

Our Integrated Approach to Value Creation

Understanding Our Environment

Evaluate Our Operating Landscape

See page **78**

Our ability to create value is closely linked to the global macroeconomic landscape and its impact on the energy industry. To stay ahead, we closely analyse the factors that influence the macroenvironment in relation to our business and operations. This helps us to identify potential trends and opportunities, enabling us to adapt our strategies and make informed decisions that optimise our value creation capabilities.

Strengthen Stakeholder Relationships

See page **70**

As we expand our portfolio to include cleaner energy solutions, we understand the importance of managing the evolving needs of our stakeholders. We proactively engage in meaningful dialogues, collaborations and engagements on various platforms. This strengthens our position as a trustworthy and credible partner.



Monitor Risks And Opportunities

See page **86**

With a fully integrated value chain covering upstream, gas, downstream and clean energy, we are exposed to risks and opportunities associated to the energy transition. To ensure the resilience and robustness of our energy portfolio, we continually monitor all risks and effectively mitigate them through our risk management processes. We also view each risk as an opportunity to enhance our operations and to drive our business forward.



Identifying and Prioritising Our Material Topics

Our ability to create value for stakeholders is influenced by a range of environmental, social and governance (ESG) factors. To ensure we address the issues that matter to our stakeholders, we identified material topics that are closely related or could impact them. This helps us to develop and execute the right strategies to ensure that we continue to deliver value in a sustainable and responsible manner.



See page **80**

Embedding Ethical Environmental, Social And Governance (ESG) Practices

ESG is the golden thread that binds all elements of our value creation process together. It informs our strategic decisions and daily operations – ensuring that we make choices that are aligned with our values and strategic objectives to enable long-term value creation, while ensuring transparency and accountability for our actions.

Integrating Our Strategy To Allocate Resources Into Our Business Model

Formulate Business Strategy

See page 102 

The PETRONAS Energy Transition Strategy anchors on our Statement of Purpose, competitive advantage and commitment to sustainability. We will prioritise reducing emissions as we grow our Core Business and New Business. Equal attention will be given to each priority in our strategy, taking into consideration the availability of resources, opportunities and technological advancements:





Core Business
*More Energy,
Less Emissions*



New Business
*Capturing New
Growth
Opportunities*



**Net Zero
Carbon
Emissions**
Pathway to Zero

Allocate Our Key Capitals

See page 68 

We utilise various financial and non-financial resources, known as the six capitals, to execute our strategy and achieve growth. These capitals include:

FC
Financial Capital
The pool of funds obtained through financing or generated by our business.

MC
Manufactured Capital
The physical assets and infrastructure required to ensure our business operates.

IC
Intellectual Capital
The intellectual capabilities and intangibles associated with our brand, technical expertise and experience.

HC
Human Capital
The skills and knowledge inherent in our workforce to drive business operations.

SRC
Social and Relationship Capital
The network of relationships between our business and stakeholders.

NC
Natural Capital
The natural resources such as water, fuel and materials used across our operations.

Value Creation Model

Our Capitals...



...Enable Value-Adding Activities That Create

Inputs

Guided By

Financial Capital

- FC** • RM710.6 billion in total asset value

Manufactured Capital

- MC** • Property, Plant and Equipment: **RM301.2 billion**

Intellectual Capital

- IC** • **RM589 million** invested in technology
- **195 R&D laboratories**

Human Capital

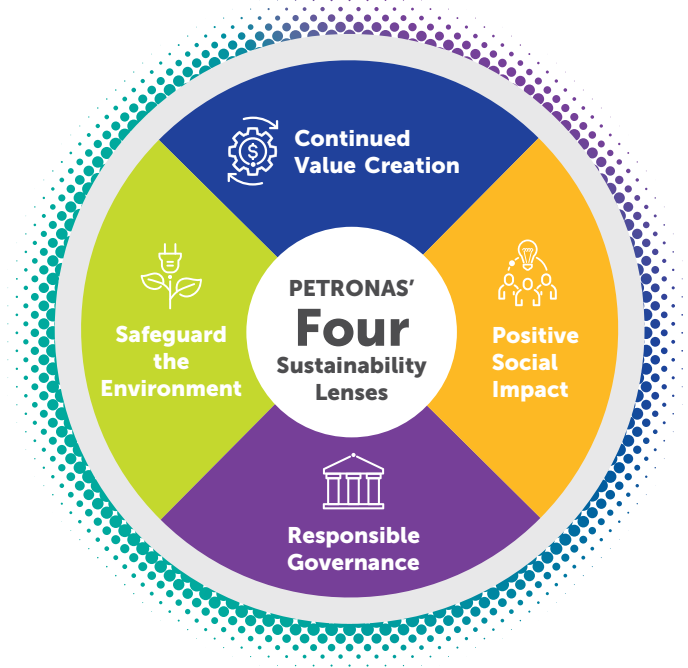
- HC** • A diversified workforce of **49,771 employees** across the globe
- **RM264 million** invested in training and development

Social and Relationship Capital

- SRC** • Close to **RM900 million** invested in Social Impact activations covering education, community well-being and development and environment

Natural Capital

- NC** • **25 per cent CAPEX** spent on New Business
- **9.25 Bboe 2P Reserve**



Market Landscape

- Geopolitics
- Economy
- Energy Transition
- Oil
- LNG
- Chemicals
- Upstream
- Post COVID-19 Pandemic Recovery

[Read more on page 78](#)

Material Topics

Safeguard the Environment

- GHG Emissions
- Climate Change Risks
- Environmental Management
- Nature and Biodiversity

Responsible Governance

- Corporate Governance
- Anti-Bribery and Corruption

Positive Social Impact

- Safety Management
- Human Rights
- Employee Attraction, Retention and Development
- Health and Well-being

Continued Value Creation

- Lower Carbon and Energy Transition Business
- Economic Contribution
- Sustainable Supply Chain
- Innovation and Technology
- Circular Economy

[Read more on page 80](#)

PETRONAS Energy Transition Strategy

- **Core Business** – More Energy, Less Emissions
- **New Business** – Capturing New Growth Opportunities
- **Net Zero Carbon Emissions** – Pathway to Zero

SUPPORTED BY A ROBUST GOVERNANCE FRAMEWORK: Highest standard of governance and effective board leadership

...Value For Our Stakeholders

Business Activities

Business Snapshot



Upstream

Cost efficiency



Gas

Overall Equipment Effectiveness



Downstream

Overall Equipment Effectiveness



Project Delivery and Technology

OTOBOS and technology solutions



Gentari

Deliver cleaner energy solutions



Other Businesses

- Maritime and Logistics - Sustainable maritime transportation solutions
- Property - Financial sustainability

Key Risks

- Market Risk
- Financial Liquidity Risk
- Legal and Regulatory Risk
- Sustainability Risk
- Health, Safety, Security and Environmental Risk
- Geopolitical Risk
- Hydrocarbon Reserves and Resources Risk
- Technology Risk
- Execution Risk
- Human Capital Risk

Read more on page 86

Outputs and Outcomes

Financial

FC

- **70%** growth in Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)
- **RM50 billion** dividend to shareholder

Manufactured

MC

- **34.2 MMT** of overall LNG sales
- **10.0 million** metric tonnes of petrochemicals production volume
- **260.7 million** barrels of petroleum product sales volume

Intellectual

IC

- **14** new products and softwares launched
- **3** proprietary chemical formulations
- **31** patents secured
- **13** projects were executed according to on time, on budget, on scope (OTOBOS), while 11 were completed ahead of schedule

Human

HC

- **48,007** employees completed training and development programmes
- **1,384** technical professionals developed

Social and Relationship

SRC

- More than **1.5 million** beneficiaries worldwide from PETRONAS' Social Impact activations

Natural

NC

- **2,434 kboe/d** crude oil, condensates and natural gas production
- **0.6 Million tCO₂e** GHG emissions reduction
- **62,790 tonnes** nitrogen oxides
- **60,116 tonnes** sulphur oxides
- **20%** reduction in flaring and venting emissions in our Malaysia operated assets including four fields achieving zero routine venting of hydrocarbon
- **73,643 tonnes** waste recycled and recovered
- **487 tonnes** hydrocarbon discharges to water
- **2 hydrocarbon spills** into the environment over one barrel

Stakeholder

- FD
- SG
- C
- IE
- SIC
- IPG
- CN
- IO

- FD
- SG
- C
- IE
- SIC
- M
- IPG
- IO

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SDGs



Performance by Capital

FC Financial

MC Manufactured

IC Intellectual

Introduction

Guided by our strategy and NZCE 2050 Pathway, we invest responsibly, practice prudent financial management and firm capital discipline to finance our operations and ensure sustainable business growth.

We leverage our vast range of assets to deliver secure and affordable energy. Our efficient and reliable assets allow us to meet evolving market demands and achieve our net zero ambition. We continuously invest in new technologies to drive down emissions from our operations and advance business growth priorities.

We have a strong foundation of intellectual capital to create proprietary technologies, system procedures and protocols that enable us to deliver sustained value and growth.

Input

- RM710.6 billion in total assets
- RM401.6 billion shareholders' equity
- RM135.3 billion cash flows from operations (CFFO)
- RM85.2 billion free cash flow

- 224 producing fields
- 451 offshore platforms
- 34 floating facilities
- 4 LNG plants
- 2 LNG floating facilities
- 5 gas processing complexes
- 1 utility plant
- 2 regasification terminals
- 5 refineries
- 19 petrochemical manufacturing sites

- RM589 million invested in technology
- 195 of R&D laboratories
- 183 dedicated researchers

Output/Outcomes

	2021	2022
Revenue (RM billion)	248.0	375.3
Profit/(Loss) After Tax (RM billion)	50.9	101.6
Dividend to Shareholder (RM billion)	25.0	50.0
CAPEX (RM billion)	30.4	50.1
EBITDA (RM billion)	100.4	170.7

	2021	2022
LNG sales (MMT)	32.7	34.2
Malaysia's average sales gas volume (MMscfd)	2,644	2,938
Total petrochemical production volume (million tpa)	10.4	10.0
Petroleum products sales (mil barrels)	262.4	260.7
Petrochemical product sales (MMT)	8.2	8.3
Renewable energy in operations and under development (GW)	1.0	1.6

	2021	2022
Number of new products and software launched	35	14
Number of registered trademarks	67	126
Number of technical solutions deployed/piloted	62	143
Number of proprietary chemical formulations	3	3
Number of patents secured	35	31

Actions To Enhance Outcomes

- Prudent management of financial commitments, firm discipline in capital allocation and responsible investment.
- Effective asset and liability management and implementation of strategies to manage risks.
- Strive to adopt the highest standards of governance and transparency, including TCFD.

- Continued to ensure proper maintenance of assets to deliver operational excellence.
- Expanded our product portfolio to meet the growing demand for lower carbon energy solutions to capture new value.
- Strengthened presence in key areas to future-proof the business and deliver business targets.

- Accelerated deployment and execution of R&D and Delivery projects.
- Intensified review of intellectual property (IP) portfolio to maximise the potential of existing and inactive IP.
- Intensified efforts in lower carbon technology and innovation towards realising NZCE 2050 Pathway.
- Pursued opportunities to commercialise our technology and digital solutions.

Trade Offs

- Amid an accelerated energy transition, there is a need to exercise discipline in capital allocation and portfolio reshaping between our core business predominantly our Manufactured Capital as well as growth areas, even as we future-proof our portfolio to ensure investments are done responsibly.
- Our new businesses will generate lower, albeit more stable returns and contribute towards delivering our NZCE 2050 Pathway.

- The growing demand for cleaner energy solutions will also impact our Natural Capital, Social and Relationship Capital and Financial Capital in the longer term.
- We invested in technologies and innovation to reduce emissions from our operations and develop cleaner energy solutions to realise our NZCE 2050 Pathway.
- Our focus on decarbonising our operations and expansion into cleaner energy solutions means expanding our Manufactured Capital to include renewable infrastructure requiring significant Financial Capital in the near term. However, this will have a positive impact on all other capitals, particularly Natural, Social and Relationship and Intellectual Capitals.

- We continued to invest in technology and innovation to improve the quality of our operations and lower our emissions. However, the accelerating rate of technological change will require a faster pace of innovation for our products and solutions to remain relevant.
- While these investments will impact our Financial Capital over the long-term, it will increase the value of our Human, Financial, Social and Relationship Capitals.

HC Human

Our diverse and high-performing workforce is essential to delivering our strategic priorities. We invest in nurturing agile, innovative, future-ready, skilled employees.

- 49,771 total PETRONAS employees
- 29% of PETRONAS employees are women
- RM264 million invested in training and development
- 5,210 total PETRONAS new hires
- 293 scholars recruited

	2021	2022
Employee Attrition Rate (%)	8.4	6.6
No. of employees completed online training	31,207	41,722
Average total hours of training per employee (hours/person)	30.0	39.1
No. of Technical Professionals developed	1,281	1,384
Lost Time Injury Frequency (LTIF) (Number of cases per one million man-hours)	0.14	0.13
Fatal Accident Rate (FAR) (Number per 100 million man-hours)	1.12	1.37

- Accelerated upskilling and reskilling efforts to equip employees with new skills and capabilities needed to support the delivery of core, new business and NZCE 2050 goals.
- Enriched the learning content on myLearningX, a Groupwide internal training platform to empower a self-learning culture across the organisation.
- Introduced flexible working arrangement (FlexiWork) to promote a conducive work environment and culture to improve employee well-being and productivity.
- Improved Employee Value Proposition to enhance overall employees' experience.

Operating effectively and efficiently in a rapidly changing energy landscape will require investment to shift our talents from resource-based to market-based skills. Growing global competition for talent will need significant investments in retaining and attracting the right talent to see through our strategy and ambition. Managing this will impact our Financial Capital but will positively impact Human Capital to deliver business effectively and benefit Financial Capital in the longer term.

SRC Social and Relationship

We remain steadfast in building trust, supporting our communities and forging strong relationships to create a positive impact through numerous initiatives. Establishing a meaningful connection with our communities that grants and preserves our license to operate.

- Close to RM900 million invested in education, community well-being and development and environment programmes aimed at uplifting the livelihoods and living standards of local communities where we operate.

	2021	2022
Total contribution to flood relief efforts (RM million)	15	6.8
No. of beneficiaries from various PETRONAS programmes ('000)	7.3 ¹	1,500²
Number of students awarded scholarships (Malaysian)	302	587
Scholars recruited by PETRONAS (%)	66	64

¹ Refers to corporate contribution in Malaysia
² Refers to PETRONAS Group contribution Malaysia and international

- Continued to engage and collaborate with various state agencies and Non-Governmental Organisations (NGOs) to uplift communities.
- Introduced Discover PETRONAS to more schools across Malaysia as part of our efforts to invest in future talents that can positively contribute to their communities.
- Increased the number of scholarships awarded to deserving students to pursue tertiary education at leading local and international universities.

While this may have impacted our Financial Capital, it has enhanced our position as a responsible corporate citizen among our stakeholders which indirectly serves all our other capitals.

NC Natural

Given our reliance on a wide spectrum of natural resources, we strive to continuously minimise our environmental impact, while ensuring the security of the energy supply over the long term. With our NZCE 2050 Pathway in place, we are focused on reducing emissions from our operations with abatement levers that have been identified to achieve our target.

- 9.25 Bboe 2P Reserve
- 81.6 million m³ total freshwater withdrawal

	2021	2022
Crude oil, condensates and natural gas production (kboe/d)	2,275	2,434
GHG emissions (Million tCO ₂ e)	51.08	54.03
GHG emissions reduction from projects (Million tCO ₂ e)	4.1	0.6
Nitrogen Oxides Emissions (tonnes)	133,962	62,790
Sulphur Oxides Emissions (tonnes)	47,954	60,116
Hazardous Waste Disposed (tonnes)	59,228	76,485
Oil in Water Content (tonnes)	452	487

- Increased crude oil production from international operations.
- Focused on delivering energy from our core resources that are cost-optimised and emissions-abated.
- Addressed emissions by focusing efforts on reducing flaring and venting, energy efficiency and electrification.
- Introduced our position on nature and biodiversity to conserve, protect and restore nature.
- Provided customers with cleaner energy solutions in renewable energy, hydrogen and green mobility under Gentari which also contributes to reducing our carbon footprint.

As we progress in our NZCE 2050 Pathway, efforts to abate and/or offset carbon emissions from our operations will result in higher costs. Nevertheless, this will contribute towards reducing our carbon footprint and improving our Natural Capital.

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

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.

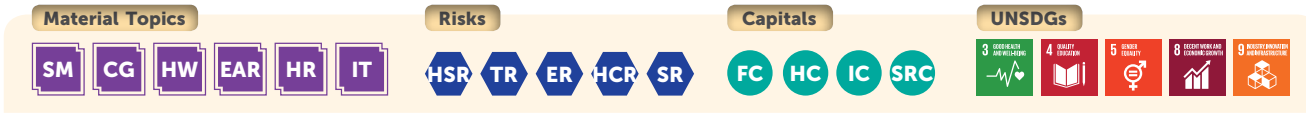
Value Created for Stakeholders

- 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

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.

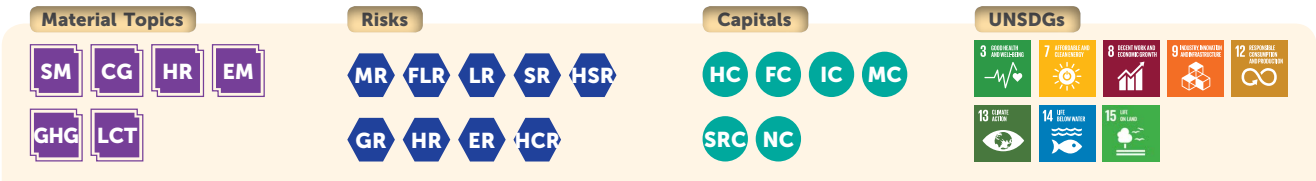
Value Created for Stakeholders

- 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