversity, water and climate change.
- Demonstrated thought leadership by conducting sustainability-themed engagement sessions with the PETRONAS Board through the World Business Council on Sustainable Development (WBCSD) and the United Nations Environment Programme (UNEP), World Conservation Monitoring Centre (WCMC) etc.

Value Created for Stakeholders

- Fostered multi-stakeholder collaborations to build a fair and inclusive energy transition towards a lower carbon economy.
- Promoted cross-learning and knowledge transfer in energy transition via collective participation in capacity-building programmes.

Engagement Platform

Engagement Platform	Frequency
• Formal face-to-face engagements	M
• Virtual meetings	M
• Dialogues, panel and roundtable discussions	Q