

Group Financial Results and Position

Analysis of Financial Results

Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

In RM million	Financial Year ended 31 December	
	2022	2021 ³
Continuing operations		
Revenue	333,002	223,322
Cost of revenue	(178,502)	(137,831)
Gross profit	154,500	85,491
Selling and distribution expenses	(7,324)	(8,334)
Administration expenses	(13,888)	(10,558)
Net impairment (losses)/reversals ¹	(1,749)	4,711
Other expenses	(3,312)	(2,759)
Other income	7,723	4,338
Operating profit	135,950	72,889
Financing costs	(4,929)	(4,841)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	957	1,818
Profit before taxation	131,978	69,866
Tax expense	(34,173)	(20,211)
PROFIT FOR THE YEAR	97,805	49,655
Discontinued operations²		
Profit for the year from discontinued operations, net of tax	3,813	1,214
PROFIT FOR THE YEAR	101,618	50,869
Profit attributable to:		
Shareholders of the Company	92,313	44,061
Non-controlling interests	9,305	6,808
PROFIT FOR THE YEAR	101,618	50,869

Revenue

(RM million)



Including the discontinued operations, total revenue stood at RM375.3 billion, 51 per cent higher than FY2021.

In RM million	Financial Year ended 31 December	
	2022	2021 ³
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net changes in fair value of equity investments at fair value through other comprehensive income (OCI)	(429)	639
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net movements from exchange differences	8,430	3,533
Cash flow hedge	2,999	(174)
Others	185	170
Total other comprehensive income for the year, net of tax	11,185	4,168
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	112,803	55,037
Total comprehensive income attributable to:		
Shareholders of the Company	100,926	47,279
Non-controlling interests	11,877	7,758
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	112,803	55,037

Note 1: Excludes well costs and includes certain amount relating to write-back and write-off of other assets and loss on derecognition of financial assets measured at amortised cost.

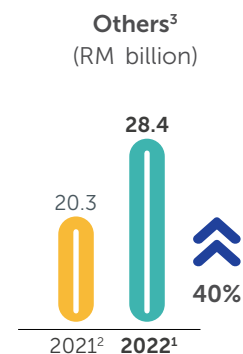
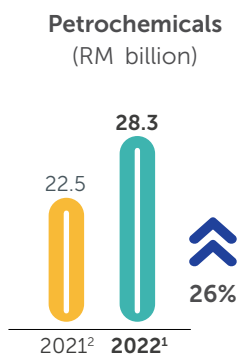
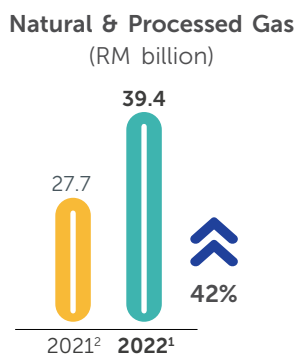
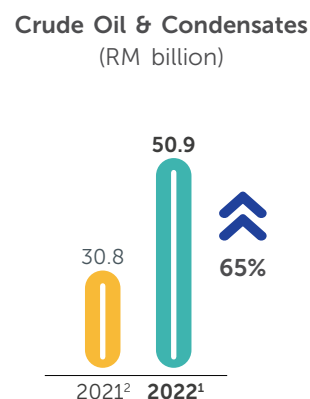
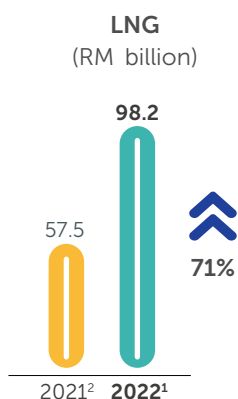
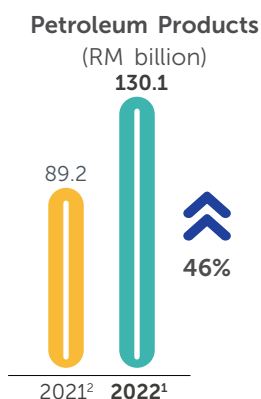
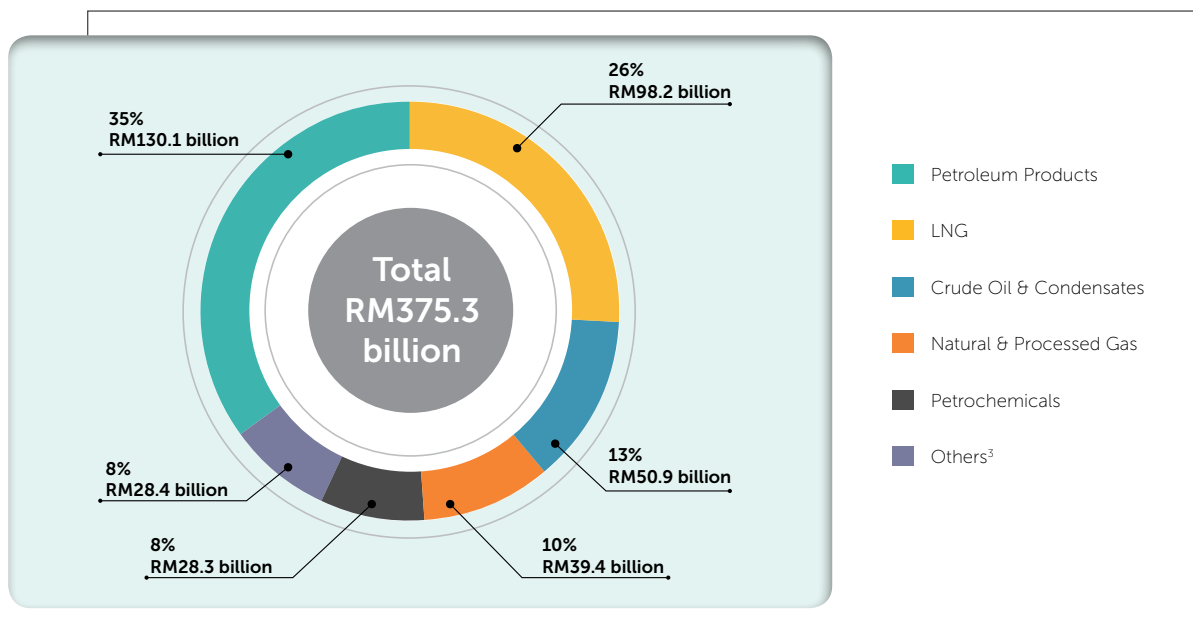
Note 2: Discontinued operations relate to intended disposal of Engen Group.

Note 3: Restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment- Proceeds before Intended Use).

Group Financial Results and Position

Revenue by Products

The Group's total revenue was RM375.3 billion, primarily contributed by petroleum products and LNG which accounted for 35 per cent and 26 per cent of revenue, respectively.



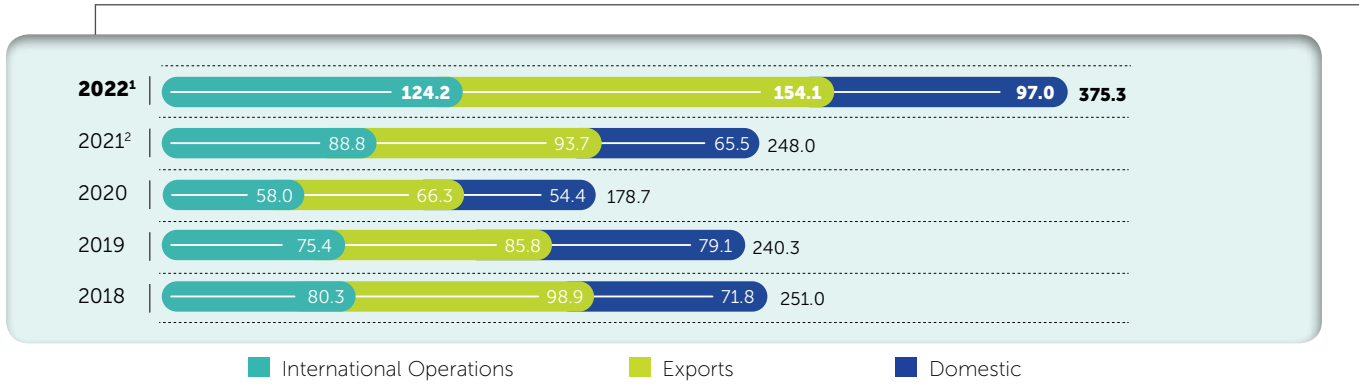
Note 1: All financial and operational results comprise continuing and discontinued operations. Discontinued operations relate to intended disposal of Engen Group.

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Note 3: Others comprise Property and Others; and Maritime and Logistics.

Revenue by Geographical Trade

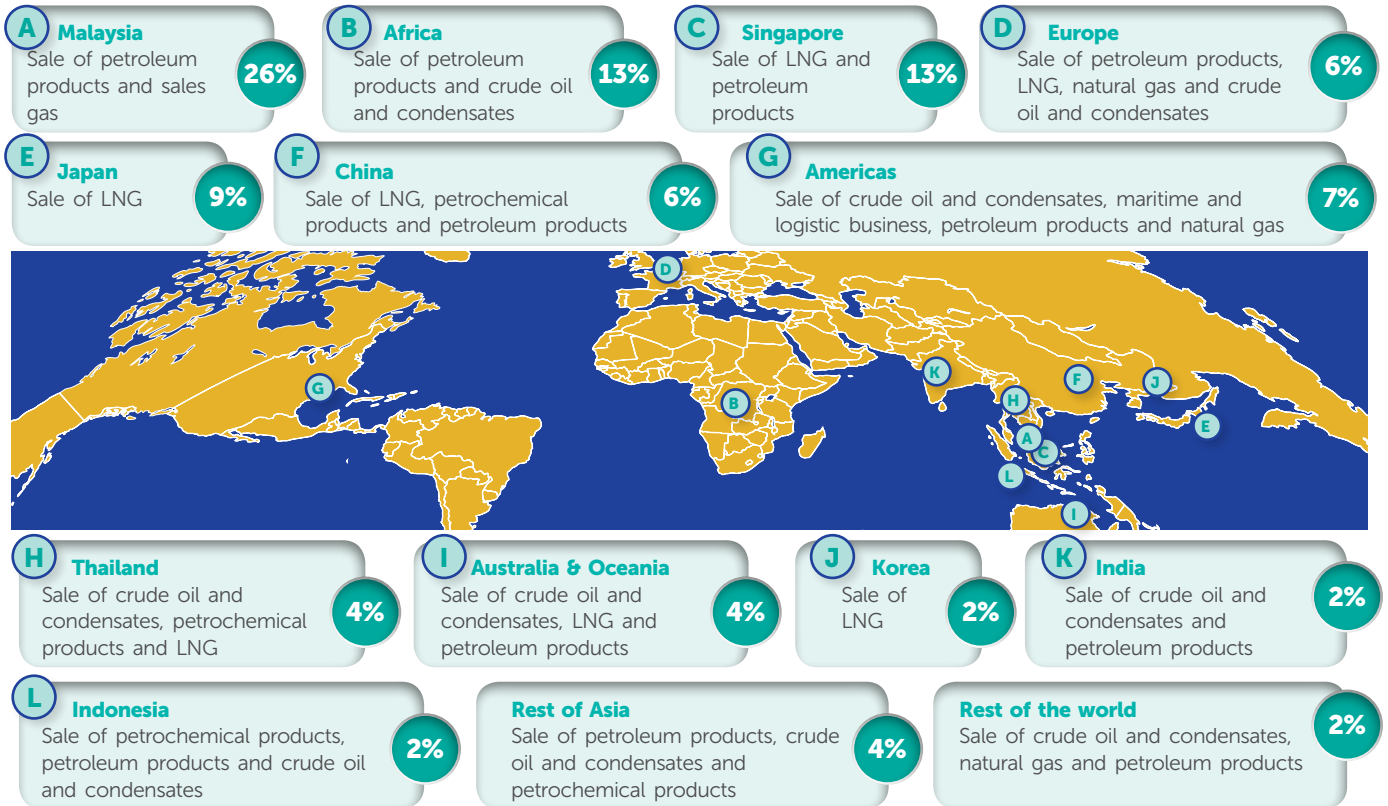
(RM billion)



- Export sales continued to be the highest contributor to the PETRONAS Group revenue which accounted for 41 per cent of the Group’s total revenue in FY2022.
- The higher export sales were contributed by higher sales volumes and upward trending of key benchmark prices for major products mainly LNG.
- Meanwhile, international operations revenue which contributed 33 per cent of the Group’s total revenue recorded an increase of 40 per cent as compared to the previous year, resulted from higher sales volume as well as upward trending of key benchmark prices mainly petroleum products.
- The higher domestic sales are mainly contributed by the higher key benchmark prices for major products namely petroleum products in line with the recovery in demand.

Revenue by Geographical Segments³

Revenue from outside Malaysia, which included export and international sales, accounted for 74 per cent of the Group’s revenue, demonstrating PETRONAS’ strong global presence.



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Note 3: The revenue by Geographical segments are populated according to the customer’s location.

Group Financial Results and Position

Group Cost

(RM billion)



Group cost stood at RM280.7 billion, an increase against last year by RM78.7 billion, mainly due to higher product cost, cash payments and states sales tax in line with higher prices. Despite the increase in the Group's total costs, PETRONAS recorded a lower Group Cost to Revenue ratio of 75 per cent in FY2022 compared to 81 per cent in the previous year, demonstrating our effective cost management efforts. Some of the examples of the cost control measures that we undertook during the year include fuel consumption management and vessel optimisation.

In RM billion	Financial Year ended 31 December		
	2022	2021 ²	Variance 2022 vs 2021
Strategically Actionable Costs	226.9	158.5	68.4
Product costs	123.0	81.9	41.1
Tax Expenses, Sales Tax & Duties and Cash Payments	56.2	33.6	22.6
Price-Sensitive Expense Items	47.7	43.0	4.7
Depreciation, Amortisation, Write-Off & Write-Down	34.2	34.6	(0.4)
Net Impairment on Assets	2.6	(2.2)	4.8
Others (Forex, Finance Cost, etc)	10.9	10.6	0.3
Operationally Actionable Costs	53.8	43.5	10.3
Production and transportation expense, purchase services, materials & supplies	24.9	20.5	4.4
Others (HR cost, rental, leases, utilities, G&A etc)	28.9	23.0	5.9
TOTAL GROUP COSTS	280.7	202.0	78.7
Group Cost to Revenue Ratio (%)	75	81	

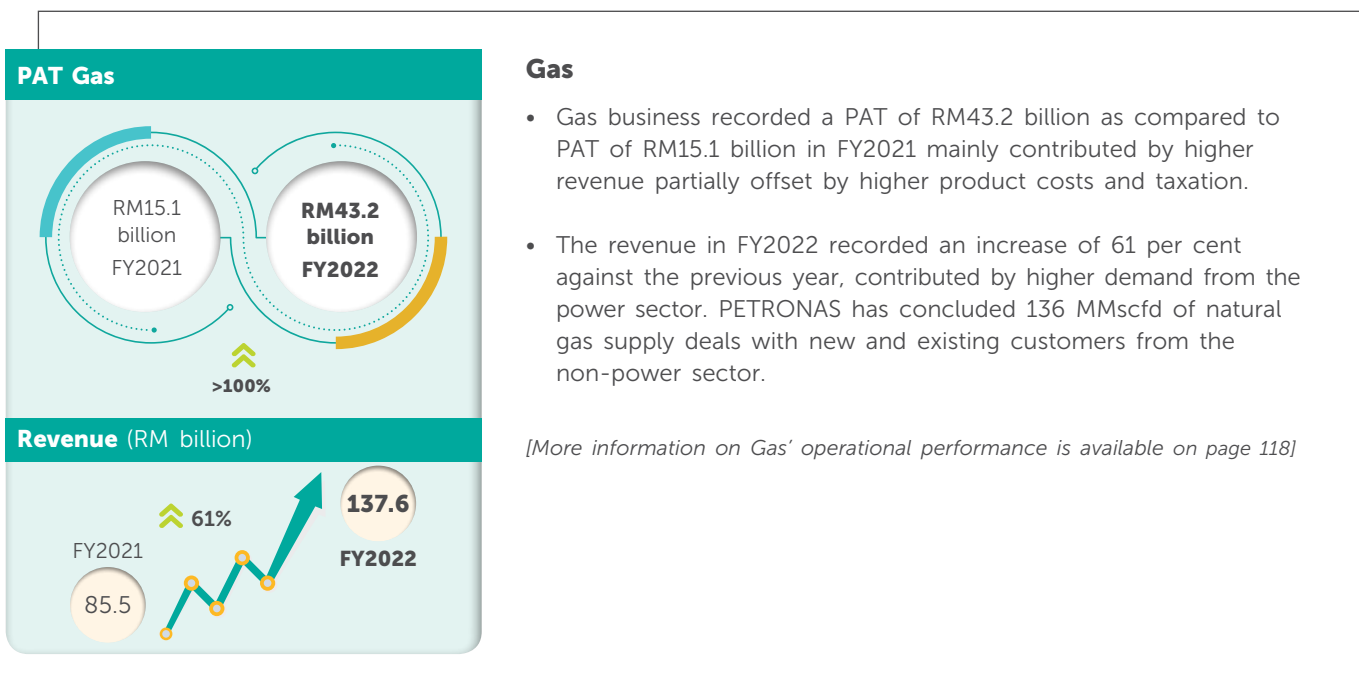
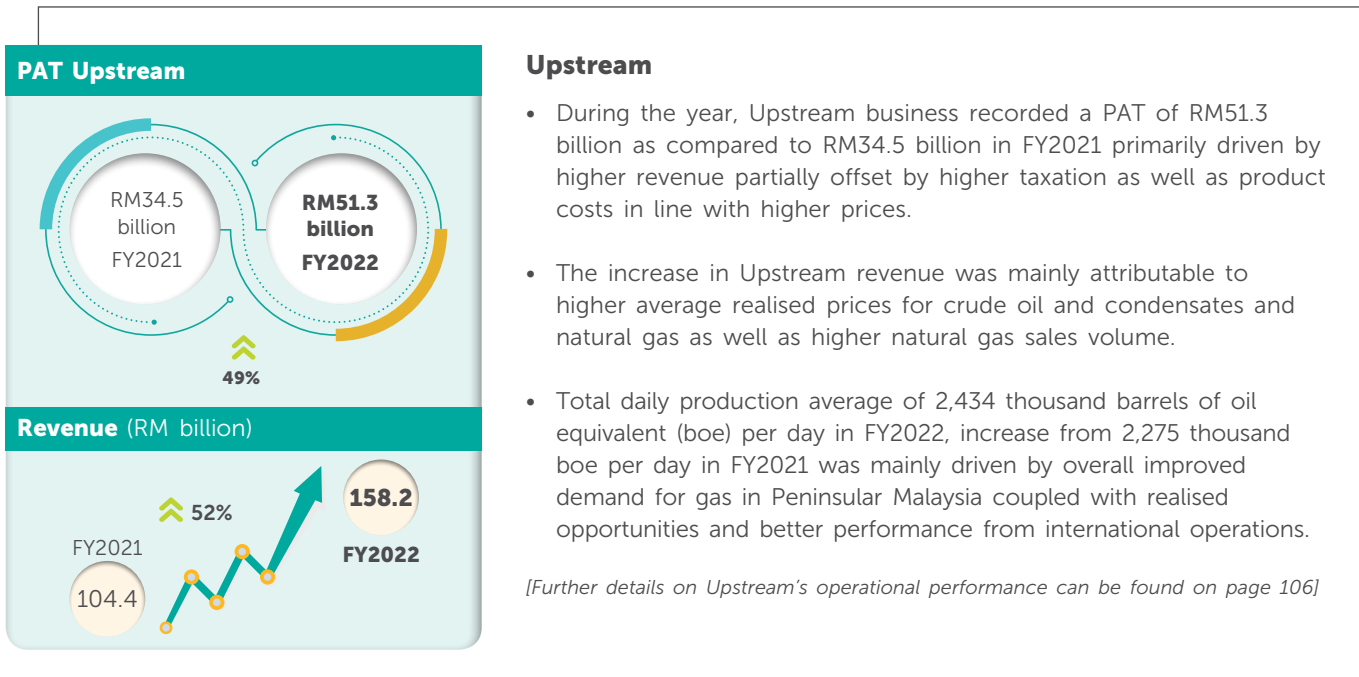
Note 1: Group cost above relates to costs charged to Income Statement only.

Note 2: Restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment-Proceeds before Intended Use).

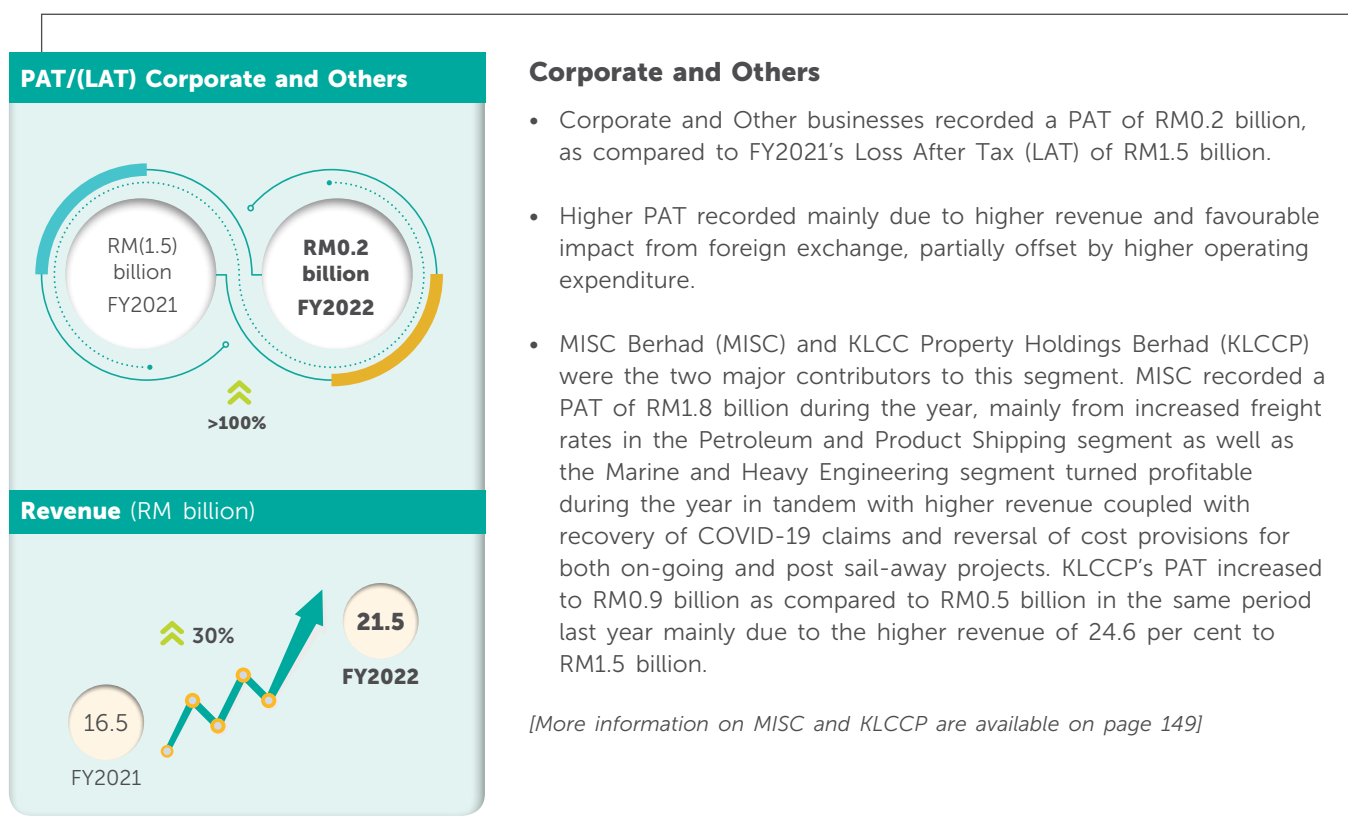
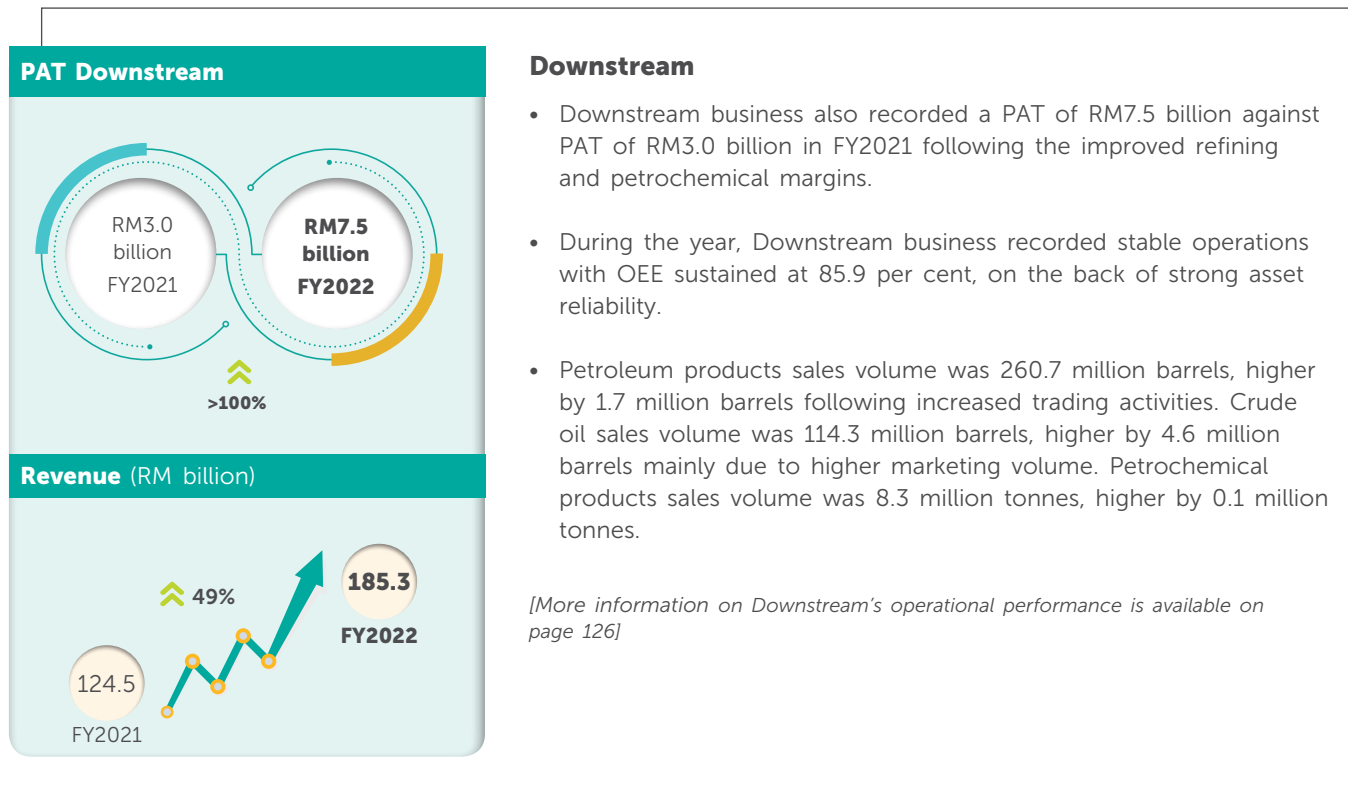
Segment Earnings

Businesses across the value chain took bold choices and displayed operational resilience to capture market uptrend, which resulted in a solid financial performance for the year 2022.

- The Group operated three core businesses in FY2022, namely Upstream, Gas and Downstream.
- Corporate and Others which complements our core businesses, comprising primarily the maritime and logistics segment; property segment and central treasury; project delivery and technology division as well as the renewables, hydrogen and green mobility businesses.



Group Financial Results and Position



Analysis of Financial Position

Consolidated Statement of Financial Positions

<i>In RM million</i>	As at 31.12.2022	As at 31.12.2021¹
ASSETS		
Property, plant and equipment	301,218	284,613
Investment properties and land held for development	12,658	13,167
Investments in associates and joint ventures	8,114	7,461
Intangible assets	26,260	19,394
Long-term receivables	41,127	33,751
Fund and other investments	1,425	1,444
Deferred tax assets	20,675	20,983
TOTAL NON-CURRENT ASSETS	411,477	380,813
Trade and other inventories	15,612	14,477
Trade and other receivables	53,998	48,324
Fund and other investments	10,945	11,990
Cash and cash equivalents	201,220	164,556
Assets classified as held for sale	281,775 17,318	239,347 14,791
TOTAL CURRENT ASSETS	299,093	254,138
TOTAL ASSETS	710,570	634,951
EQUITY		
Share capital	100	100
Reserves	401,509	350,703
Total equity attributable to shareholders of the Company	401,609	350,803
Non-controlling interests	58,822	53,484
TOTAL EQUITY	460,431	404,287
LIABILITIES		
Borrowings	96,345	86,619
Deferred tax liabilities	11,829	9,543
Other long-term liabilities and provisions	50,418	50,620
TOTAL NON-CURRENT LIABILITIES	158,592	146,782
Trade and other payables	63,677	51,825
Borrowings	7,812	21,212
Taxation	8,438	6,913
Liabilities classified as held for sale	79,927 11,620	79,950 3,932
TOTAL CURRENT LIABILITIES	91,547	83,882
TOTAL LIABILITIES	250,139	230,664
TOTAL EQUITY AND LIABILITIES	710,570	634,951

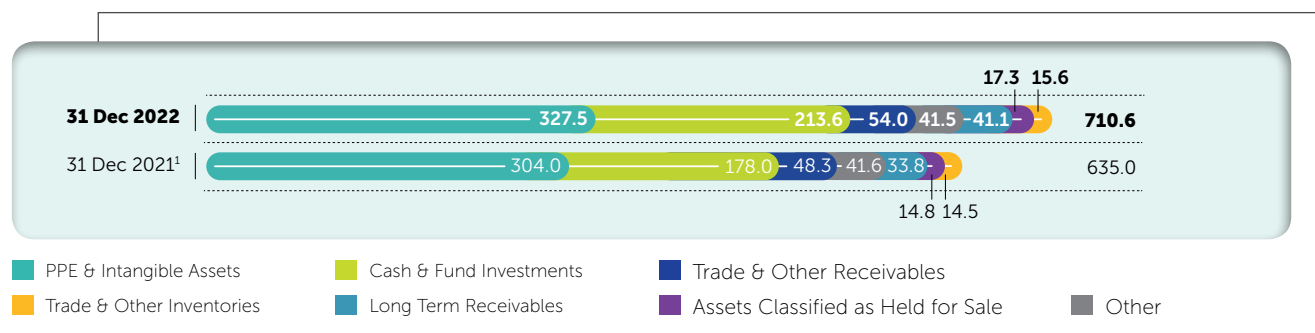
Note 1: Restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment-Proceeds before Intended Use).

Group Financial Results and Position

Total Assets

(RM billion)

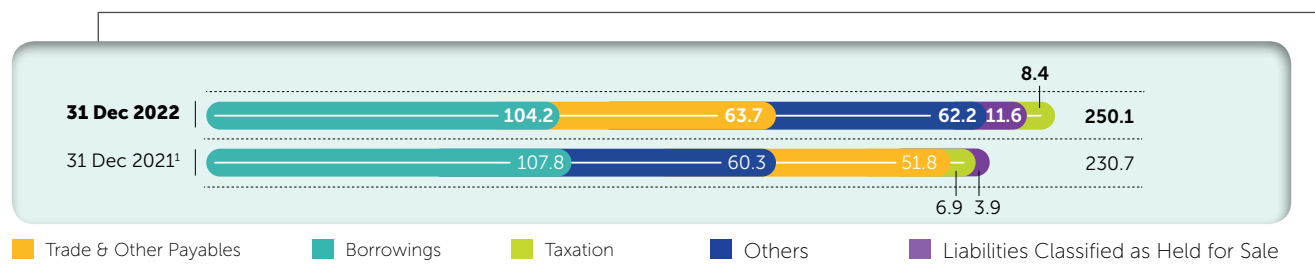
Total assets stood at RM710.6 billion as at 31 December 2022, an increase of 12 per cent against the previous year. This was mainly contributed by the higher cash position as well as higher property, plant and equipment (PPE) and intangible assets following new acquisitions during the year.



Total Liabilities

(RM billion)

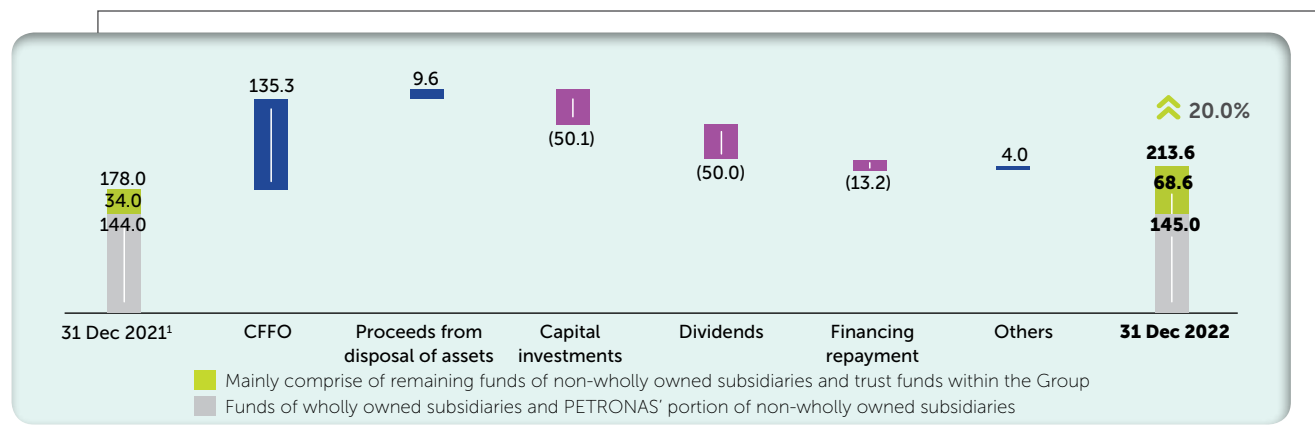
Total liabilities increased to RM250.1 billion as at 31 December 2022, or 8 per cent against the previous year primarily due to higher trade and other payables in line with higher prices offset with repayment of borrowings.



Movement in Cash and Fund Investments

(RM billion)

The Group's Cash and Fund Investment increased to RM213.6 billion, a 20 per cent increase against the previous year primarily contributed by higher Cash Flows from Operating Activities (CFFO) by RM135.3 billion. The robust CFFO generated supported the investment required for growth, dividend payments, servicing debt obligations and increased contributions to support economic and social development.



Note 1: Restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment-Proceeds before Intended Use).

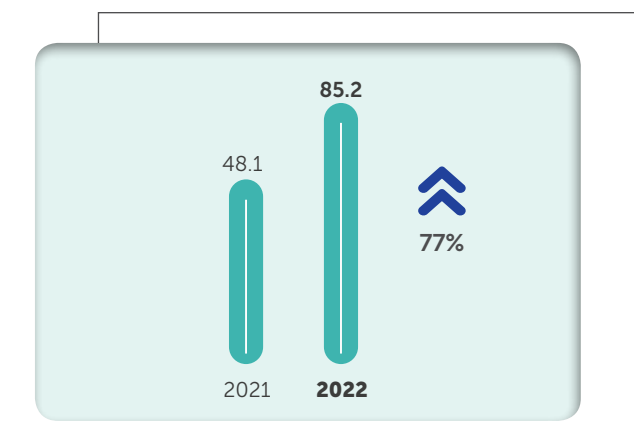
Analysis of Cash Flow

Consolidated Statement of Cash Flows

In RM million	Financial year ended 31 December	
	2022	2021 ¹
Cash flows from operating activities		
Profit before taxation	135,956	71,514
Adjustments for non-cash items	42,142	30,334
Net changes in working capital	(13,994)	(8,813)
Cash generated from operations	164,104	93,035
Interest expenses paid	(3,024)	(3,584)
Interest income received	5,677	2,998
Taxation paid, net of refund	(31,471)	(13,904)
Net cash generated from operating activities	135,286	78,545
Cash flows from investing activities	(39,431)	(29,452)
Cash flows from financing activities	(69,884)	(16,056)
Net decrease in cash and cash equivalents	25,971	33,037
Increase in cash and cash equivalents restricted	341	304
Net foreign exchange differences	10,514	2,076
Cash and cash equivalents at beginning of the year	163,558	128,141
Cash and cash equivalents at end of the year	200,384	163,558
Cash and cash equivalents		
Cash and bank balances and deposits	201,220	164,556
Bank overdrafts	–	(2)
Classified as held for sale	203	384
Less: Cash and cash equivalents restricted	(1,039)	(1,380)
	200,384	163,558

Free Cash Flow Analysis

(RM billion)



The Group generated free cash flow of RM85.2 billion during the year, increased by RM37.1 billion or 77 per cent as compared to RM48.1 billion in FY2021 mainly due to increased funds from operations in line with increase in profits.

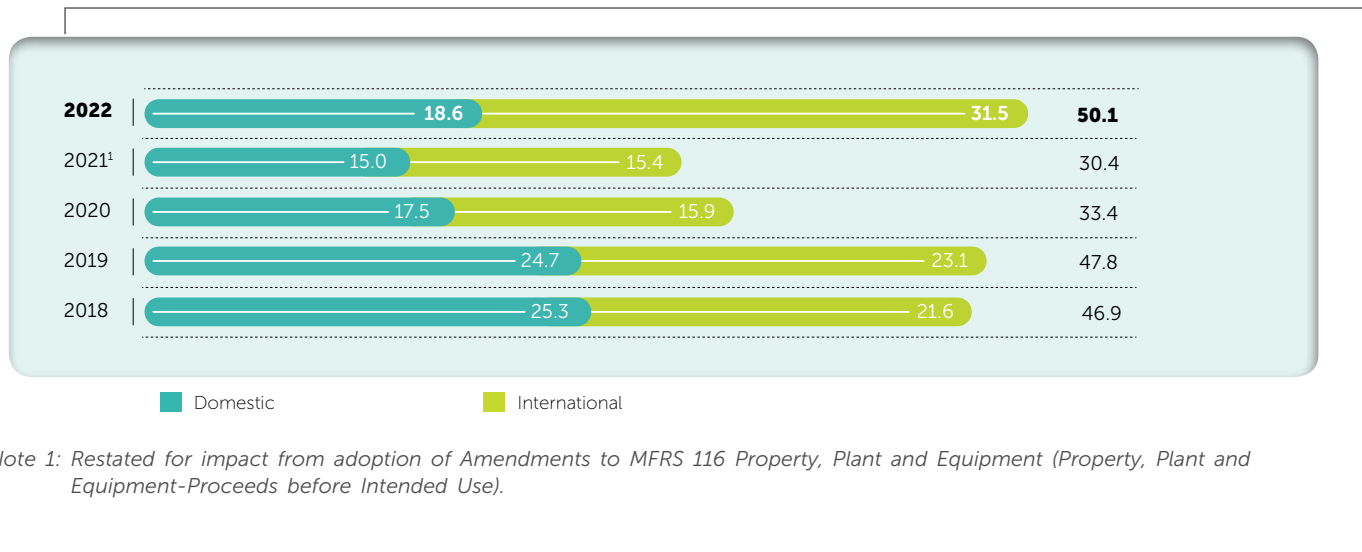
Note 1: Results were restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment-Proceeds before Intended Use).

Group Financial Results and Position

Capital Investments

(RM billion)

Total Capital Expenditure (CAPEX) spent during the year of RM50.1 billion is higher by RM19.7 billion compared with RM30.4 billion in FY2021.

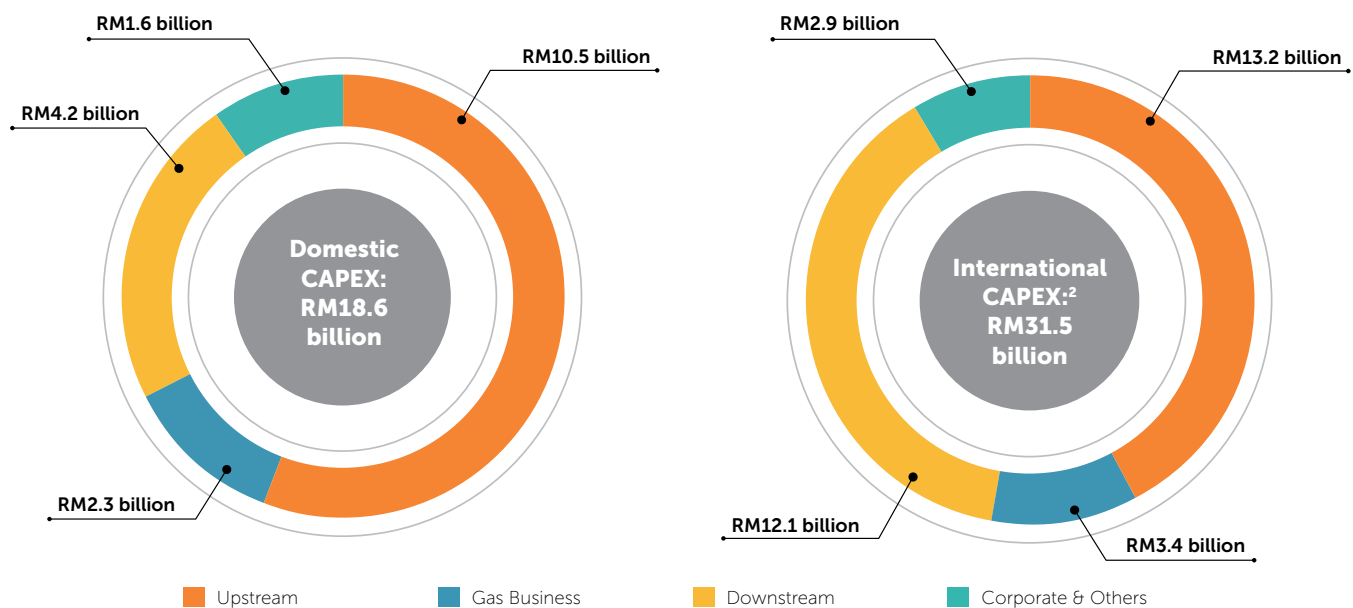


Capital Investments by Business and Geographical Segment

Domestic CAPEX increased by 24 per cent compared to FY2021, contributing to the growth of the Malaysian oil and gas industry.

Excluding international acquisitions made during the year, the CAPEX spent is divided almost equally between Malaysia and international projects.

Included in the Corporate and Others business segment is CAPEX incurred for Gentari.

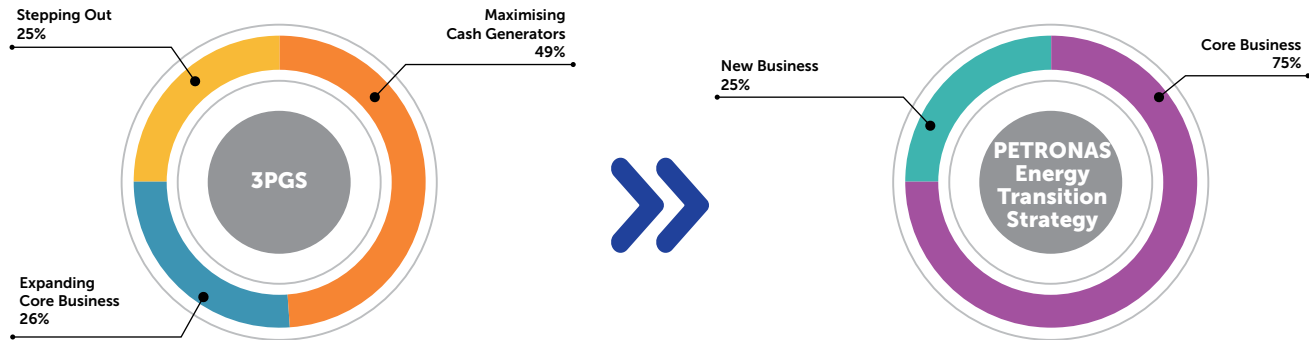


Note 2: Including international acquisition made during the year

CAPEX by Strategy

(RM billion)

As the momentum for the energy transition accelerates, the Three-Pronged Growth Strategy (3PGS) was further crystallised into the PETRONAS Energy Transition Strategy. PETRONAS remains steadfast in our the journey towards Energy Transition, achieving our NZCE 2050 aspiration and step-out opportunities beyond the Group’s current core business. 25 per cent of total CAPEX in FY2022 was spent on New Business.



Segment Capital Investments

- Amidst the continued volatility of the energy market and the call for energy transition, we remain steadfast in strengthening our portfolio through strict capital discipline, ensuring sufficient allocation for our cash generators, investments in growth, and transformation towards a low-carbon future. Overall CAPEX spent during the year was RM50.1 billion, higher compared with RM30.4 billion in FY2021.
- We continue to strengthen our core business and pursue CAPEX in the energy transition. RM12.5 billion or 25 per cent of total CAPEX was spent on New business. This includes the successful acquisition of Perstorp Holding AB, a leading sustainability-driven global specialty chemicals company based in Sweden. Decarbonisation projects such as Kasawari Carbon Capture and Sequestration were undertaken during the year.
- Moving forward, more allocation of CAPEX is projected in scaling up investment in the core business, lowering emissions as well as investing in clean energy to future-proof the Group’s portfolio.

Upstream

- CAPEX for Upstream business accounted for 47 per cent of the the Group’s total CAPEX with a total spending of RM23.7 billion, an increase of RM9.0 billion as compared to FY2021. Upstream’s CAPEX for FY2022 was predominantly spent on exploration, development and production activities aimed at sustaining and growing production in Malaysia and international operations.
- About RM10.5 billion or 44 per cent of Upstream total CAPEX was spent domestically to intensify efforts to enhance the recovery rate of existing fields as well as the development of new fields. Among the key projects in Malaysia are Kasawari Gas Field Development, Integrated Bekok Oil, and Bayan Gas Phase 2.

- Meanwhile, a total of RM13.2 billion was allocated towards international portfolio investments, key countries include Brazil, Canada, Iraq and Argentina. The highlights of the investments include the acquisition of 21 per cent participating interests in the Sepia field in Brazil, one of the world’s most prolific basins.

Gas

- Gas business accounted for 11 per cent of the Group’s total CAPEX and incurred a total spending of RM5.6 billion in FY2022.
- CAPEX for FY2022 were predominantly spent on international ventures particularly for LNG projects in Canada.
- Domestic spending during the year remains comparable to FY2021. Moving forward, the approved Final Investment Decision (FID) for the Sabah nearshore LNG facility will increase future domestic CAPEX, while monetising gas resources in an optimised and and more environmentally conscious manner.

Downstream

- Downstream business’ CAPEX of RM16.3 billion during the year, accounted for 33 per cent of the Group’s overall CAPEX allocation.
- The spending made during the year was mainly related to the acquisition of Perstorp as well as other operational and growth projects.

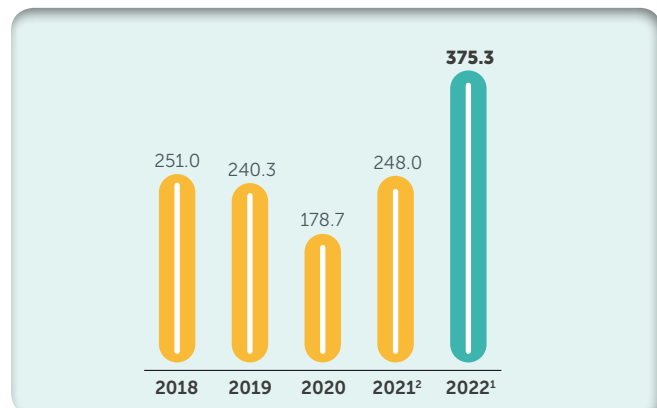
Corporate and Others

- CAPEX spent by businesses under Corporate and Others during the year of RM4.5 billion, was lower by RM0.3 billion as compared to FY2021 with MISC accounting for 78 per cent of the total spending.
- During the year, MISC’s significant investments were mainly from Dynamic Positioning Shuttle Tankers (DPST) and Very Large Crude Carriers (VLCC) amounting to RM1.2 billion.

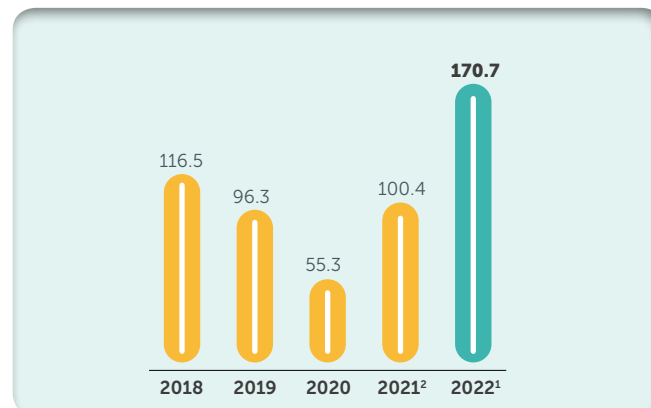
Group Financial Results and Position

Five-Year Key Financial Indicators

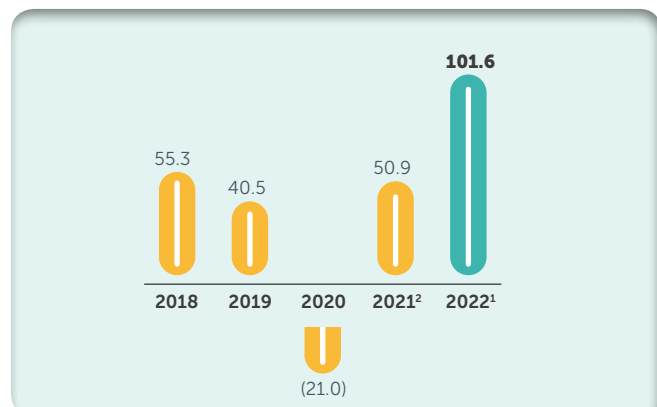
Revenue
(RM billion)



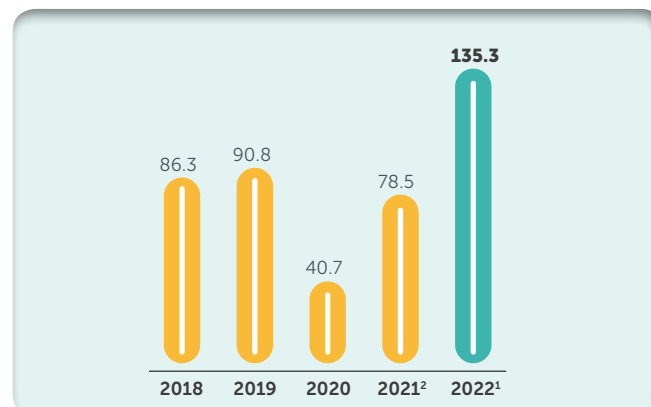
EBITDA
(RM billion)



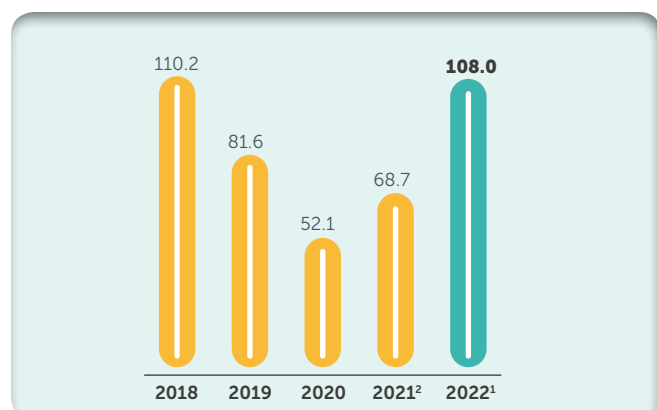
Profit/(Loss) After Tax
(RM billion)



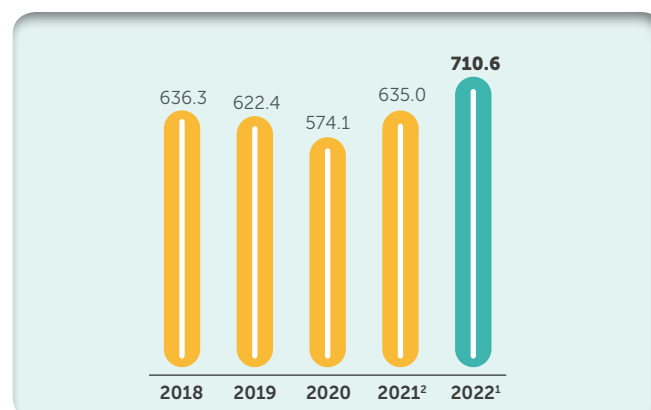
Cash Flows from Operations (CFO)
(RM billion)



Net Cash Position
(RM billion)



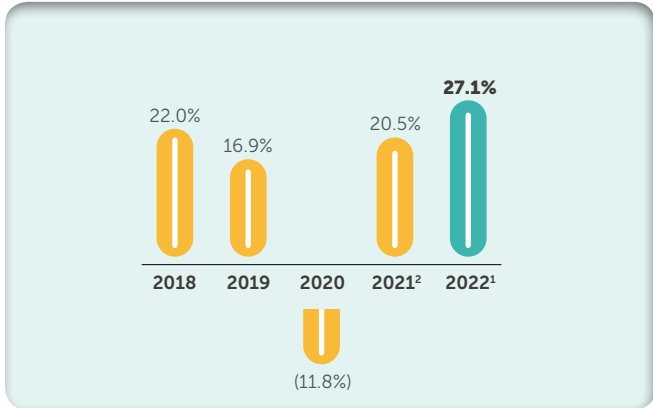
Total Assets
(RM billion)



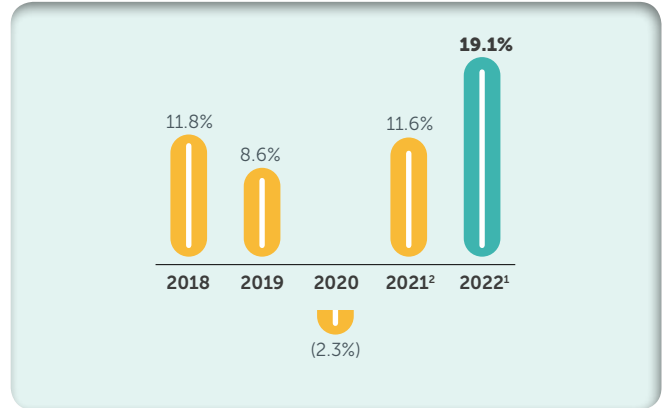
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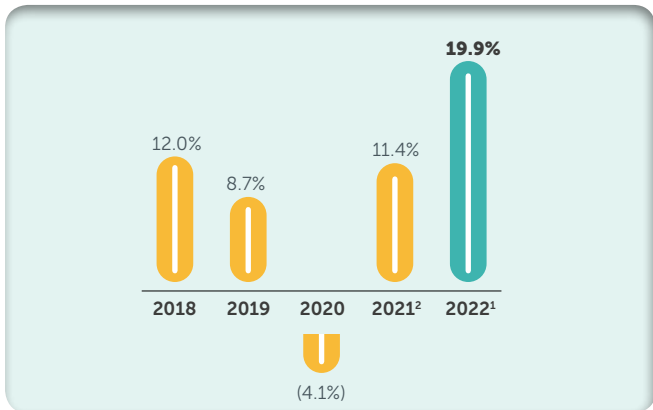
PAT Margin (%)



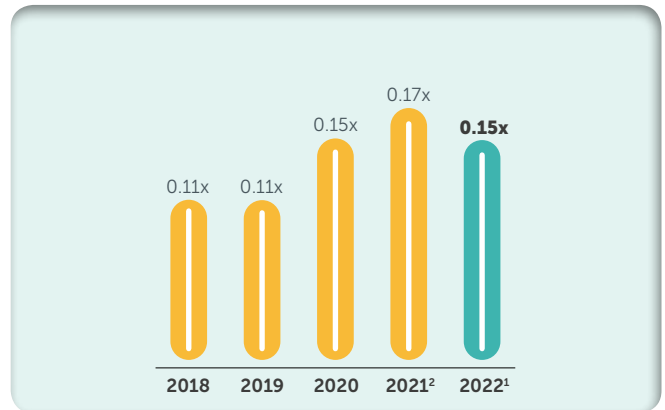
Return on Total Assets (ROTA) (%)



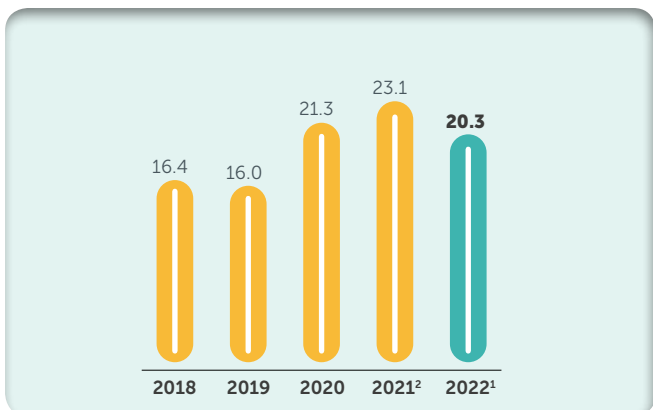
Return on Average Capital Employed (ROACE) (%)



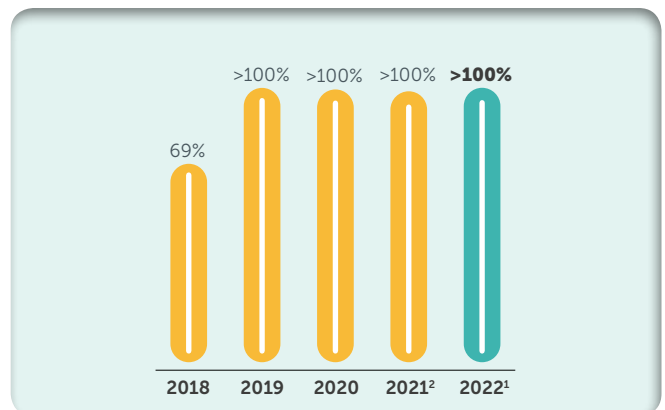
Debt/Assets Ratio (x)



Gearing Ratio³ (%)



Dividend Payout Ratio (%)



Note 3: Gearing ratio is calculated as adjusted total debt (total debt including financial guarantees) divided by adjusted total equity (total equity plus deferred tax liabilities and minus capitalised interest) and adjusted total debt. Gearing ratio for corresponding period has been restated to conform with this formula.

Appendix

Ipieca Sustainability Reporting Guidance for the Oil and Gas Industry

Ipieca Disclosures		Reference Page
Governance and Business Ethics		
Governance and management systems	GOV-1: Governance approach	Commitment to Governance, pages 259-287
	GOV-2: Management systems	Corporate Governance at PETRONAS, pages 287-292
Business ethics and transparency	GOV-3: Preventing corruption	Risks Linked to Creating Value, page 93 Corporate Governance at PETRONAS, page 290 & 293
	GOV-4: Transparency of payments to host governments	Letter from the Chairman, page 42 Letter from the Executive Vice President and Group Chief Financial Officer, page 56
Climate Change and Energy		
Climate strategy and risk	CCE-1: Climate governance and strategy	Sustainability Statement, pages 155-159 Safeguard the Environment, page 161
	CCE-2: Climate risk and opportunities	Safeguard the Environment, pages 161-165
Technology	CCE-3: Lower-carbon technology	PETRONAS Energy Transition Strategy, pages 104-105 Project Delivery and Technology, page 139 Gentari, pages 145-148
Emissions	CCE-4: Greenhouse gas (GHG) emissions	Safeguard the Environment, pages 167-168 & 171-173
	CCE-5: Methane emissions	Safeguard the Environment, pages 168-170
Energy use	CCE-6: Energy use	Positive Social Impact, page 227 Five-Year Sustainability Key Performance Data, page 252
Flaring	CCE-7: Flared gas	Five-Year Sustainability Key Performance Data, page 249
Environment		
Water	ENV-1: Freshwater	Other Businesses, page 154 Safeguard the Environment, page 181 Five-Year Sustainability Key Performance Data, page 252
	ENV-2: Discharges to water	Safeguard the Environment, page 181 Five-Year Sustainability Key Performance Data, page 252
Biodiversity	ENV-3: biodiversity policy and strategy	Safeguard the Environment, pages 184-186
	ENV-4: Protected and priority areas for biodiversity conservation	Safeguard the Environment, pages 186-187

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Environment (cont'd.)		
Air emissions	ENV-5: Emissions to air	Safeguard the Environment, page 181, Five-Year Sustainability Key Performance Data, page 249 & 252
Spills	ENV-6: Spills to the environment	Safeguard the Environment, page 181 Five-Year Sustainability Key Performance Data, page 252
Materials management	ENV-7: Materials management	Other Businesses, page 154 Safeguard the Environment, page 181 Positive Social Impact, page 215 Five-Year Sustainability Key Performance Data, page 252
	ENV-8: Decommissioning	Safeguard the Environment, pages 181- 182
Decommissioning	ENV-1: Freshwater	Safeguard the Environment, pages 181- 182
Safety, health and security		
Workforce protection	SHS-1: Safety, health and security engagement	Positive Social Impact, pages 202-203 & 233
	SHS-2: Workforce health	Risks Linked to Creating Value, page 95 Positive Social Impact, pages 192-195 & 198-199
	SHS-3: Occupational injury and illness incidents	Positive Social Impact, page 197 Five-Year Sustainability Key Performance Data, page 253
Product health, safety and environmental risk	SHS-5: Product stewardship	Positive Social Impact, pages 213-215
Process safety	SHS-6: Process safety	Positive Social Impact, page 197
Security	SHS-7: Security risk management	Positive Social Impact, pages 200-203
Social		
Human rights management	SOC-1: Human rights due diligence	Material Topics, page 84 Positive Social Impact, page 190 & 205-209 Five-Year Sustainability Key Performance Data, page 258
	SOC-2: Suppliers and human rights	Letter from the Vice President and Chief Sustainability Officer, page 61 Positive Social Impact, page 204 & 206-208
	SOC-3: Security and human rights	Positive Social Impact, pages 203-204 & 206-209

Appendix

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Social (cont'd.)		
Labour practices	SOC-4: Site-based labour practices and worker accommodation	Positive Social Impact, pages 205-209
	SOC-5: Workforce diversity and inclusion	Positive Social Impact, pages 216-217 Five-Year Sustainability Key Performance Data, page 256
	SOC-6: Workforce engagement	Engaging with Stakeholders, page 73 Positive Social Impact, pages 218 & 229
	SOC-7: Workforce training and development	Positive Social Impact, pages 222-247 Five-Year Sustainability Key Performance Data, pages 257-258
	SOC-8: Workforce non-retaliation and grievance mechanisms	Sustainability Highlights, page 14 Other Businesses, page 152 Positive Social Impact, page 190, 204-205 & 209
Community engagement	SOC-9: Local community impacts and engagement	Engaging with Stakeholders, pages 70-72 & 75-76 Positive Social Impact, page 233, 242 & 246
	SOC-10: Indigenous peoples	Upstream, page 109 Positive Social Impact, pages 204-205, 239 & 244
	SOC-11: Land acquisition and involuntary resettlement	Positive Social Impact, pages 204-205
	SOC-12: Community grievance mechanisms	Positive Social Impact, page 209
	SOC-13: Social investment	Other Businesses, page 152 Positive Social Impact, page 234
Local content	SOC-14: Local procurement and supplier development	Engaging with Stakeholders, page 75 Other Businesses, page 152 Positive Social Impact, pages 210-215
	SOC-15: Local hiring practices	Positive Social Impact, pages 216-217 Five-Year Sustainability Key Performance Data, pages 254-256

Global Reporting Initiative (GRI) Standards

PETRONAS has reported the information cited in this GRI content index for the period covering the full calendar year from 1 January to 31 December 2022 with reference to the GRI Standards.

GRI Disclosure	Reference Page
GRI 2: General Disclosures	2-1 Organisational details About This Report, pages 8-9 PETRONAS an Overview, pages 10-11
	2-2 Entities included in the organisation's sustainability reporting About This Report, page 8
	2-3 Reporting period, frequency and contact point About This Report, page 8
	2-4 Restatements of information Five-Year Sustainability Key Performance Data, pages 248-253
	2-5 External assurance About This Report, page 9
	2-6 Activities, value chain and other business relationships PETRONAS an Overview, pages 22-25
	2-7 Employees Five-Year Sustainability Key Performance Data, pages 254-256
	2-8 Workers who are not employees Five-Year Sustainability Key Performance Data, page 256
	2-9 Governance structure and composition Sustainability Statement, pages 155-157, Board Composition, page 259 Corporate Governance at PETRONAS, pages 276-277
	2-10 Nomination and selection of the highest governance body Corporate Governance at PETRONAS, page 286
	2-11 Chair of the highest governance body Profile of Board of Directors, page 260
	2-12 Role of the highest governance body in overseeing the management of impacts Sustainability Statement, pages 155-157 Corporate Governance at PETRONAS, page 284
	2-13 Delegation of responsibility for managing impacts Sustainability Statement, pages 155-157
	2-14 Role of the highest governance body in sustainability reporting About This Report, page 9
	2-15 Conflicts of interest Corporate Governance at PETRONAS, page 282
	2-17 Collective knowledge of the highest governance body Corporate Governance at PETRONAS, pages 283-284
	2-19 Remuneration policies Corporate Governance at PETRONAS, page 284
	2-20 Process to determine remuneration Corporate Governance at PETRONAS, page 276 & 286
	2-22 Statement on sustainable development strategy Letter from the Chairman & Letter from the President and Group Chief Executive Officer, pages 40-53

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GRI Disclosure		Reference Page
GRI 2: General Disclosures (cont'd.)	2-23 Policy commitments	Positive Social Impact, pages 204-207 & 210, Corporate Governance at PETRONAS, page 287 & 293
	2-24 Embedding policy commitments	Positive Social Impact, pages 204-207 & 210,
	2-25 Processes to remediate negative impacts	Positive Social Impact, page 209
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance at PETRONAS, page 293
	2-28 Membership associations	Sustainability Statement, page 159
	2-29 Approach to stakeholder engagement	Engaging with Stakeholders, pages 70-77
	2-30 Collective bargaining agreements	Positive Social Impact, page 205 & 207
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics, page 80
	3-2 List of material topics	Material Topics, pages 81-85
	3-3 Management of material topics	Material Topics, pages 81-85
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Letter from the Executive Vice President and Group Chief Financial Officer, page 56 Positive Social Impact, pages 234-247 Group Financial Results and Position, pages 294-299 Financial Report, page 109 & 111
	201-2 Financial implications and other risks and opportunities due to climate change	Safeguard the Environment, pages 163-165
	201-3 Defined benefit plan obligations and other retirement plans	Financial Report, page 42 & 109
	201-4 Financial assistance received from government	Financial Report, page 113
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Positive Social Impact, page 216
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Positive Social Impact, pages 233-247
	203-2 Significant indirect economic impacts	Engaging with Stakeholders, pages 70-77 Positive Social Impact, pages 233-247
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance at PETRONAS, pages 290-293
	205-3 Confirmed incidents of corruption and actions taken	Other Businesses, page 154

GRI Disclosure		Reference Page
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Statement, page 154 Safeguard the Environment, page 181 Positive Social Impact, page 215 Five-Year Sustainability Performance Key Data, page 252
	301-2 Recycled input materials used	Safeguard the Environment, pages 174-175
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Positive Social Impact, page 227 Five-Year Sustainability Performance Key Data, page 252
	302-2 Energy consumption outside of the organisation	Safeguard the Environment, pages 174-175
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Positive Social Impact, page 245 & 247
	303-2 Management of water discharge-related impacts	Safeguard the Environment, page 181
	303-3 Water withdrawal	Sustainability Statement, page 154 Safeguard the Environment, page 181 Five-Year Sustainability Performance Key Data, page 252
	303-4 Water discharge	Safeguard the Environment, page 181 Five-Year Sustainability Performance Key Data, page 252
	303-5 Water consumption	Sustainability Statement, page 154 Safeguard the Environment, page 181 Five-Year Sustainability Performance Key Data, page 252
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Safeguard the Environment, page 187
	304-2 Significant impacts of activities, products and services on biodiversity	Safeguard the Environment, page 184-186
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Safeguard the Environment, page 187
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Safeguard the Environment, page 167 Five-Year Sustainability Performance Key Data, page 249
	305-2 Energy indirect (Scope 2) GHG emissions	Five-Year Sustainability Performance Key Data, page 249
	305-3 Other indirect (Scope 3) GHG emissions	Five-Year Sustainability Performance Key Data, page 251

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GRI Disclosure		Reference Page
GRI 305: Emissions 2016 (cont'd.)	305-4 GHG emissions intensity	Five-Year Sustainability Performance Key Data, page 249
	305-5 Reduction of GHG emissions	Safeguard the Environment, page 170-172 Five-Year Sustainability Performance Key Data, page 250
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Five-Year Sustainability Performance Key Data, page 249
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Safeguard the Environment, page 175
	306-3 Waste generated	Safeguard the Environment, pages 174-175
	306-4 Waste diverted from disposal	Safeguard the Environment, pages 176-179
	306-5 Waste directed to disposal	Five-Year Sustainability Performance Key Data, page 252
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Positive Social Impact, page 211
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Five-Year Sustainability Performance Key Data, pages 256-257
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Five-Year Sustainability Performance Key Data, page 256
	401-3 Parental leave	Five-Year Sustainability Performance Key Data, page 256
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Positive Social Impact, page 189
	403-2 Hazard identification, risk assessment, and incident investigation	Positive Social Impact, page 196
	403-3 Occupational health services	Positive Social Impact, pages 192-193 & 195-196
	403-4 Worker participation, consultation, and communication on occupational health and safety	Positive Social Impact, page 233
	403-5 Worker training on occupational health and safety	Positive Social Impact, pages 198-199
	403-6 Promotion of worker health	Positive Social Impact, pages 192-193
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risks Linked to Creating Value, page 95

GRI Disclosure		Reference Page
GRI 403: Occupational Health and Safety 2018 (cont'd.)	403-9 Work-related injuries	Performance by Capitals, page 69 Five-Year Sustainability Performance Key Data, page 253
	403-10 Work-related ill health	Performance by Capitals, page 69 Five-Year Sustainability Performance Key Data, page 253
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Five-Year Sustainability Performance Key Data, page 257
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Positive Social Impact, pages 222-226
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Five-Year Sustainability Performance Key Data, page 256 & 259-275
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Positive Social Impact, page 205
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child Labour	Positive Social Impact, pages 205-206
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory Labour	Positive Social Impact, page 206
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Positive Social Impact, page 203 Five-Year Sustainability Performance Key Data, page 258
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Positive Social Impact, page 205
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Positive Social Impact, page 233
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Positive Social Impact, pages 205-207
	414-2 Negative social impacts in the supply chain and actions taken	Positive Social Impact, page 209
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Positive Social Impact, pages 210-212
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Five-Year Sustainability Performance Key Data, page 253
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Positive Social Impact, page 213

Appendix

World Economic Forum's (WEF) Stakeholder Capitalism Metrics

WEF Disclosures		Reference Page
Governance: Core metrics and disclosures		
Governing purpose	Setting purpose	About This Report, page 3 Letter from the Chairman, pages 43-45 Our Integrated Approach to Value Creation, pages 63-65
Quality of governing body	Governance body composition	Sustainability Statement, pages 155-158 Profile of Board of Directors, pages 260-275 Corporate Governance at PETRONAS, pages 282-284
Stakeholder engagement	Material issues impacting stakeholders	Engaging with Stakeholders, pages 70-77 Material Topics, pages 80-85
Ethical behaviour	Anti-corruption	Corporate Governance at PETRONAS, page 293
	Protected ethics advice and reporting mechanisms	Corporate Governance at PETRONAS, page 293
Risk and opportunity oversight	Integrating risk and opportunity into business process	Risks Linked to Creating Value, pages 87-89
Planet: Core metrics and disclosures		
Climate Change	Greenhouse gas (GHG) emissions	Safeguard the Environment, pages 161-173
	TCFD implementation	Sustainability Statement, pages 155-158 Safeguard the Environment, pages 161-166
Nature loss	Land use and ecological sensitivity	Safeguard the Environment, pages 184-187
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Sustainability Statement, page 154 Safeguard the Environment, page 181 Five-Year Sustainability Key Performance Data, page 252
People: Core metrics and disclosures		
Dignity and equality	Diversity and inclusion (%)	Positive Social Impact, pages 217-218 Five-Year Sustainability Key Performance Data, page 256
	Risk for incidents of child, forced or compulsory labour	Positive Social Impact, pages 204-209
Health and wellbeing	Health and safety (%)	Positive Social Impact, pages 189-199
Skills for the future	Training provided (#, \$)	Performance by Capitals, page 69 Positive Social Impact, pages 222-247

WEF Disclosures	Reference Page	
Prosperity: Core metrics and disclosures		
Employment and wealth generation	Absolute number and rate of employment	Five-Year Sustainability Key Performance Data, pages 254-257
	Economic contribution	<ol style="list-style-type: none"> 1. Revenue: Group Financial Results and Position, pages 294-299 2. Operating cost: Group Financial Results and Position, page 294 3. Employee wages and benefits: Financial Report Note 26 (page 109) 4. Payment to providers of capital: <ol style="list-style-type: none"> I. Dividend: Letter from the Executive Vice President and Group Chief Financial Officer, page 56 II. Financing costs: Financial Report Note 27 (page 111) 5. Payments to government: Letter from the Executive Vice President and Group Chief Financial Officer, page 56 6. Community investment: Positive Social Impact, pages 234-247 7. Financial assistance (tax incentive): Financial Report Note 28 (page 113)
	Financial investment contribution	<ol style="list-style-type: none"> 1. Total capital expenditures (Capex) minus depreciation, supported by narrative to describe the company's investment strategy: Group Financial Results and Position, pages 304-305 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders: Letter from the Executive Vice President and Group Chief Financial Officer, page 56 3. Dividend paid to non-controlling interest: Financial Report Note 31 (page 116)
Innovation of better products and services	Total R&D expenses (\$)	Performance by Capitals, page 68 Project Delivery and Technology, page 140
Community and social vitality	Total tax paid	Financial Report: Consolidated Statement of Cash Flows (page 13)

Appendix

Task Force on Climate-Related Financial Disclosures (TCFD)

Theme	Recommended Disclosure	Reference Page
Governance	Describe the board's oversight of climate-related risks and opportunities.	Sustainability Statement, page 157
	Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Statement, page 158
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Safeguard the Environment, pages 161-162
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Safeguard the Environment, page 164
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Safeguard the Environment, page 165
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks.	Safeguard the Environment, page 163
	Describe the organisation's processes for managing climate-related risks.	Safeguard the Environment, page 163
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Safeguard the Environment, page 163
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Safeguard the Environment, page 166
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Safeguard the Environment, page 166, Five-Year Sustainability Key Performance Data, pages 248-251
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Safeguard the Environment, page 166, Five-Year Sustainability Key Performance Data, pages 248-251

Glossary of Terms

Abbreviation	Full Term/Definition
2C	Contingent Resources
2P	Petroleum Reserves
3R	Reduce, reuse, recycle
AC	Audit Committee
AI	Artificial Intelligence
ALAM	Akademi Laut Malaysia
ASEAN	Association of Southeast Asian Nations
B40	Bottom 40 per cent of income earners
bbl	Barrel
bboe	Billion barrel of oil equivalent
BCM	Business Continuity Management
BCP	Business Continuity Plan
BES	Biodiversity and Ecosystem Services
Bio-MEG	Bio-Monoethylene Glycols
Board	Board of Directors
boe	Barrel of oil equivalent
CAPEX	Capital Expenditure
CCS	Carbon capture and storage
CFFO	Cash Flows from Operations
CI	Continuous Improvement
CM	Crisis Management
CO ₂	Carbon dioxide
CoBE	Code of Conduct and Business Ethics
CoCHR	Contractors Code of Conduct on Human Rights
CoE	Centre of Excellence
COVID-19	2019 novel coronavirus (or 2019-nCoV)
D&I	Diversity and Inclusion
DOSH	Department of Occupational Safety and Health
EAP	Employee Assistance Programme
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ELT	Executive Leadership Team
EPCC	Engineering Procurement, Construction and Commissioning
ERA	Ergonomics Risk Assessment
ERM	Enterprise Risk Management
ESG	Environmental, social and governance
EV	Electric Vehicle
FAR	Fatal Accident Rate
FID	Final Investment Decision

Abbreviation	Full Term/Definition
FY	Financial Year
GCEO	Group Chief Executive Officer
GEES	Graduate Employment Enhancement Scheme
GHG	Greenhouse gas
GLC	Government Linked Companies
GM	Grievance Mechanism
GRI	Global Reporting Initiative
GW	Gigawatt
HRA	Health Risk Assessment
HR	Human Rights
HRM	Human Resource Management
HSE	Health, Safety and Environment
HSSE	Health, Safety, Security and Environment
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
INED	Independent Non-Executive Director
INSTEP	Institut Teknologi Petroleum PETRONAS
IoT	Internet of Things
IPTC	International Petroleum Technology Conference
IR	Integrated Reporting
ISO	International Organisation for Standardisation
kboe	Kilo barrels of oil equivalent
kg	Kilogramme
KTC	Kimanis Training Centre
LAT	Loss After Tax
LCA	Life Cycle Assessment
LCF	Legal Compliance Framework
LNG	Liquefied Natural Gas
LOPC	Loss of Primary Containment
LTIF	Lost Time Injury Frequency
MARA	Majlis Amanah Rakyat
MBR	Malaysia Bid Round
MEKAR	Memampankan Ekonomi Asas Rakyat
MFRS	Malaysian Financial Reporting Standards
mmBtu	Million British thermal units
MMscfd	Million standard cubic feet per day

Glossary of Terms

Abbreviation	Full Term/Definition
MMT	Million metric tonnes
MOH	Ministry of Health
MPM	Malaysia Petroleum Management
MTPA	Metric tonnes per annum
MRSM	MARA Junior Science Colleges
MW	Megawatt
NCIA	Northern Corridor Implementation Authority
NED	Non-Executive Director
NGO	Non-Governmental Organisation
NINED	Non-Independent Non-Executive Director
NRC	Nomination and Remuneration Committee
NTF	National Trust Fund
NZCE 2050	Net Zero Carbon Emissions by 2050
OEE	Overall Equipment Effectiveness
OGSE	Oil & Gas, Services and Equipment
OPEC+	Organisation of the Petroleum Exporting Countries Plus
OPEX	Operating Expenditure
OTOBOS	On Time, On Budget, On Scope
PAC	Petroleum Arrangement Contractor
PAT	Profit After Tax
PCG	PETRONAS Chemicals Group Berhad
PD&T	Project Delivery and Technology
PDB	PETRONAS Dagangan Berhad
PESP	PETRONAS Education Sponsorship Programme
PETRONAS Group	Petroleum Nasional Berhad (PETRONAS) and its subsidiaries
PGB	PETRONAS Gas Berhad
PIC	Pengerang Integrated Complex
PLC	PETRONAS Leadership Centre
PLI	PETRONAS Lubricants International
PPRT	Pandemic Preparedness and Response Team
PRPC	PETRONAS Refinery and Petrochemicals Corporation Sdn Bhd
PSC	Production Sharing Contract

Abbreviation	Full Term/Definition
PTG	PETRONAS Technical Guideline
PV	Photovoltaic
R&D	Research and Development
RC	Risk Committee
RM	Ringgit Malaysia
RMC	Risk Management Committee
SAF	Sustainable aviation fuel
SDG	Sustainable Development Goal
SEED.Lab	Social Enterprise Education Lab
SRA	Social Risk Assessment
STEM	Science, Technology, Engineering and Mathematics
TCFD	Task Force on Climate-related Financial Disclosures
tCO ₂ e	Tonnes (t) of carbon dioxide (CO ₂) equivalent
The Board	Petroleum Nasional Berhad (PETRONAS) Board of Directors
The Group	Petroleum Nasional Berhad (PETRONAS) and its subsidiaries
tpa	Tonnes per annum
TRCF	Total Reportable Case Frequency
TROIF	Total Recordable Occupational Illness Frequency
UN	United Nations
UNEP	United Nations Environment Programme
UNGPs	United Nations Guiding Principles on Business and Human Rights
UPC	Unit Production Cost
UTP	Universiti Teknologi PETRONAS
VDP	Vendor Development Programme
VFP	Vendor Financing Programme
VISTA	Vocational Institution Sponsorship and Training Assistance
VLCC	Very large crude carrier
VPS	Virtual Pipeline System
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum
YPC	Young Professionals Club