



PETRONAS

PETRONAS Sustainable Supply Chain Guidance

PETRONAS Sustainable Supply Chain Guidance

1 Our Approach to Sustainability and Vision for a Sustainable Supply Chain

Anchored in our Statement of Purpose, as a progressive energy and solutions partner enriching lives for a sustainable future, we are committed to sustainability. Sustainability commitment starts at the core of our operations and extends throughout the value chain.

We believe that sustainable supply chain practices are crucial for the long-term success of our company. PETRONAS seeks to work with suppliers that share our same values and positively contribute to the transition to sustainability.

A collective approach among governments, energy players, public and private sectors is necessary. By working together, we can leverage each other's strengths to achieve a sustainable and low-carbon future.

Therefore, our Sustainable Supply Chain Purpose is to unlock supply chain competitiveness and resilience through a transition to sustainability.

2 Sustainable Supply Chain Material Areas

We have identified four key material areas to achieve our Sustainable Supply Chain Purpose including Integrity, Health, Safety and Environment (HSE), Human Rights and Emissions.

Integrity

Governance mechanisms and ethical business practices in the supply chain.



Health, Safety and Environment (HSE)

Employee well-being and safe working conditions in the supply chain.



Human Rights

Human rights and fair labour practices in the supply chain.



Greenhouse Gas (GHG) Emissions

Supplier contribution towards PETRONAS decarbonisation and supply chain emissions management.



As part of our commitment to advancing sustainability in the supply chain, all suppliers are required to comply with applicable laws and regulations regarding to sustainability, including climate-related, wherever they may operate.

2.1 Integrity

We require **suppliers to uphold the highest standard of integrity, ethical behaviour, professionalism and adhere to all applicable laws** in all their operations and to adopt a zero-tolerance policy against all forms of bribery and corruption.

We will ensure supply chain integrity compliance by **enforcing PETRONAS Integrity policies and guidelines** as reflected in Code of Conduct and Business Ethics (CoBE), Anti-Bribery and Corruption Manual and Whistleblowing Policy.

2.2 Health, Safety and Environment (HSE)

We require **suppliers to commit to Health, Safety and Environment excellence** in all their activities wherever they operate, identify and manage risks of injuries, occupational illnesses and damage to properties, ensure that measures are taken to protect the environment and that natural resources are used sustainably and comply with all applicable HSE laws, which are applicable to the location where the works are being carried out

We will ensure supply chain HSE compliance by **enforcing PETRONAS HSE policies and guidelines** as reflected in our HSE policy and HSE Terms and Conditions in supplier contracts.

2.3 Human Rights

We require **suppliers to respect all internationally recognised human rights**, as set out in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, being guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, complying with all applicable laws in the countries in which they operate.

We will ensure supply chain human rights compliance by enforcing **PETRONAS Human Rights policies and guidelines** as reflected in our Human Rights Policy and PETRONAS Contractors Code of Conduct on Human Rights (CoCHR).

2.4 Greenhouse Gas (GHG) Emissions

PETRONAS is committed to achieving our goal of **Net Zero Carbon Emissions** by 2050. We support suppliers in capacity building and provide access to tools for sustainability practices and disclosure on performance.

To foster sustainable practices across the supply chain, we encourage suppliers to embark and progress in their **GHG emissions management** journey by measuring, reporting and actively reducing their GHG emissions, while collaborating with their supply chains to promote broader sustainability efforts. In time, we aim to **incorporate GHG emissions considerations** into our sourcing decisions.



For further queries, you may contact us at

gp.sustainability@petronas.com