

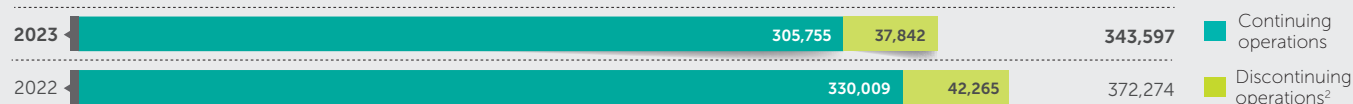
# Group Financial Results and Position

## Analysis of Financial Results

### Consolidated Statement of Profit or Loss

In RM million	Financial Year ended 31 December	
	2023	2022
<b>Continuing operations</b>		
Revenue	<b>305,755</b>	330,009 <sup>3</sup>
Cost of revenue	<b>(182,465)</b>	(175,509) <sup>3</sup>
<b>Gross profit</b>	<b>123,290</b>	154,500
Selling and distribution expenses	<b>(8,943)</b>	(7,324)
Administration expenses	<b>(15,245)</b>	(13,888)
Net impairment losses/write-off <sup>1</sup>	<b>(6,096)</b>	(1,749)
Other expenses	<b>(3,359)</b>	(3,312)
Other income	<b>8,479</b>	7,723
<b>Operating profit</b>	<b>98,126</b>	135,950
Financing costs	<b>(5,500)</b>	(4,929)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	<b>872</b>	957
<b>Profit before taxation from continuing operations</b>	<b>93,498</b>	131,978
Tax expense	<b>(14,559)</b>	(34,173)
<b>Profit for the year from continuing operations</b>	<b>78,939</b>	97,805
<b>Discontinuing operations<sup>2</sup></b>		
Profit for the year from discontinuing operations, net of tax	<b>1,775</b>	3,813
<b>PROFIT FOR THE YEAR</b>	<b>80,714</b>	101,618
<b>Profit attributable to:</b>		
Shareholders of the Company	<b>74,361</b>	92,313
Non-controlling interests	<b>6,353</b>	9,305
<b>PROFIT FOR THE YEAR</b>	<b>80,714</b>	101,618

#### Revenue (RM million)



Note 1: Excludes well costs and includes loss on remeasurement/derecognition of financial assets measured at amortised cost.

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

Note 3: Prior year revenue and group costs have been restated to conform with current year presentation, with no impact on PAT.

## Consolidated Statement of Other Comprehensive Income

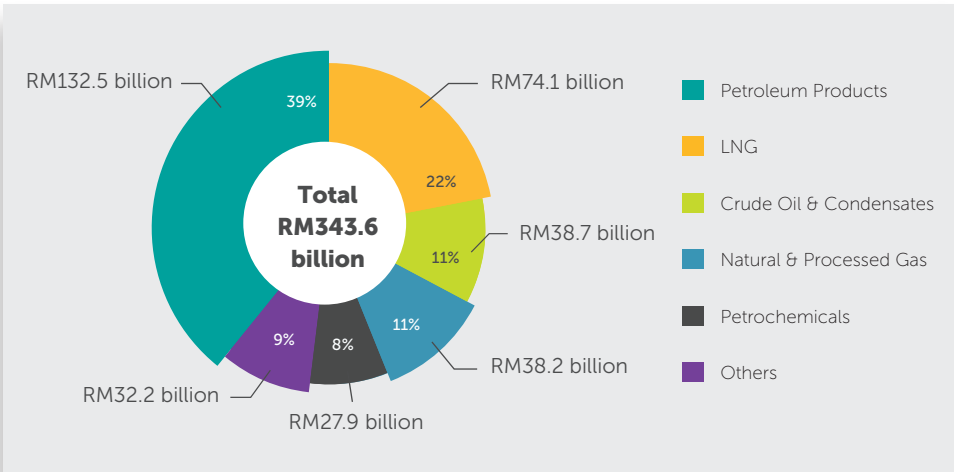
In RM million	Financial Year ended 31 December	
	2023	2022
<b>PROFIT FOR THE YEAR</b>	<b>80,714</b>	101,618
<b>Other comprehensive income/(loss)</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net changes in fair value of equity investments at fair value through other comprehensive income (OCI)	<b>(128)</b>	(429)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net movements from exchange differences	<b>10,071</b>	8,430
Cash flow hedge	<b>(873)</b>	2,999
Others	<b>20</b>	185
<b>Total other comprehensive income for the year, net of tax</b>	<b>9,090</b>	11,185
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>89,804</b>	112,803
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	<b>81,437</b>	100,926
Non-controlling interests	<b>8,367</b>	11,877
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>89,804</b>	112,803

Note 1: All financial results comprise continuing and discontinuing operations. Discontinuing operations relate to intended disposal of Engen Group.

## Group Financial Results and Position

### Revenue by Products

The Group's total revenue was RM343.6 billion, primarily contributed by petroleum products and LNG which accounted for 39 per cent and 22 per cent of revenue, respectively.



Note 1: All financial and operational results comprise continuing and discontinuing operations.

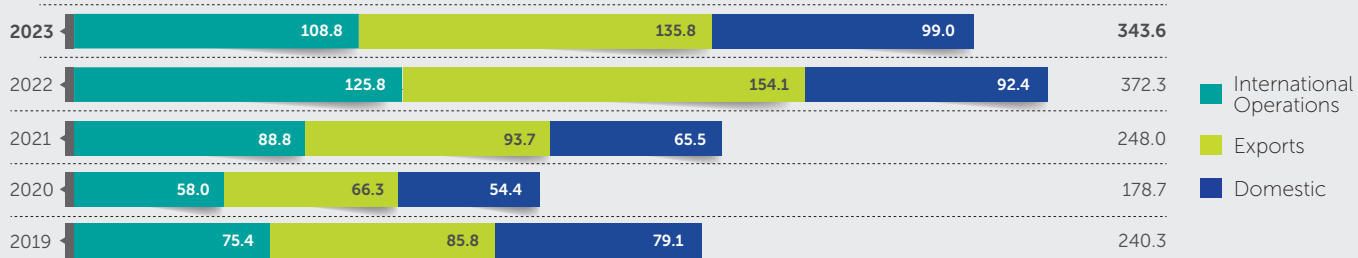
Discontinuing operations relate to intended disposal of Engen Group.

Note 2: Prior year revenue and group costs have been restated to conform with current year presentation, with no impact on PAT.

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



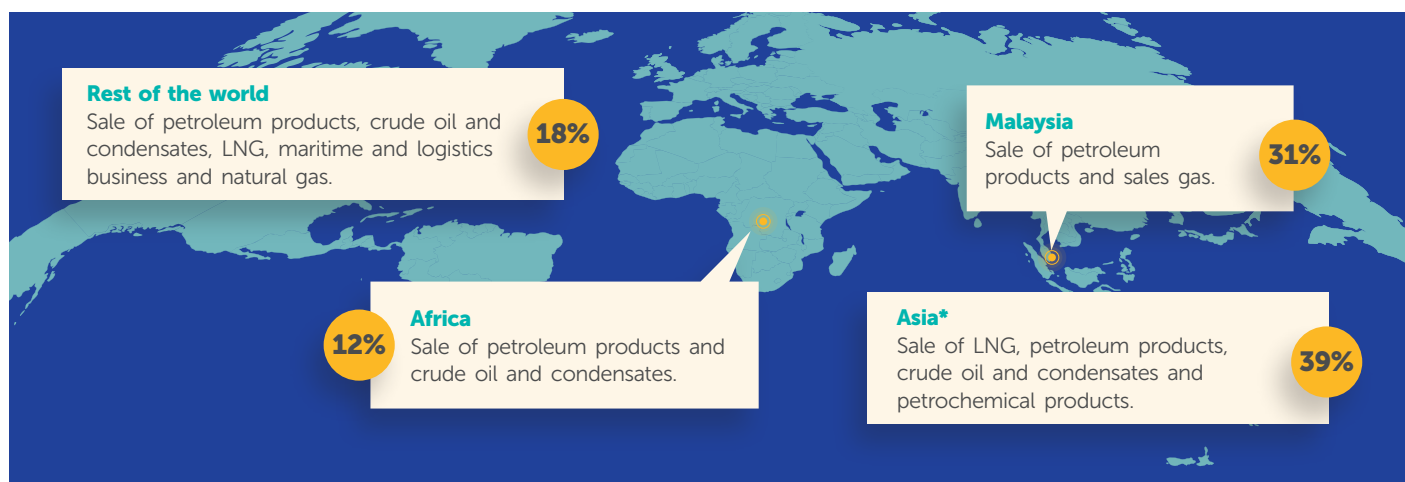
### Revenue by Geographical Trade (RM billion)



- Export sales continued to be the highest contributor to the PETRONAS Group revenue and accounted for 40 per cent of the Group’s total revenue in FY2023.
- The lower export sales as compared to prior year were due to lower sales volumes and unfavourable key benchmark prices for major products mainly LNG.
- Similarly, international operations revenue which contributed 32 per cent of the Group’s total revenue recorded a decrease as compared to the previous year mainly due to lesser trading opportunities for LNG coupled with downward trending of key benchmark prices for major products.
- The higher domestic sales were mainly contributed by petroleum products revenue following recovery of demand upon re-opening of international border since April 2022.

### Revenue by Geographical Segments<sup>3</sup>

Revenue from outside Malaysia, which included export and international sales, accounted for close to 70 per cent of the Group’s revenue, demonstrating PETRONAS’ strong global presence.



\* Excludes Malaysia

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

Note 2: Prior year revenue and group costs have been restated to conform with current year presentation, with no impact on PAT.

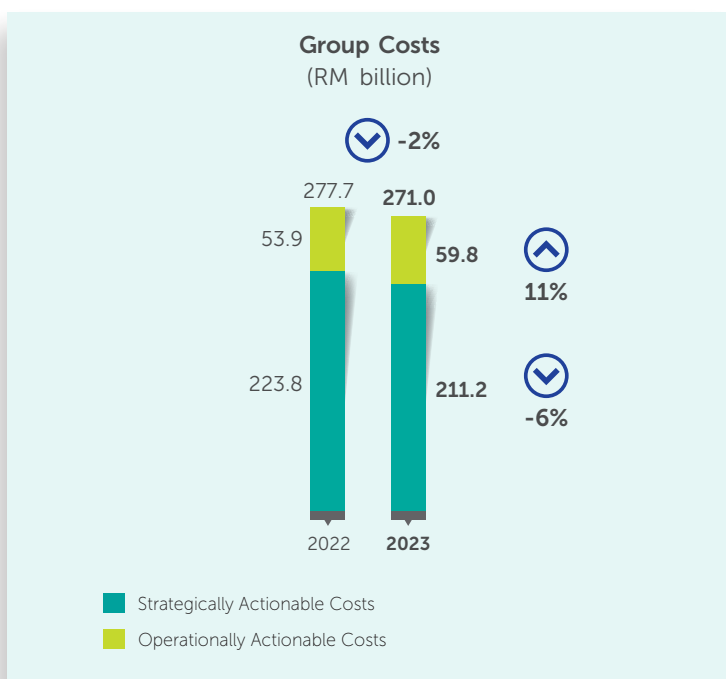
Note 3: The revenue by Geographical segments are populated according to the customer’s location.

## Group Financial Results and Position

### Group Costs

- Group costs stood at RM271.0 billion, a decrease against last year by RM6.7 billion, mainly due to lower tax expenses in line with lower profit before tax.
- Despite the decrease in the Group's total costs, PETRONAS recorded a higher Group Costs to Revenue ratio of 79 per cent in FY2023 as compared to 75 per cent in the previous year, mainly due to increase in operationally actionable costs and higher net impairment on assets.

In RM billion	2023	2022	Variance
<b>Strategically Actionable Costs</b>	<b>211.2</b>	223.8	(12.6)
Product costs	<b>123.3</b>	120.0	3.3
Tax Expenses, Sales Tax & Duties and Cash Payments	<b>33.6</b>	56.2	(22.6)
Price-Sensitive Expense Items	<b>54.3</b>	47.6	6.7
<i>Depreciation, Amortisation, Write-Off &amp; Write-Down</i>	<b>37.8</b>	33.9	3.9
<i>Net Impairment on Assets</i>	<b>6.8</b>	2.6	4.2
<i>Others (Forex, Finance Costs, etc)</i>	<b>9.7</b>	11.1	(1.4)
<b>Operationally Actionable Costs</b>	<b>59.8</b>	53.9	5.9
Production and transportation expense, purchase services, materials & supplies	<b>35.4</b>	33.4	2.0
Others (HR costs, rental, leases, utilities, G&A etc)	<b>24.4</b>	20.5	3.9
<b>TOTAL GROUP COSTS</b>	<b>271.0</b>	277.7	(6.7)
<b>Group Costs to Revenue Ratio (%)</b>	<b>79</b>	75	



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

Note 2: Prior year revenue and group costs have been restated to conform with current year presentation, with no impact on PAT.

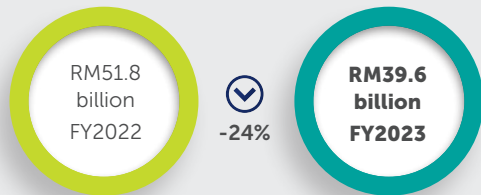
## Segment Earnings

Businesses across the value chain displayed operational resilience amid market volatility, resulting in resilient financial performance for the year ended 2023.

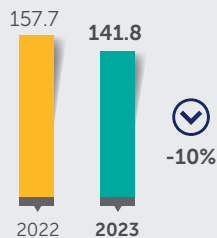
- The Group operated three core businesses in FY2023: Upstream, Gas and Downstream.
- Corporate and Others which complement our core businesses, comprises primarily the maritime and logistics segment; property segment and central treasury; project delivery and technology division as well as the renewables, hydrogen, and green mobility businesses.

### Upstream

#### PAT



#### Revenue (RM billion)

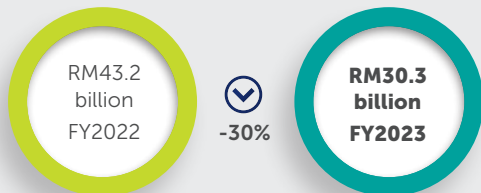


- Upstream business recorded a PAT of RM39.6 billion, lower as compared to RM51.8 billion in FY2022 in line with lower revenue, higher amortisation following additional capitalisation of assets and higher net impairment losses/write-off of assets<sup>2</sup>, partially offset by lower taxation.
- Lower Upstream revenue was mainly due to lower average realised prices and lower sales volume for crude oil and condensates, partially offset by impact from foreign exchange.
- Total daily production average in FY2023 was at 2,431 thousand barrels of oil equivalent (boe) per day, decreased marginally from 2,434 thousand boe per day in FY2022 mainly due to lower crude oil production from Malaysia.

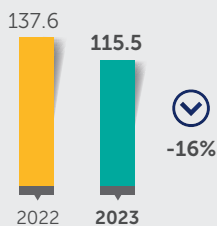
*Further information on Upstream's operational performance can be referred on pages 72-79.*

### Gas

#### PAT



#### Revenue (RM billion)



- Gas business recorded a lower PAT of RM30.3 billion against RM43.2 billion in FY2022 primarily driven by lower revenue partially offset by lower taxation and product costs.
- Revenue decreased as compared to prior year mainly due to lower average realised prices of LNG and processed gas coupled with lower LNG sales volume partially offset by impact from foreign exchange.
- Malaysia average sales gas volume during the year was 2,878 million standard cubic feet per day (MMscfd), decreased from 2,938 MMscfd in FY2022 mainly due to lower offtake from non-power sector in Sabah and Sarawak.

*Further information on Gas' operational performance can be referred on pages 80-85.*

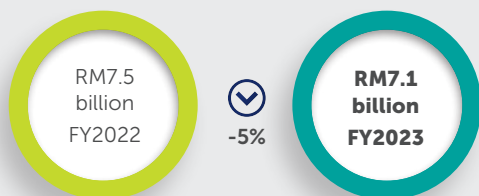
Note 1: Certain prior year information has been restated to conform with current year presentation.

Note 2: Includes net impairment losses/write-off of well costs and other exploration expenditure under intangible assets, loss on remeasurement/derecognition of financial assets measured at amortised cost and provision for onerous contracts, net of tax.

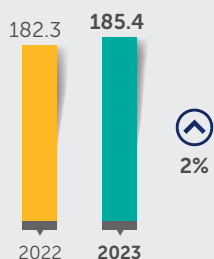
## Group Financial Results and Position

### Downstream

#### PAT



#### Revenue (RM billion)

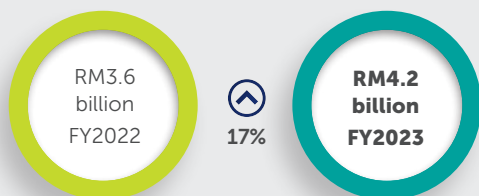


- Downstream business recorded a PAT of RM7.1 billion against RM7.5 billion in FY2022 following lower refining and petrochemical margins partially offset by lower taxation.
- Higher revenue was recorded underpinned by higher sales volume mainly from petroleum products and impact from foreign exchange partially offset by lower average realised prices.
- Petroleum products sales volume was 296.1 million barrels, higher by 37.9 million barrels primarily driven by increased trading activities and higher marketing volume. Crude oil sales volume was 106.9 million barrels, lower by 7.4 million barrels mainly due to lower marketing volume partially offset by higher trading opportunities. Petrochemical products sales volume was 9.4 million metric tonnes, higher by 1.1 million metric tonnes in line with higher production.
- During the year, Downstream business recorded 87.2 per cent in Overall Equipment Effectiveness (OEE), higher than 85.9 per cent recorded in FY2022.

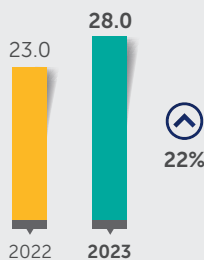
Further information on Downstreams operational performance can be referred on pages 86-91.

### Corporate and Others

#### PAT



#### Revenue (RM billion)



- Corporate and Other businesses recorded a PAT of RM4.2 billion as compared to RM3.6 billion last year primarily driven by higher revenue partially offset by higher operating expenses.
- MISC Berhad (MISC) and KLCCP Stapled Group were the two major contributors to this segment.
- MISC recorded a PAT of RM2.0 billion in FY2023, higher as compared to RM1.8 billion last year mainly due to lower impairment provisions partially offset by lower operating profits. Operating loss was recorded in the Marine and Heavy Engineering segment primarily attributed to additional cost provisions arising from revised schedule on ongoing projects during the year. Meanwhile, both Petroleum & Product Shipping and Gas Assets and Solutions segments recorded higher operating profit from higher revenue.
- KLCCP Stapled Group's PAT increased to RM1.1 billion as compared to RM0.9 billion in FY2022 mainly due to revenue growth of 11.0 per cent to RM1.6 billion underpinned by the resilience of its portfolio strength. The profit improvement is further bolstered by a significant fair value gain attributable to overall improvement in the market value of its investment properties.

Further information on MISC and KLCCP Stapled Group can be referred on pages 105-107.

Note 1: Certain prior year information has been restated to conform with current year presentation.

## Analysis of Financial Position

### Consolidated Statement of Financial Position

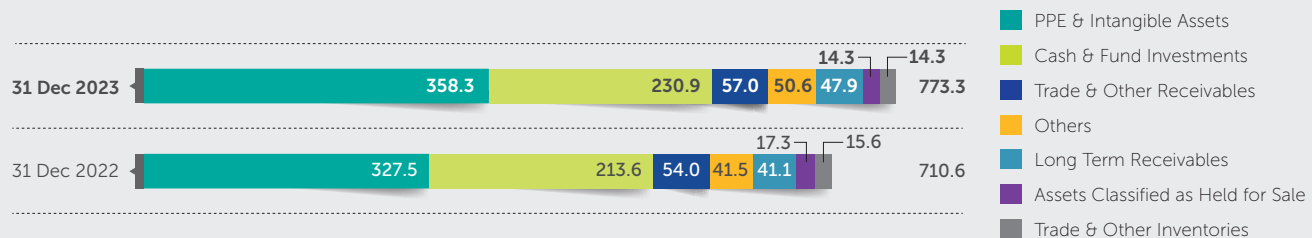
<i>In RM million</i>	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Property, plant and equipment	<b>326,398</b>	301,218
Investment properties and land held for development	<b>12,275</b>	12,658
Investments in associates and joint ventures	<b>10,368</b>	8,114
Intangible assets	<b>31,902</b>	26,260
Long-term receivables	<b>47,939</b>	41,127
Fund and other investments	<b>10,778</b>	1,425
Deferred tax assets	<b>27,853</b>	20,675
<b>TOTAL NON-CURRENT ASSETS</b>	<b>467,513</b>	411,477
Trade and other inventories	<b>14,307</b>	15,612
Trade and other receivables	<b>57,028</b>	53,998
Fund and other investments	<b>11,620</b>	10,945
Cash and cash equivalents	<b>208,492</b>	201,220
	<b>291,447</b>	281,775
Assets classified as held for sale	<b>14,341</b>	17,318
<b>TOTAL CURRENT ASSETS</b>	<b>305,788</b>	299,093
<b>TOTAL ASSETS</b>	<b>773,301</b>	710,570
<b>EQUITY</b>		
Share capital	<b>100</b>	100
Reserves	<b>443,369</b>	401,509
Total equity attributable to shareholders of the Company	<b>443,469</b>	401,609
Non-controlling interests	<b>59,396</b>	58,822
<b>TOTAL EQUITY</b>	<b>502,865</b>	460,431
<b>LIABILITIES</b>		
Borrowings	<b>98,754</b>	96,345
Deferred tax liabilities	<b>13,297</b>	11,829
Other long-term liabilities and provisions	<b>64,434</b>	50,418
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>176,485</b>	158,592
Trade and other payables	<b>68,076</b>	63,677
Borrowings	<b>12,867</b>	7,812
Taxation	<b>3,931</b>	8,438
	<b>84,874</b>	79,927
Liabilities classified as held for sale	<b>9,077</b>	11,620
<b>TOTAL CURRENT LIABILITIES</b>	<b>93,951</b>	91,547
<b>TOTAL LIABILITIES</b>	<b>270,436</b>	250,139
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>773,301</b>	710,570



## Group Financial Results and Position

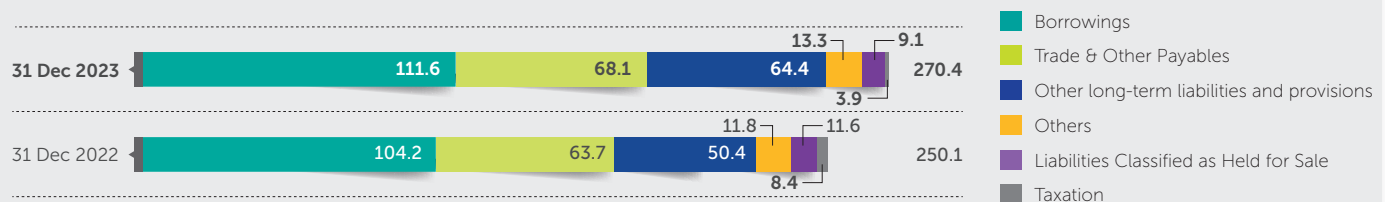
### Total Assets (RM billion)

Total assets strengthened to RM773.3 billion as at 31 December 2023 against RM710.6 billion as at 31 December 2022 mainly contributed by capital investments during the year as well as higher cash, fund and other investments balances.



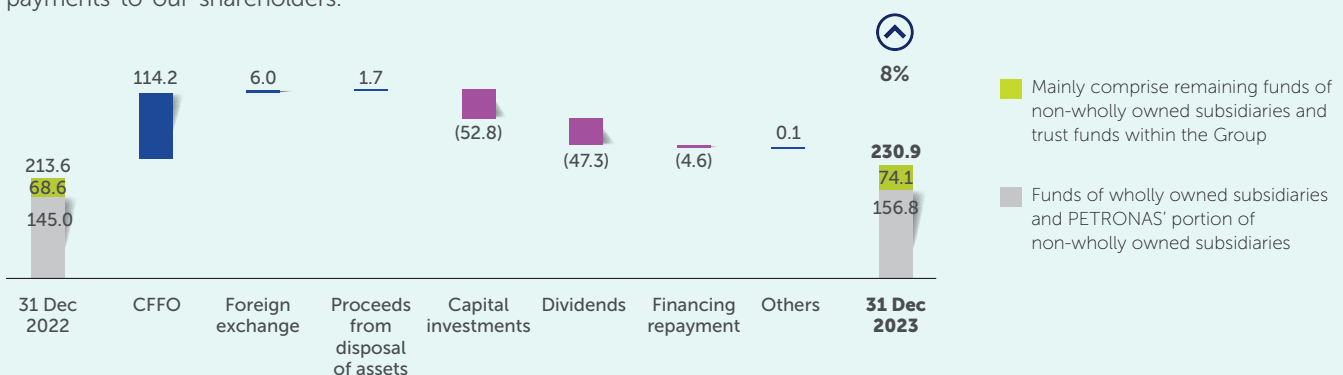
### Total Liabilities (RM billion)

Total liabilities increased to RM270.4 billion as at 31 December 2023 as compared to RM250.1 billion as at 31 December 2022 primarily due to higher other long-term liabilities and provisions as well as higher borrowings following impact from foreign exchange.



### Movement in Cash and Fund Investments (RM billion)

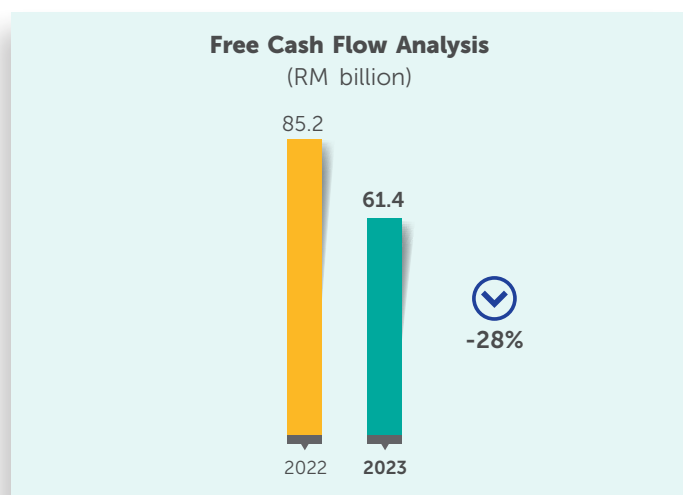
The Group's Cash and Fund Investments increased to RM230.9 billion as at 31 December 2023 against RM213.6 billion as at 31 December 2022 primarily contributed by Cash Flows from Operations (CFFO) of RM114.2 billion and impact from foreign exchange by RM6.0 billion. The robust CFFO generated sufficiently covers expenses to enable safe business operations, financial commitments, debt obligations and at the same time support growth investments and dividend payments to our shareholders.



## Analysis of Cash Flow

### Consolidated Statement of Cash Flows

<i>In RM million</i>	Financial Year ended 31 December	
	2023	2022
<b>Cash flows from operating activities</b>		
Profit before taxation	95,584	135,956
Adjustments for non-cash items	37,790	42,142
Net changes in working capital	1,321	(13,994)
<b>Cash generated from operations</b>	<b>134,695</b>	164,104
Interest income received	11,563	5,677
Interest expenses paid	(3,382)	(3,024)
Taxation paid, net of refund	(28,718)	(31,471)
<b>Net cash generated from operating activities</b>	<b>114,158</b>	135,286
<b>Cash flows from investing activities</b>	<b>(59,296)</b>	(39,431)
<b>Cash flows from financing activities</b>	<b>(53,098)</b>	(69,884)
Net increase in cash and cash equivalents	1,764	25,971
(Increase)/Decrease in cash and cash equivalents restricted	(474)	341
Net foreign exchange differences	5,957	10,514
Cash and cash equivalents at beginning of the year	200,384	163,558
<b>Cash and cash equivalents at end of the year</b>	<b>207,631</b>	200,384
<b>Cash and cash equivalents</b>		
Cash and bank balances and deposits	208,492	201,220
Classified as held for sale	652	203
Less: Cash and cash equivalents restricted	(1,513)	(1,039)
	<b>207,631</b>	200,384



The Group generated free cash flow of RM61.4 billion during the year, decreased by RM23.8 billion or 28 per cent as compared to RM85.2 billion in FY2022 mainly due to reduced cash generated from operations in line with lower profit coupled with higher capital investments spent.

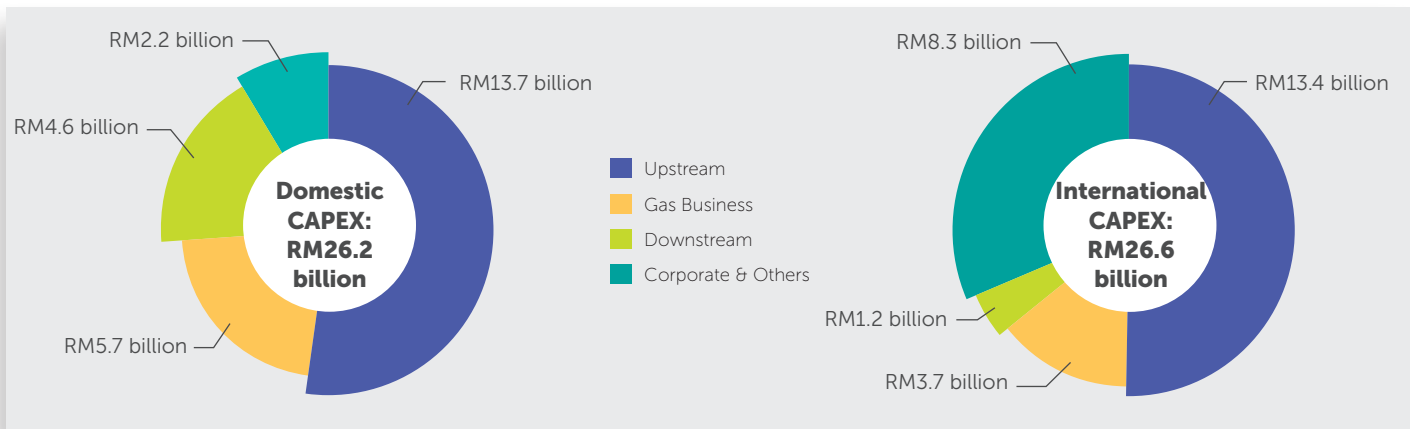
## Group Financial Results and Position

### Capital Investments (RM billion)

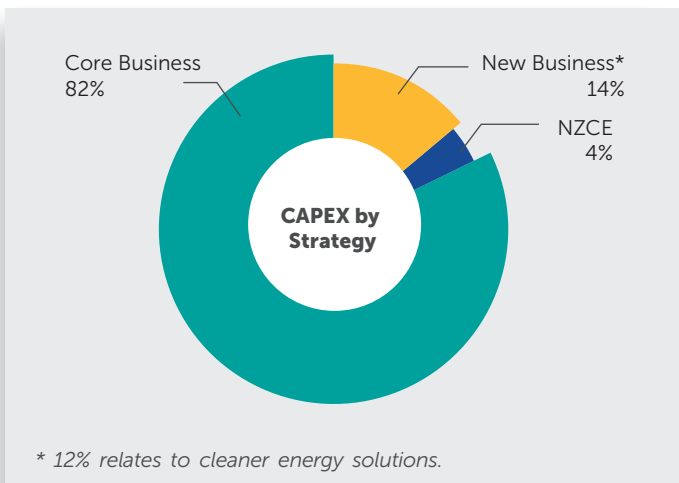
- Total Capital Expenditure (CAPEX) spent during the year of RM52.8 billion was higher by RM2.7 billion compared with RM50.1 billion in FY2022.
- The CAPEX spent was divided almost equally between Malaysia and international projects, with domestic CAPEX increased by 41 per cent as compared to FY2022, contributing to the growth of the Malaysian oil and gas industry.
- Included in the Corporate & Others business segment is CAPEX incurred for renewables, hydrogen and green mobility businesses.



### Capital Investments by Business and Geographical Segments in FY2023



### Capital Investments by Energy Transition Strategy in FY2023



- PETRONAS remains steadfast in the journey towards Energy Transition, in achieving our NZCE 2050 aspiration and step-out opportunities beyond the Group's current core business.
- During the year, 16 per cent of CAPEX was spent for cleaner energy solutions and decarbonisation projects.

Note: Capital investments are based on cash, inclusive of costs of acquisition of subsidiaries and investments in associates and joint ventures.

## Segment Capital Investments

- Aligned with our Energy Transition Strategy, PETRONAS continues to strengthen its Core Business, pursue growth in capturing opportunities for New Business, and at the same time responsibly manage carbon emissions, to realise the Group's NZCE 2050 Pathway.
- As we progress in this journey, PETRONAS continues to uphold strict discipline in allocating capital resources, to strike the right balance between investments in growth for Core Business and New Business, whilst reducing greenhouse gas emissions. However, this comes with increasing challenges given the restricted access to capital market for energy players.
- In FY2023, PETRONAS' overall CAPEX stood at RM52.8 billion, higher compared to RM50.1 billion last year. This includes significant investments in Malaysia to ensure energy security, affordability and sustainability, while continuing to make good progress in the development of the Nearshore Floating LNG Facility in Sabah, as well as the Kasawari Gas Field Development and CO<sub>2</sub> Sequestration (CCS) Facilities in Sarawak.
- Moving forward, higher allocation of CAPEX is projected in scaling up investments in 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 51 per cent of the Group's total CAPEX with a total spending of RM27.1 billion, an increase of RM3.4 billion as compared to FY2022. Upstream's CAPEX for FY2023 was predominantly spent on exploration, development and production activities aimed at sustaining and growing production in Malaysia and international operations.
- About RM13.7 billion or 51 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 and CCS Facilities in Sarawak, being one of the largest offshore CCS projects in the world.

- Meanwhile, a total of RM13.4 billion was allocated towards international portfolio investments, which include key countries Canada, Angola, Argentina and Iraq. One of the key highlights during the year includes an acquisition of 40 per cent participating interest from TotalEnergies in Angola's deepwater block, featuring facilities that will be designed for zero flaring.

### Gas

- Gas business accounted for 18 per cent of Group's total CAPEX and recorded a total spending of RM9.4 billion in FY2023. This is an increase of RM3.8 billion as compared to the previous year mainly allocated on domestic investments.
- CAPEX for FY2023 were predominantly spent domestically amounting to RM5.7 billion or 61 per cent mainly on the Nearshore Floating LNG Facility in Sabah, aimed at monetising gas resources in an optimised and more environmentally conscious manner. Whereas internationally, a key investment is on the LNG project in Canada.

### Downstream

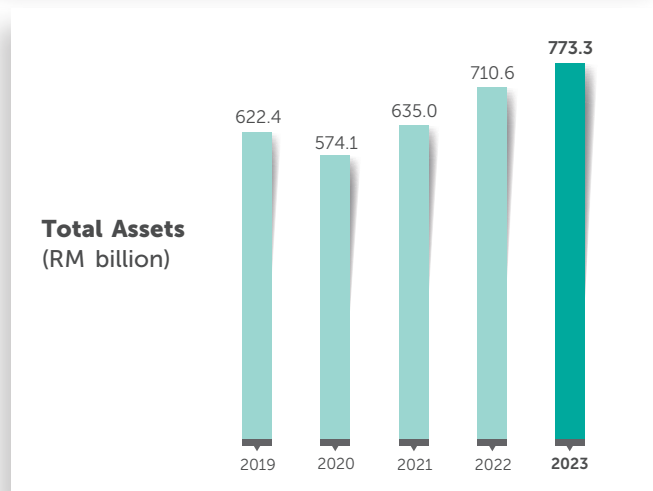
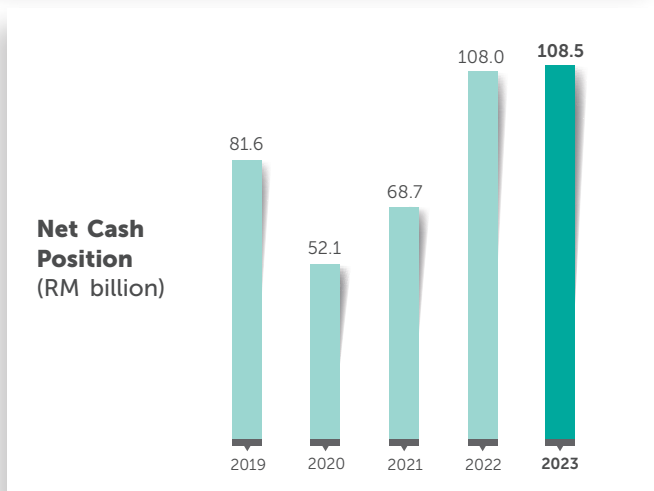
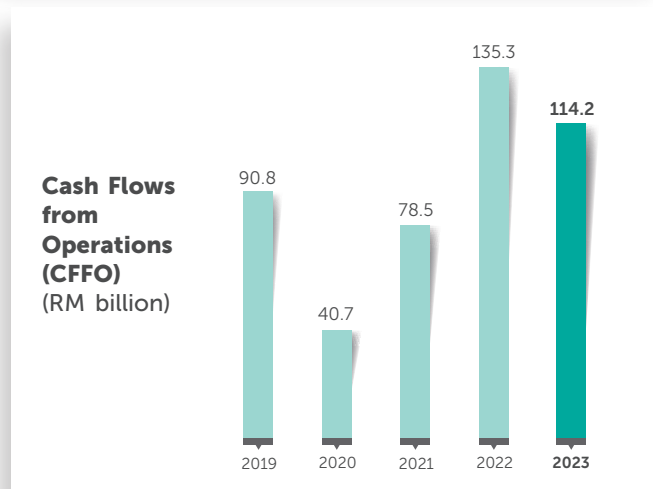
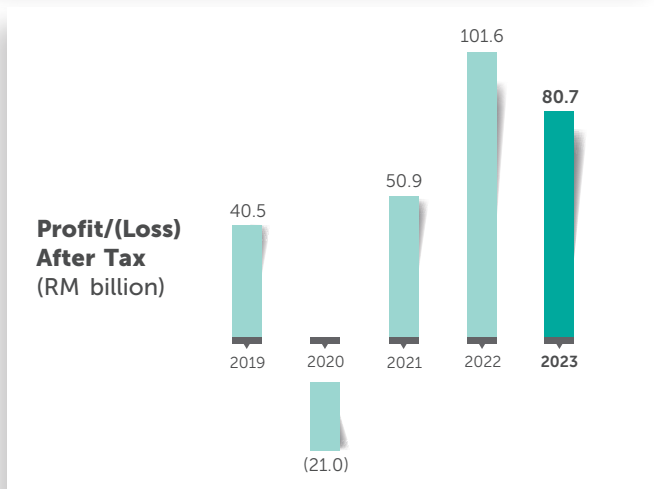
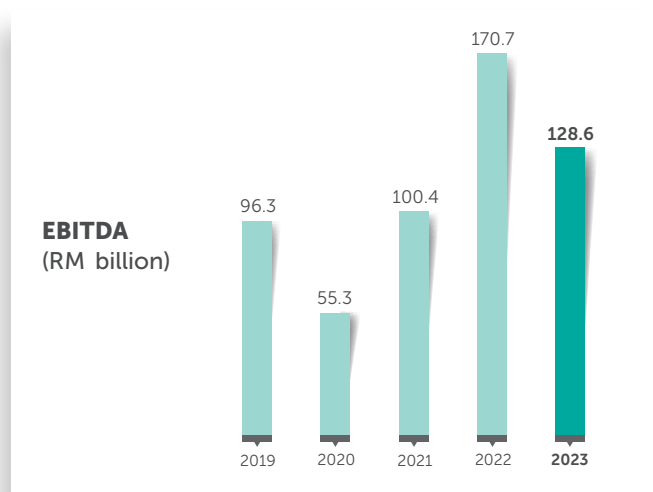
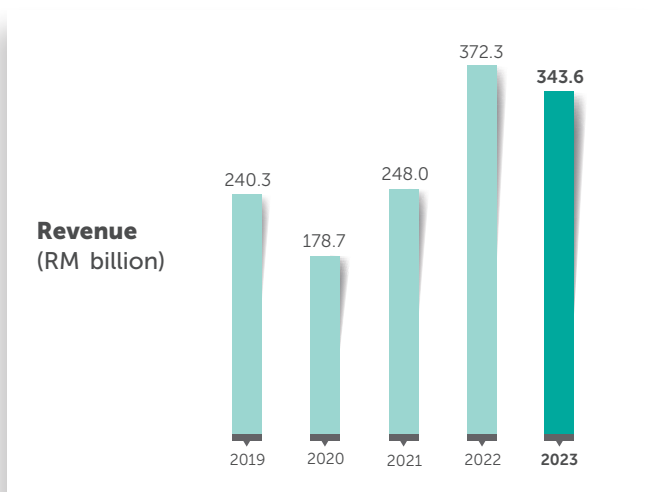
- Downstream business' CAPEX of RM5.8 billion during the year accounted for 11 per cent of the Group's overall CAPEX allocation, decreased by RM10.5 billion as compared to prior year mainly due to the acquisition of Perstorp in FY2022.
- The CAPEX spending made during the year was mainly allocated towards operational projects as well as turnaround activities, with majority spent domestically amounting to RM4.6 billion or 79 per cent.

### Corporate and Others

- CAPEX spent by businesses under Corporate and Others during the year amounted to RM10.5 billion with Gentari accounting for 58 per cent of the total spending.
- Gentari's significant investments on the forefront of renewables were mainly on the acquisition of 49 per cent ownership in Northland Power Inc.'s stake of the Hai Long project, poised to be one of Asia's largest offshore wind energy projects; and the acquisition of WIRSOL Energy, a leading renewable energy solutions provider.

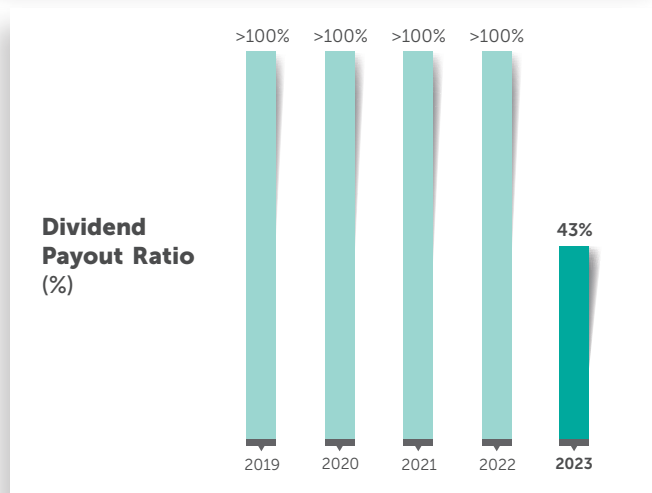
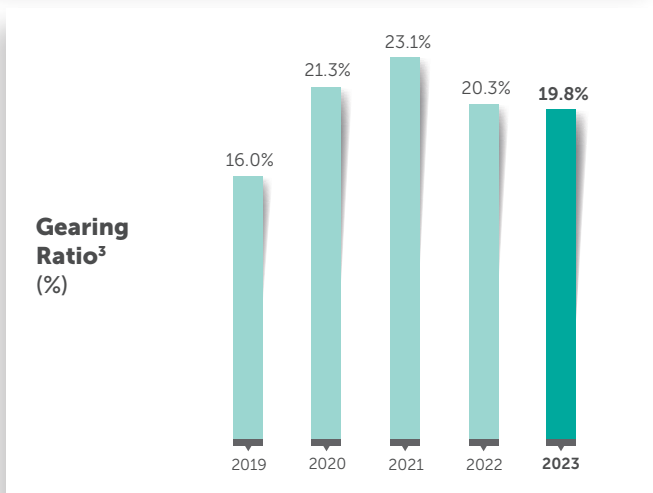
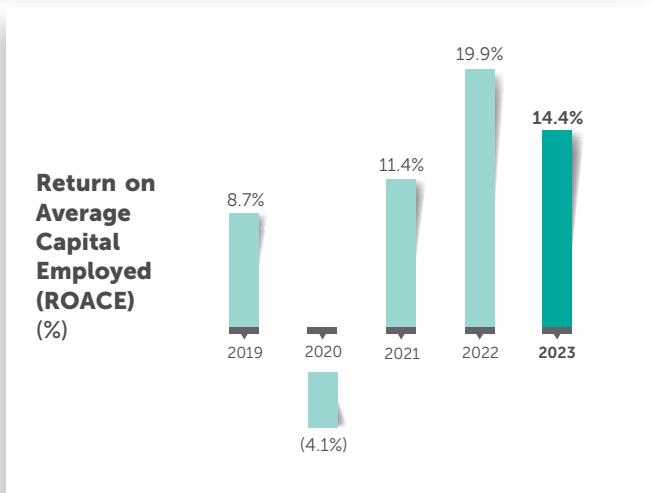
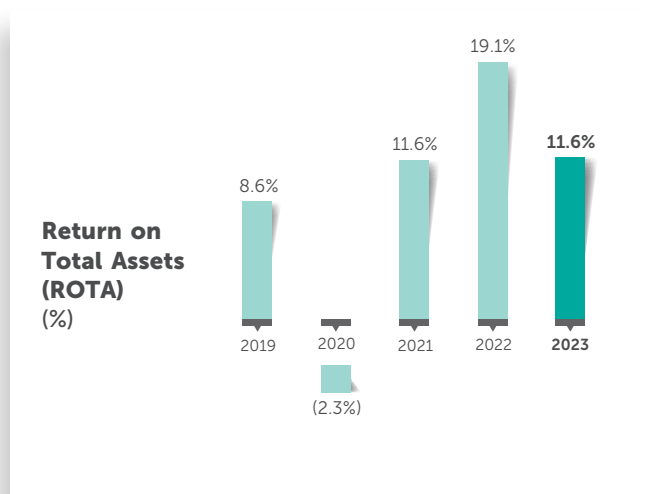
## Group Financial Results and Position

### Five-Year Key Financial Indicators



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

Note 2: Prior year revenue and group costs has been restated to conform with current year presentation, with no impact to PAT.



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
<b>Governance and Business Ethics</b>		
Governance and management systems	GOV-1: Governance approach	Corporate Governance at PETRONAS, pages 221-232
	GOV-2: Management systems	Corporate Governance at PETRONAS, pages 221-240
Business ethics and transparency	GOV-3: Preventing corruption	Risks Linked to Creating Value, page 59 Corporate Governance at PETRONAS, page 241
	GOV-4: Transparency of payments to host governments	Letter from the Executive Vice President and Group Chief Financial Officer, page 30
<b>Climate Change and Energy</b>		
Climate strategy and risk	CCE-1: Climate governance and strategy	Safeguard the Environment, pages 110-113
	CCE-2: Climate risk and opportunities	Safeguard the Environment, pages 110-114
Technology	CCE-3: Lower carbon technology	PETRONAS Energy Transition Strategy, pages 34-37 Project Delivery and Technology, pages 92-97 Gentari, pages 98-104
Emissions	CCE-4: Greenhouse gas (GHG) emissions	Safeguard the Environment, pages 115-121 Sustainability Key Performance Data, pages 198-203
	CCE-5: Methane emissions	Safeguard the Environment, pages 117-118 Sustainability Key Performance Data, page 201
Energy use	CCE-6: Energy use	Sustainability Key Performance Data, page 203
Flaring	CCE-7: Flared gas	Safeguard the Environment, pages 120-121 Sustainability Key Performance Data, page 199
<b>Environment</b>		
Water	ENV-1: Freshwater	Safeguard the Environment, page 125 Sustainability Key Performance Data, page 204
	ENV-2: Discharges to water	Sustainability Key Performance Data, page 204
Biodiversity	ENV-3: Biodiversity policy and strategy	Safeguard the Environment, pages 128-129 Positive Social Impact, pages 194-195
	ENV-4: Protected and priority areas for biodiversity conservation	Safeguard the Environment, page 128

Ipieca Disclosures		Reference Page
<b>Environment</b>		
Air emissions	ENV-5: Emissions to air	Safeguard the Environment, page 125 Sustainability Key Performance Data, page 204
Spills	ENV-6: Spills to the environment	Safeguard the Environment, page 126 Sustainability Key Performance Data, page 204
Materials management	ENV-7: Materials management	Safeguard the Environment, pages 122-123 Positive Social Impact, page 157 Sustainability Key Performance Data, page 204
	ENV-8: Decommissioning	Safeguard the Environment, page 127
Decommissioning	ENV-1: Freshwater	Safeguard the Environment, page 125 Sustainability Key Performance Data, page 204
<b>Safety, Health and Security</b>		
Workforce protection	SHS-1: Safety, health and security engagement	Positive Social Impact, pages 131-141
	SHS-2: Workforce health	Risks Linked to Creating Value, page 66 Positive Social Impact, pages 131-141
	SHS-3: Occupational injury and illness incidents	Gas, pages 80-82 Positive Social Impact, pages 131-141 Sustainability Key Performance Data, page 205
Product health, safety and environmental risk	SHS-5: Product stewardship	Positive Social Impact, pages 155-158
Process safety	SHS-6: Process safety	Positive Social Impact, pages 137-139 Sustainability Key Performance Data, page 205
Security	SHS-7: Security risk management	Positive Social Impact, pages 142-146
<b>Social</b>		
Human rights management	SOC-1: Human rights due diligence	Material Topics, page 56 Positive Social Impact, pages 147-150 Sustainability Key Performance Data, page 209
	SOC-2: Suppliers and human rights	Letter from the Vice President and Chief Sustainability Officer, pages 32-33 Positive Social Impact, pages 147-150
	SOC-3: Security and human rights	Positive Social Impact, pages 142-144 and 147-150



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Ipiecea Disclosures		Reference Page
Social		
Labour practices	SOC-4: Site-based labour practices and worker accommodation	Positive Social Impact, pages 147 and 154
	SOC-5: Workforce diversity and inclusion	Positive Social Impact, pages 172-181 Sustainability Key Performance Data, pages 206-208
	SOC-6: Workforce engagement	Engaging with Stakeholders, page 47 Positive Social Impact, pages 159-171
	SOC-7: Workforce training and development	Positive Social Impact, pages 159-171 Sustainability Key Performance Data, page 209
	SOC-8: Workforce non-retaliation and grievance mechanisms	Positive Social Impact, pages 147-150
Community engagement	SOC-9: Local community impacts and engagement	Engaging with Stakeholders, page 51 Positive Social Impact, pages 182-197
	SOC-10: Indigenous peoples	Positive Social Impact, pages 147-150 and 182-197
	SOC-11: Land acquisition and involuntary resettlement	Positive Social Impact, pages 147-150
	SOC-12: Community grievance mechanisms	Positive Social Impact, page 149
	SOC-13: Social investment	Other Businesses, page 106 Positive Social Impact, page 169 Sustainability Key Performance Data, page 209
Local content	SOC-14: Local procurement and supplier development	Engaging with Stakeholders, page 47 Other Businesses, page 106 Positive Social Impact, pages 151-154
	SOC-15: Local hiring practices	Positive Social Impact, pages 147-148 and 179 Sustainability Key Performance Data, page 208

## Global Reporting Initiative Standards

PETRONAS has reported the information cited in this Global Reporting Initiative (GRI) content index for the period covering the full calendar year from 1 January to 31 December 2023 with reference to the GRI Standards.

GRI Disclosure	Reference Page	
GRI 2: General Disclosures	2-1 Organisational details	About This Report, pages 6-7 PETRONAS An Overview, pages 8-19
	2-2 Entities included in the organisation's sustainability reporting	About This Report, pages 6-7
	2-3 Reporting period, frequency and contact point	About This Report, pages 6-7
	2-4 Restatements of information	Sustainability Key Performance Data, pages 198-209
	2-5 External assurance	About This Report, pages 6-7
	2-6 Activities, value chain and other business relationships	PETRONAS An Overview, pages 8-19
	2-7 Employees	Sustainability Key Performance Data, pages 206-208
	2-8 Workers who are not employees	Sustainability Key Performance Data, page 167
	2-9 Governance structure and composition	Board Composition, page 210 Corporate Governance at PETRONAS, pages 221-224
	2-10 Nomination and selection of the highest governance body	Corporate Governance at PETRONAS, page 221
	2-11 Chair of the highest governance body	Profile of Board of Directors, page 211
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance at PETRONAS, pages 221-224
	2-13 Delegation of responsibility for managing impacts	Corporate Governance at PETRONAS, page 229
	2-14 Role of the highest governance body in sustainability reporting	About This Report, pages 6-7
	2-15 Conflicts of interest	Corporate Governance at PETRONAS, pages 226-227
	2-16 Communication of critical concerns	Corporate Governance at PETRONAS, page 223
	2-17 Collective knowledge of the highest governance body	Corporate Governance at PETRONAS, page 227
	2-19 Remuneration policies	Corporate Governance at PETRONAS, page 227
	2-20 Process to determine remuneration	Corporate Governance at PETRONAS, pages 221 and 227
	2-22 Statement on sustainable development strategy	Letter from the Chairman and Letter from the President and Group Chief Executive Officer, pages 24-27

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GRI Disclosure		Reference Page
GRI 2: General Disclosures	2-23 Policy commitments	Positive Social Impact, pages 147-150 Corporate Governance at PETRONAS, page 241
	2-24 Embedding policy commitments	Positive Social Impact, pages 147-150
	2-25 Processes to remediate negative impacts	Positive Social Impact, pages 148-149
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance at PETRONAS, page 241
	2-28 Membership associations	Engaging with Stakeholders, page 52
	2-29 Approach to stakeholder engagement	Engaging with Stakeholders, pages 42-52
	2-30 Collective bargaining agreements	Positive Social Impact, pages 147-150
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics, page 53
	3-2 List of material topics	Material Topics, page 53
	3-3 Management of material topics	Material Topics, pages 53-58
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Letter from the Executive Vice President and Group Chief Financial Officer, pages 28-31 Positive Social Impact, pages 182-197 Group Financial Results and Position, pages 242-255 Audited Financial Statements, pages 6-18
	201-2 Financial implications and other risks and opportunities due to climate change	Safeguard the Environment, pages 111-114
	201-3 Defined benefit plan obligations and other retirement plans	Audited Financial Statements, page 124
	201-4 Financial assistance received from government	Audited Financial Statements, page 48
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Positive Social Impact, page 172
	202-2 Proportion of senior management hired from the local community	Positive Social Impact, page 173
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Positive Social Impact, pages 182-197
	203-2 Significant indirect economic impacts	Engaging with Stakeholders, pages 42-52 Positive Social Impact, pages 182-197

GRI Disclosure		Reference Page
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance at PETRONAS, pages 236-241
	205-3 Confirmed incidents of corruption and actions taken	Positive Social Impact, page 150 PETRONAS Commitment to Integrity, page 241
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Safeguard the Environment, pages 122-124 Positive Social Impact, page 157
	301-2 Recycled input materials used	Safeguard the Environment, pages 122-124
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Performance Key Data, page 203
	302-2 Energy consumption outside of the organisation	Sustainability Performance Key Data, page 203
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Safeguard the Environment, page 125 Positive Social Impact, page 189
	303-2 Management of water discharge-related impacts	Safeguard the Environment, page 125
	303-3 Water withdrawal	Safeguard the Environment, page 125 Sustainability Performance Key Data, page 204
	303-4 Water discharge	Safeguard the Environment, page 125 Sustainability Performance Key Data, page 204
	303-5 Water consumption	Safeguard the Environment, page 125 Sustainability Performance Key Data, page 204
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 128
	304-2 Significant impacts of activities, products and services on biodiversity	Safeguard the Environment, page 129
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Performance Key Data, page 199 and 202
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Performance Key Data, page 199 and 202
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Performance Key Data, page 199 and 202-203
	305-4 GHG emissions intensity	Sustainability Performance Key Data, page 200
	305-5 Reduction of GHG emissions	Sustainability Performance Key Data, page 200
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Safeguard the Environment, page 125 Sustainability Performance Key Data, page 204

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GRI Disclosure		Reference Page
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Safeguard the Environment, page 124
	306-3 Waste generated	Safeguard the Environment, page 124 Sustainability Performance Key Data, page 204
	306-4 Waste diverted from disposal	Sustainability Performance Key Data, page 204
	306-5 Waste directed to disposal	Sustainability Performance Key Data, page 204
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	Sustainability Performance Key Data, page 208
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Performance Key Data, page 207
	401-3 Parental leave	Sustainability Performance Key Data, page 207
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Positive Social Impact, page 148
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Positive Social Impact, pages 131-141
	403-2 Hazard identification, risk assessment, and incident investigation	Positive Social Impact, pages 155-157
	403-3 Occupational health services	Positive Social Impact, pages 132-141
	403-4 Worker participation, consultation, and communication on occupational health and safety	Positive Social Impact, pages 175-176
	403-5 Worker training on occupational health and safety	Positive Social Impact, pages 137-141
	403-6 Promotion of worker health	Positive Social Impact, pages 131 and 134
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risks Linked to Creating Value, page 66
	403-8 Workers covered by an occupational health and safety management system	Positive Social Impact, page 131
	403-9 Work-related injuries	Performance by Capitals, page 41 Positive Social Impact, pages 131 and 137-138 Sustainability Performance Key Data, page 205
	403-10 Work-related ill health	Performance by Capitals, page 41 Sustainability Performance Key Data, page 205

GRI Disclosure		Reference Page
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Performance Key Data, page 209
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Positive Social Impact, pages 159-171
	404-3 Percentage of employees receiving regular performance and career development reviews	Positive Social Impact, page 178
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Performance Key Data, pages 207 and 210
	405-2 Ratio of basic salary and remuneration	Positive Social Impact, page 172
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Positive Social Impact, page 150
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child Labour	Positive Social Impact, pages 147-150
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, pages 147-150
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Positive Social Impact, pages 149-150 Sustainability Performance Key Data, page 209
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Positive Social Impact, page 149
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Positive Social Impact, pages 149-150
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Positive Social Impact, page 154
	414-2 Negative social impacts in the supply chain and actions taken	Positive Social Impact, page 154
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 155-158
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Positive Social Impact, pages 155-158
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Positive Social Impact, page 155

## Appendix

### World Economic Forum’s Stakeholder Capitalism Metrics

World Economic Forum Disclosures		Reference Page
<b>Principles of Governance: Core Metrics and Disclosures</b>		
Governing purpose	Setting purpose	About This Report, pages 6-7 Letter from the Chairman, pages 20-23
Quality of governing body	Governance body composition	Profile of Board of Directors, pages 211-214 Profile of Company Secretaries, page 215 Profile of Executive Leadership Team, pages 216-220 Corporate Governance at PETRONAS, pages 221-224
Stakeholder engagement	Material issues impacting stakeholders	Engaging with Stakeholders, pages 42-52 Material Topics, pages 53-58
Ethical behaviour	Anti-corruption	Corporate Governance at PETRONAS, page 241
	Protected ethics advice and reporting mechanisms	Corporate Governance at PETRONAS, page 241
Risk and opportunity oversight	Integrating risk and opportunity into business process	Risks Linked to Creating Value, pages 59-71
<b>Planet: Core Metrics and Disclosures</b>		
Climate change	Greenhouse gas (GHG) emissions	Safeguard the Environment, pages 109-121
	Task Force on Climate-related Financial Disclosures implementation	Safeguard the Environment, pages 109-121
Nature loss	Land use and ecological sensitivity	Safeguard the Environment, pages 128-129
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Safeguard the Environment, page 125 Sustainability Key Performance Data, page 204
<b>People: Core Metrics and Disclosures</b>		
Dignity and equality	Diversity and inclusion (%)	Positive Social Impact, pages 172-181 Sustainability Key Performance Data, pages 206-208 and 264
	Risk for incidents of child, forced or compulsory labour	Positive Social Impact, pages 147-151
Health and wellbeing	Health and safety (%)	Positive Social Impact, pages 131-141
Skills for the future	Training provided (#, \$)	Performance by Capitals, page 41 Positive Social Impact, pages 151-171 Sustainability Key Performance Data, page 209

World Economic Forum Disclosures		Reference Page
Prosperity: Core Metrics and Disclosures		
Employment and wealth generation	Absolute number and rate of employment	Sustainability Key Performance Data, pages 206-208
	Economic contribution	<ol style="list-style-type: none"> <li>1. Revenue: Group Financial Results and Position, pages 242-255</li> <li>2. Operating cost: Group Financial Results and Position, page 246</li> <li>3. Employee wages and benefits: Audited Financial Statements, page 43</li> <li>4. Payment to providers of capital:               <ol style="list-style-type: none"> <li>I. Dividend: Letter from the Executive Vice President and Group Chief Financial Officer, page 30</li> <li>II. Financing costs: Audited Financial Statements, page 114</li> </ol> </li> <li>5. Payments to government: Letter from the Executive Vice President and Group Chief Financial Officer, page 30</li> <li>6. Community investment: Positive Social Impact, pages 182-197</li> <li>7. Audited Financial Statements, page 116</li> </ol>
	Financial investment contribution	<ol style="list-style-type: none"> <li>1. Total capital expenditures (CAPEX) minus depreciation, supported by narrative to describe the company's investment strategy: Group Financial Results and Position, pages 252-253</li> <li>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 30</li> <li>3. Dividend paid to non-controlling interest: Audited Financial Statements, page 10</li> </ol>
Innovation of better products and services	Total research and development expenses (\$)	Performance by Capitals, page 40 Project Delivery and Technology, page 140
Community and social vitality	Total tax paid	Audited Financial Statements, pages 13-14



## Appendix

### Task Force on Climate-related Financial Disclosures

Theme	Recommended Disclosure	Reference Page
<b>Governance</b>	Describe the board's oversight of climate-related risks and opportunities.	Safeguard the Environment, page 110 Corporate Governance at PETRONAS, pages 221-224
	Describe management's role in assessing and managing climate-related risks and opportunities.	Corporate Governance at PETRONAS, pages 221-224
<b>Strategy</b>	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Safeguard the Environment, pages 111-113
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Safeguard the Environment, page 113
	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 113
<b>Risk Management</b>	Describe the organisation's processes for identifying and assessing climate-related risks.	Safeguard the Environment, pages 113-114
	Describe the organisation's processes for managing climate-related risks.	Safeguard the Environment, pages 113-114
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Safeguard the Environment, pages 113-114
<b>Metrics and Targets</b>	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, pages 115-121
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Safeguard the Environment, pages 115-121 Sustainability Key Performance Data, pages 199-203
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Safeguard the Environment, page 115

# Glossary of Terms

Abbreviation	Full Term/Definition
2C	Contingent Resources
2P	Petroleum Reserves
3R	Reduce, reuse, recycle
AC	Audit Committee
ALAM	Akademi Laut Malaysia
ASEAN	Association of Southeast Asian Nations
B40	Bottom 40 per cent of income earners
bboe	Billion barrel of oil equivalent
BCM	Business Continuity Management
BES	Biodiversity and Ecosystem Services
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
CO <sub>2</sub>	Carbon dioxide
CoBE	Code of Conduct and Business Ethics
CoCHR	Contractors Code of Conduct on Human Rights
COVID-19	2019 novel coronavirus (or 2019-nCoV)
D&I	Diversity and Inclusion
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ELT	Executive Leadership Team
ERM	Enterprise Risk Management
ESG	Environmental, social and governance
EV	Electric Vehicle
FY	Financial Year
GCEO	Group Chief Executive Officer
GEES	Graduate Employment Enhancement Scheme
GHG	Greenhouse gas

Abbreviation	Full Term/Definition
GLC	Government Linked Companies
GRI	Global Reporting Initiative
GW	Gigawatt
HRM	Human Resource Management
HSE	Health, Safety and Environment
HSSE	Health, Safety, Security and Environment
INED	Independent Non-Executive Director
INSTEP	Institut Teknologi Petroleum PETRONAS
IR	Integrated Reporting
ISO	International Organisation for Standardisation
kboe	Kilo barrels of oil equivalent
KTC	Kimanis Training Centre
KTPA	Kilotonnes per annum
LNG	Liquefied Natural Gas
LOPC	Loss of Primary Containment
MARA	Majlis Amanah Rakyat
MEKAR	Memampankan Ekonomi Asas Rakyat
MMscfd	Million standard cubic feet per day
MMT	Million metric tonnes
NED	Non-Executive Director
NGO	Non-Governmental Organisation
NINED	Non-Independent Non-Executive Director
NRC	Nomination and Remuneration Committee
NTF	National Trust Fund
OEE	Overall Equipment Effectiveness
OGSE	Oil and Gas Services and Equipment
OTOBOS	On Time, On Budget, On Scope
PAC	Petroleum Arrangement Contractor
PCG	PETRONAS Chemicals Group Berhad
PD&T	Project Delivery and Technology

## Glossary of Terms

Abbreviation	Full Term/Definition
PDB	PETRONAS Dagangan Berhad
PETRONAS Group	Petroleum Nasional Berhad (PETRONAS) and its subsidiaries
PIC	Pengerang Integrated Complex
PLC	PETRONAS Leadership Centre
PRPC	PETRONAS Refinery and Petrochemicals Corporation Sdn Bhd
RC	Risk Committee
RM	Ringgit Malaysia
RMC	Risk Management Committee
SAF	Sustainable aviation fuel
SDG	Sustainable Development Goal
SEED.Lab	Social Enterprise Education Lab
STEM	Science, Technology, Engineering and Mathematics
TCFD	Task Force on Climate-related Financial Disclosures
tCO <sub>2</sub> e	Tonnes of carbon dioxide (CO <sub>2</sub> ) equivalent
The Board	Petroleum Nasional Berhad (PETRONAS) Board of Directors
The Group	Petroleum Nasional Berhad (PETRONAS) and its subsidiaries
UN	United Nations
UNEP	United Nations Environment Programme
UTP	Universiti Teknologi PETRONAS
VDP	Vendor Development Programme
VISTA	Vocational Institution Sponsorship and Training Assistance
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum