



PETRONAS

# PETRONAS Organisational Anti-Corruption Plan

2022-2023

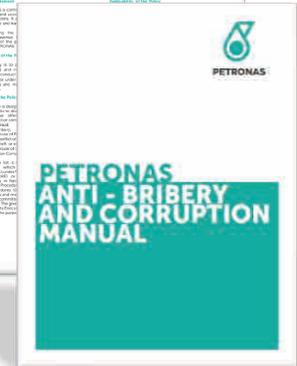
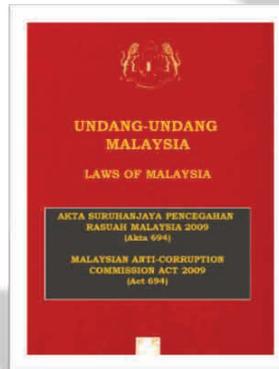
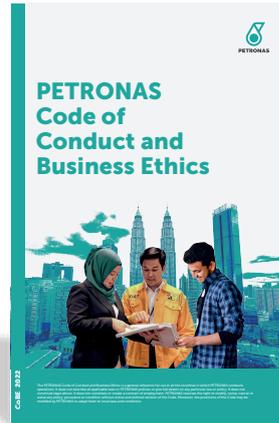
# Statement of commitment

PETRONAS Organisational Anti-Corruption Plan (OACP) 2022–2023 is the commitment of the PETRONAS Group to fight corruption and integrity misconduct for the well-being of the organisation.

PETRONAS OACP is in support of PETRONAS in its aspiration to achieve and become a high integrity organisation with zero tolerance to corruption.

OACP is also being supported by the underlying management systems, guidelines and procedures that exist at Corporate & Business Divisions and OPUs, which provide additional details on how respective divisions and/or OPUs organise and manage their anti-corruption functions and activities. PETRONAS Group shall establish, document, implement, maintain and continuously review the OACP as required, including the processes and other requirements needed to ensure adequate procedures are in place in managing corruption activities within their operations.

A review of the progress of the OACP initiatives will be conducted and reported by the PETRONAS Integrity Awareness Committee (PIAC) to ensure their continuous improvement and effectiveness.



# Foreword

## from the Chief Integrity Officer

A lot has been said about corruption and how it relates to power. The struggle against corruption is a just struggle. In this struggle, we must all be willing to make sacrifices.

How do we fight corruption? We can campaign to instil in the minds of people the rejection of corruption. We can explain the harm that corruption inflicts on us, on our society, and towards our organisation. Therefore, this is why we need a holistic anti-corruption strategic plan.

This OACP considers available data and mitigations identified from the corruption risk assessment. Having a comprehensive strategy is an important step for PETRONAS in identifying the specific corruption risks, establishing measurable goals to prevent corruption, and planning the needed steps to achieve these goals. It is a structured plan to keep track of the progress and effectiveness of the initiatives. It is a commitment by PETRONAS to dedicate resources to those measures.

In addition, this reflects that PETRONAS is committed to prevent corruption and understand the systemic shortcomings that hamper the compliance work undertaken by the company.

Thank you to all PETRONAS entities for your cooperation. You are critical to the success of this OACP's completion and implementation.



**Saiful Ezral Arifin**  
*PETRONAS Chief Integrity Officer (CIO)*

# Excerpts

## from the Chairman's message

on 18 October 2021

“ Corruption is a great threat to progress. It destroys the foundation of societies and economies and more importantly, for business organisations, it undermines the people's confidence in them.”

“ Our goal, insofar as integrity is concerned, should be to demonstrate exemplary behaviours to an extent, and with such consistency, that we are held to be beyond reproach by all our stakeholders.”

“ Any high-performing organisation that simultaneously commands an impeccable reputation for integrity will eagerly be welcomed as a partner for progress by customers, suppliers, host governments and communities at large.”

“ You can be assured that all members of the PETRONAS Board are wholly committed to upholding the highest standards of governance and steadfastly support all group initiatives on integrity-related matters.”



**Tan Sri Mohd Bakke Salleh**  
*Chairman, PETRONAS*

# Excerpts

## from the President & Group CEO's message

on 18 November 2021

“ The PETRONAS Board and leadership team have absolutely zero tolerance for bribery and corruption.”

“ We will not hesitate to trigger consequence management if the integrity of business dealings or governance is compromised in any way.”

“ The cost of corruption affects our entire business ecosystem. Corruption compromises the safety of our assets, the safety of our colleagues, elevates the cost of our day to day operations, impacts project delivery, and perhaps most sadly, it utterly destroys our reputation.”

“ As employees of the sacred institution we call PETRONAS, we CANNOT and MUST NOT allow any corruption issues to derail us from our momentum towards our goals.”

“ Let's all make an unwavering commitment to get rid of corruption in this organisation.”



**Datuk Tengku Muhammad Taufik**  
*President and Group Chief Executive Officer,*  
**PETRONAS**

---

**PETRONAS Organisational  
Anti-Corruption Plan  
2022-2023**

**02**

**PETRONAS &  
Integrity**

# PETRONAS Group Value Chain

PETRONAS is a dynamic global energy and solutions company with a core intent to power society's progress responsibly and sustainably. As the custodian of Malaysia's national oil and gas resources, PETRONAS explores, produces and delivers energy, both hydrocarbon and renewables, to ensure the security of energy supply for the nation and our customers around the globe. We have four core businesses:



## Upstream

- Exploration
- Development and Production
- Malaysia Petroleum Management



## Downstream

- Refining
- Chemicals
- Lubricants
- Marketing and Trading



## Gas + New Energy

- Liquefied Natural Gas (LNG)
- Gas and Power
- Hydrogen
- New Energy



## Project Delivery and Technology

- Project delivery
- Research and Development
- Technical expertise
- Digital solutions

# Group Integrity as PETRONAS Integrity & Governance Unit (IGU) supports PETRONAS Group Value Chain



## Complaint Management

Integrated complaint management of receiving information and complaints on criminal misconduct, abuse of power, malpractice, as well as violations of systematic code of conduct and ethics to ensure action is taken on every information and complaint received. This includes whistleblowing.



## Integrity Strengthening

To strengthen the integrity of staff in the organisation as well as address issues related to integrity, especially corruption, misappropriation, and abuse of power.

## Full Implementation of IGU Core Functions



## Detection & Verification

Tracking and verifying complaints of criminal misconduct, violations of the organisation's code of conduct and ethics, and ensuring that appropriate follow-up action is taken.



## Governance

To ensure that the culture, institutionalisation, and implementation of integrity in the organisation can be achieved.



“Zero tolerance for  
corruption in the  
pursuit of a  
corruption-free  
organisation”

*OACP aspiration*

**PETRONAS Organisational  
Anti-Corruption Plan  
2022-2023**

**03**

**OACP  
Development**

The establishment of OACP is a requirement by Malaysia's National Anti-Corruption Plan (NACP) 2019-2023. It is developed based on accumulated information arising from the Corruption Risk Assessment (CRA). This OACP is focused on corruption-related problems found in the company. Initiatives or action plans are identified as controls based on the CRA across PETRONAS Group in managing any corruption or integrity related matters. It assists organisation in the fight against corruption by combining all Governance, Integrity and Anti-Corruption initiatives.

## NACP Strategies

1

Strengthening political integrity and accountability

2

Strengthening the effectiveness of public service delivery

3

Increasing the efficiency and transparency in public procurement

4

Enhancing credibility of legal and judicial system

5

Institutionalising credibility of law enforcement agencies

6

Inculcating good governance in corporate entity

**6.2 Greater Corporate Entities' Resilience against the threat of Corruption**

**6.2.1** To oblige the Statutory Bodies, State-Owned Enterprises (SOEs), Company Limited by Guarantee (CLBG) and the private sector regulated by regulatory bodies to develop OACP with the assistance of three agencies, namely the Malaysian Anti-Corruption Commission, the National Centre for Governance, Integrity and Anti-Corruption and the Malaysian Institute of Integrity.

## Corruption Offences under MACC Act 2009 (Amendment 2018)



**Receiving Bribe**



**Giving Bribe**  
(section 17A  
- Corporate Liability)



**False Claims**



**Abuse of Position**

# Corruption Risk Assessment (CRA)

PETRONAS entities carry out corruption risk assessments (CRA) in accordance with the PETRONAS Resiliency Model (PRM) and Enterprise Risk Management Framework (ERM) and guidelines.

The risk assessment carried out for the identified corruption aligns with the PETRONAS OACP scope.

CRA mitigations identified as OACP initiatives are for PETRONAS to enhance internal controls to ensure Adequate Procedures are well established.

Identify the corruption risk using a 3-step approach:

- 1 Identify third party
- 2 Determine out-bound or in-bound bribery
- 3 Identify type of corruption

Linking the risks to strategic objectives and processes

Document the risk in Risk Register Template

**OACP Framework**

<b>Aspiration</b>	<b>Zero tolerance for corruption in the pursuit of a corruption-free organisation</b>		
<b>Goals</b>	Ethical business practices that leads to financial viability	Uphold positive reputation by being accountable and reliable	Strengthened integrity
<b>Priority Areas</b>	Corporate Governance	Compliance and Assurance	Training and Communication
<b>Strategies</b>	Strengthening corporate governance focusing on people and processes	Increased confidence on the internal controls and improved business processes efficiency	Holistic approach and pervasive communication on ethics and integrity
<b>Strategic Objectives</b>	Strengthening procurement governance by focusing on tender and contract processes	Ensuring better transparency and accountability	Enhancing the effectiveness of the Ethics and Integrity programme for all staff at all levels
	Enhancing the effectiveness of human governance through improvement of HR processes	Strengthening contract management processes and contractor performance	Increased promotion of whistleblowing as an anti-corruption preventive measure
	Strengthening the management and governance of stakeholder engagement		

# 04

## OACP Monitoring



# PETRONAS Integrity Awareness Committee (PIAC) is the OACP Monitoring and Evaluation Committee

## The monitoring and evaluation process include:

- Provide OACP implementation achievement reports to top management on a quarterly basis
- Present the implementation achievement report for consideration or approval
- Conduct evaluations and reviews on the effectiveness of the OACP on an annual basis
- The OACP renewal action is implemented at the end of the OACP period and issued in the following year

Sincere appreciation to PETRONAS Group of Companies for their utmost cooperation in the establishment of PETRONAS OACP.

<b>Abbreviation</b>	<b>Term</b>
<b>OACP</b>	Organisational Anti-Corruption Plan
<b>NACP</b>	National Anti-Corruption Plan
<b>SOEs</b>	State-Owned Enterprises
<b>CLBG</b>	Company Limited by Guarantee
<b>CRA</b>	Corruption Risk Assessment
<b>PIMS</b>	PETRONAS Integrity Management System
<b>OPUs</b>	Operating Partnership Units
<b>GI</b>	Group Integrity
<b>PIAC</b>	PETRONAS Integrity Awareness Committee
<b>MACC</b>	Malaysian Anti-Corruption Commission
<b>IGU</b>	Integrity Governance Unit
<b>PRM</b>	PETRONAS Resiliency Model
<b>ERM</b>	Enterprise Risk Management Framework
<b>KPI</b>	Key Performance Indicator

**"Zero tolerance for corruption in the pursuit  
of a corruption-free organisation"**

[www.petronas.com](http://www.petronas.com)