



PETRONAS

PETRONAS Chemicals Group Berhad

24th Annual General Meeting

Sustainability at the core

21 April 2022

Presentation Outline

- ◆ **Business Environment**

- ◆ **2021 A Record-Breaking Year**

- ◆ **2022 Outlook**

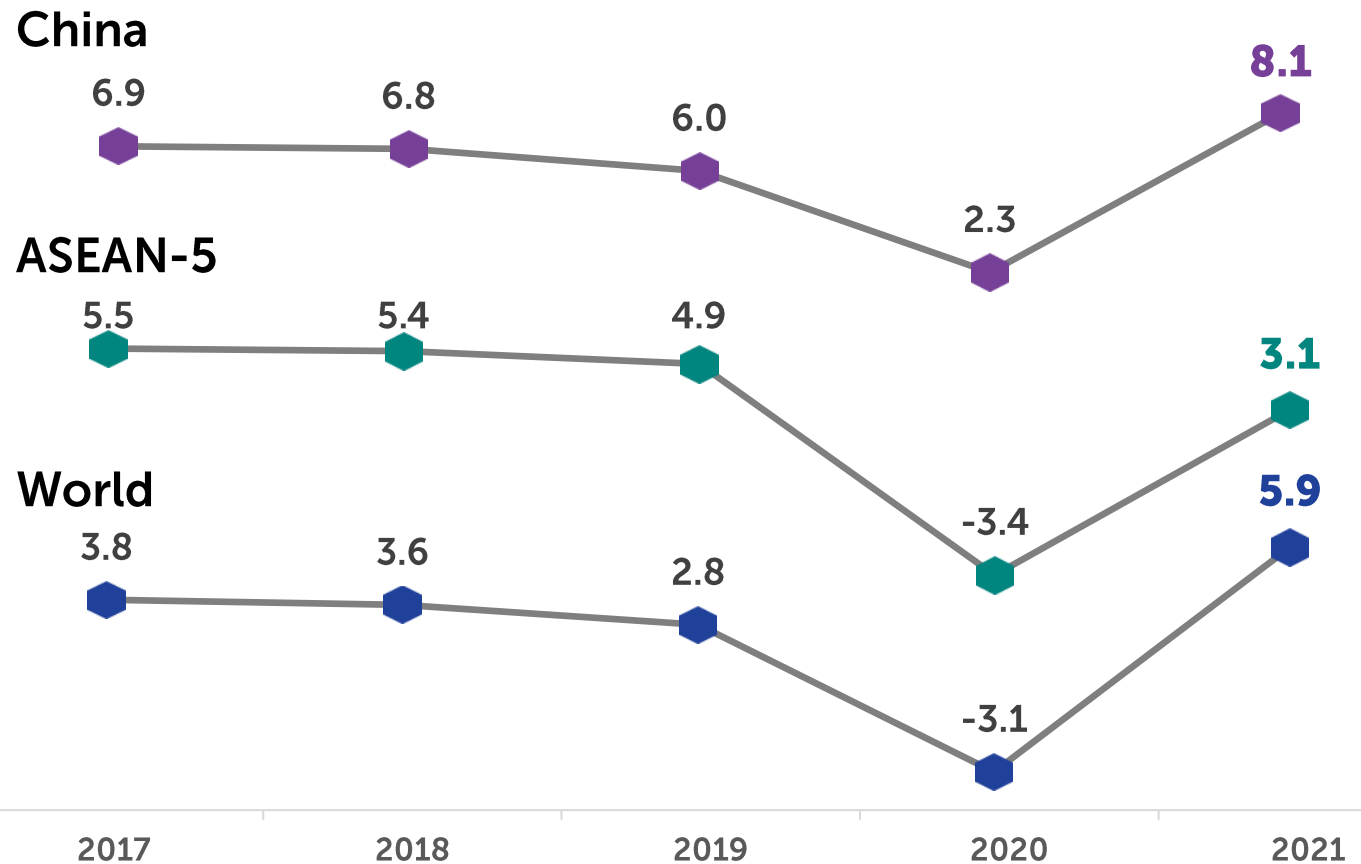


Business Environment

Global economy rebound



GDP Growth Rate (% change)

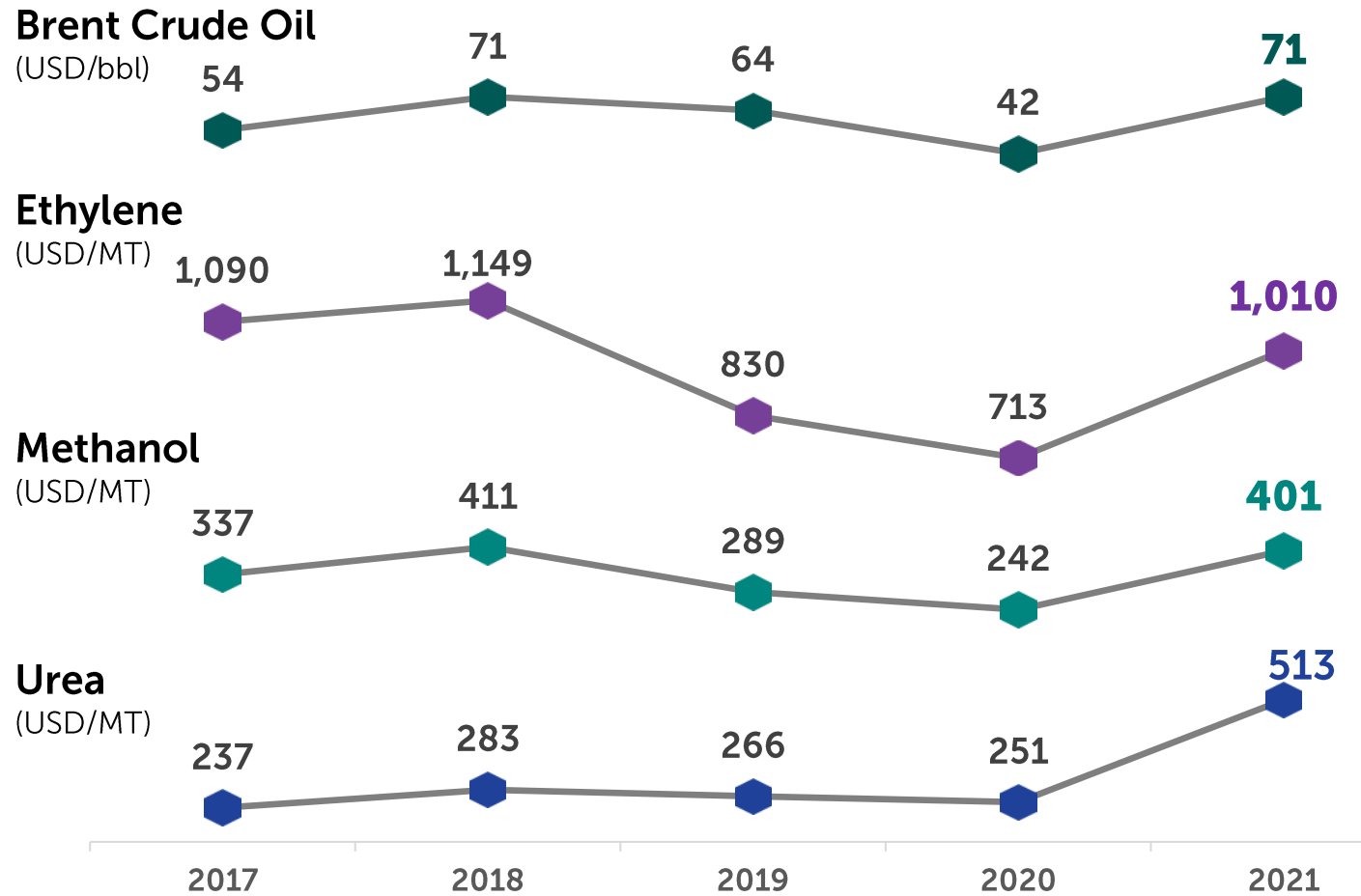


Note: ASEAN-5 refers to Indonesia, Malaysia, the Philippines, Singapore, and Thailand
Source: IMF

Petrochemical prices rallied in line with Brent crude oil



Brent Crude Oil and Petrochemical Prices



Source: Platts, ICIS, IHS, Profercy, CRU, Argus



2021
A Record-Breaking Year

Sustainability at the Core of our business

Economic

Business Sustenance & Green Initiatives

OE HSE & Operational Excellence

CX Commercial Excellence

GE Growth Delivery Excellence



Environmental

Environment Stewardship & Resource Efficiency



GHG Emission Reduction



Energy Optimisation



Waste Minimisation



Water Conservation



New Plastics Economy (NPE)



Social

Social Responsibility



Managing Human Rights Risk



Community Well-Being



NPE Education and Clean Up



Governance



FTSE4Good and Dow Jones Sustainability Index (DJSI) benchmarking

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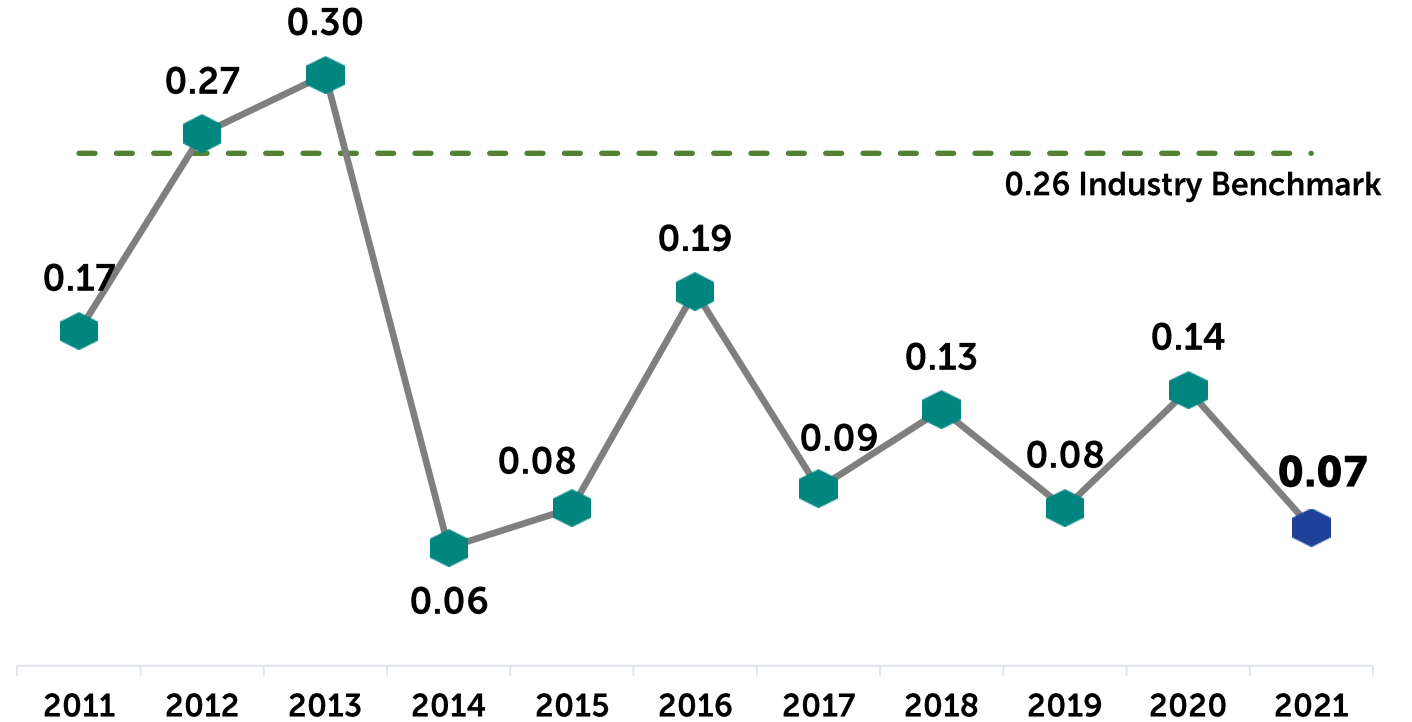


FTSE4Good and Dow Jones Sustainability Index (DJSI) benchmarking

HSE Excellence: Better than industry benchmark



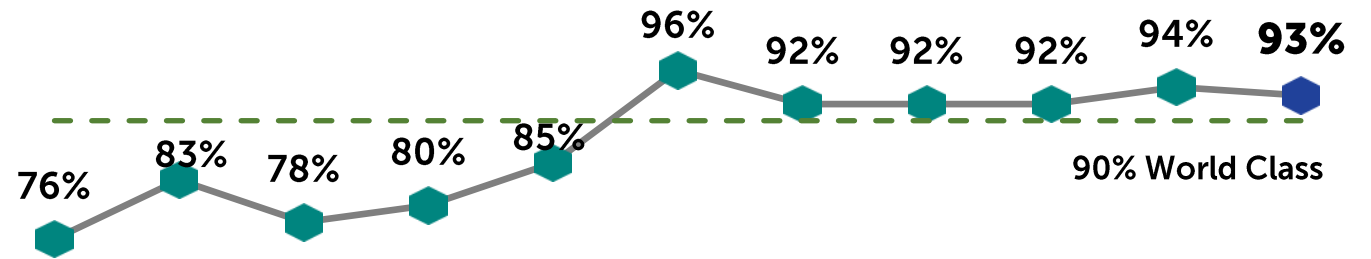
Safety Performance
(Lost Time Injury Frequency)



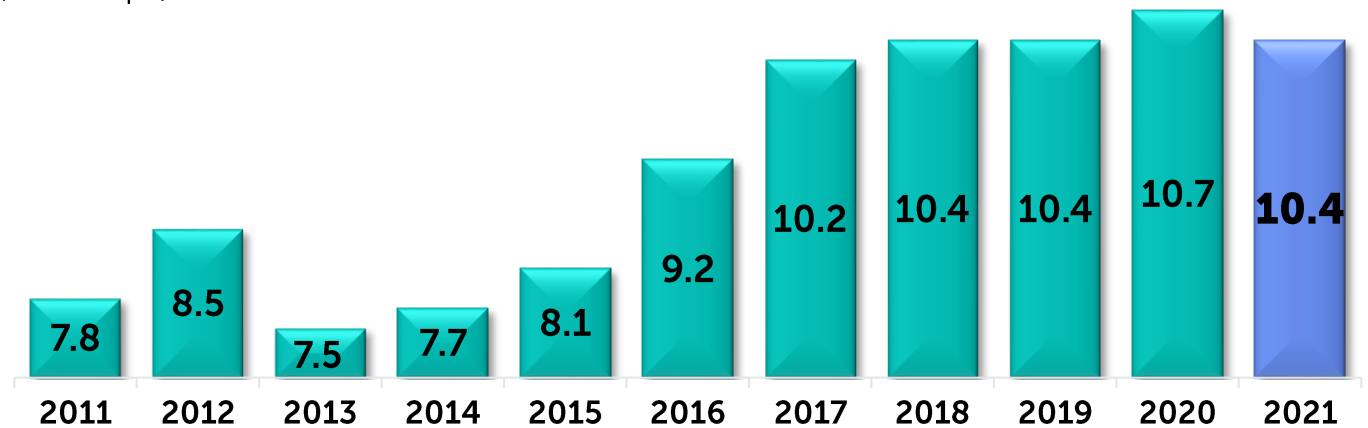
Operational Excellence: Sustain world class



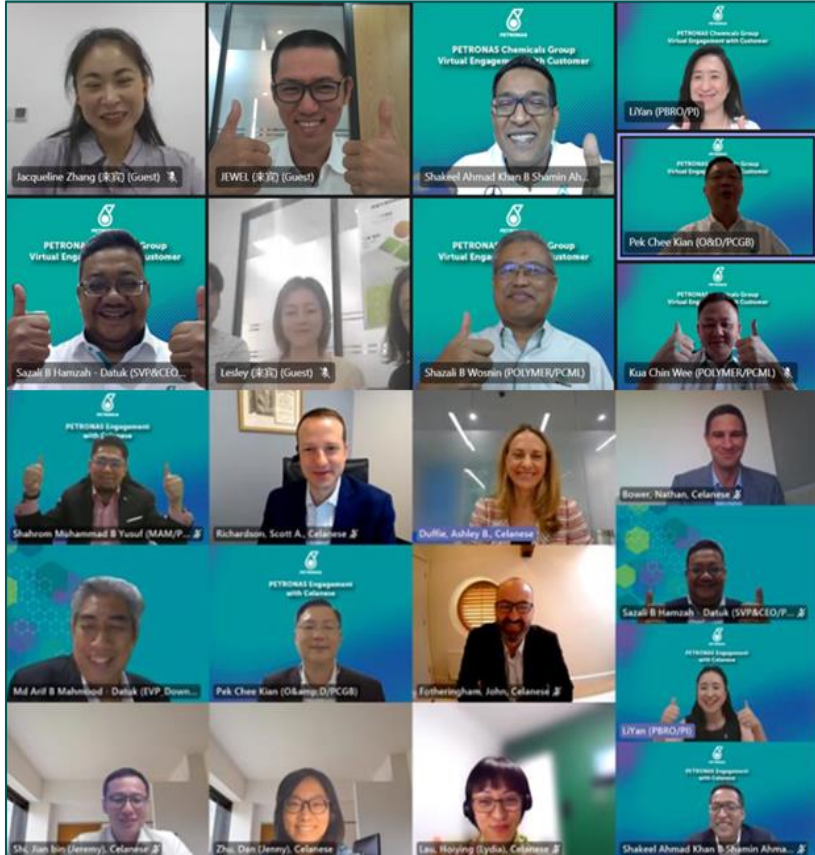
Plant Utilisation



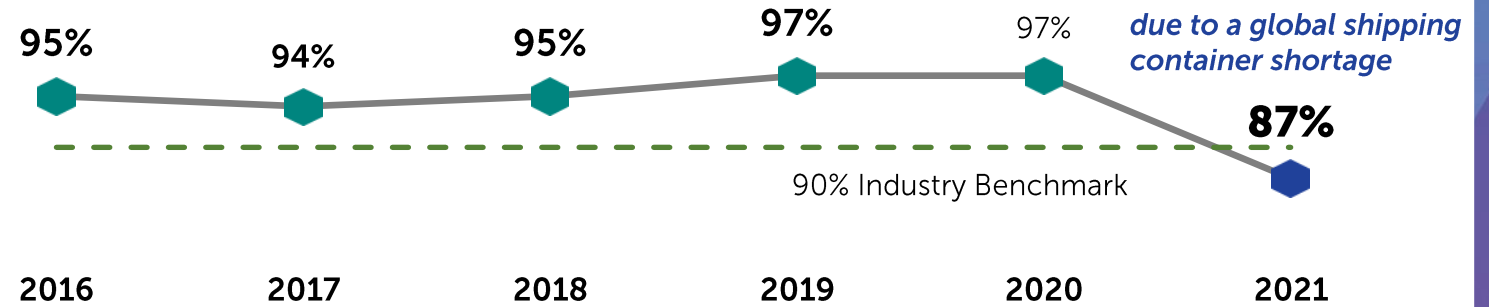
Production Volume (million tpa)



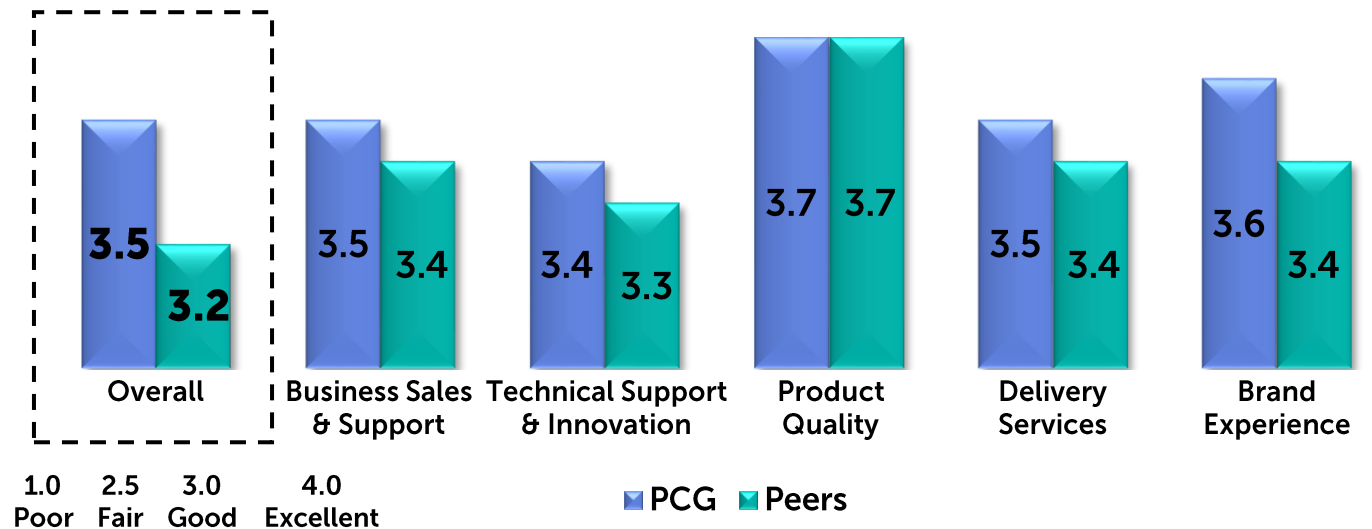
Commercial Excellence: Exceed customer satisfaction



Order Fulfillment Reliability



Customer Satisfaction Performance (score by customers)



Commercial Excellence: Delivered 16 new innovative products

Clean Energy



- 1 Ultra-High Purity Methanol (UHPM)

For fuel cell applications in line with market demand for clean energy

Agriculture



- 2 Paddy Smart Farming with Blue Urea (AGRENAS – Stabilized Nitrogen Fertilizer)

Smart farming solutions to improve paddy yield through Blue Urea, drone technology, and a paddy expert

Personal Care



- 3 BRB 1862
- 4 BRB 2895
- 5 BRB SG 211

Silicone-based ingredients for better skin care formulation

Construction



- 6 BRB Siloen SR 619
- 7 BRB Siloen BW5-LV
- 8 BRB 830
- 9 Si-COAT 461RC
- 10 Si-COAT 462RC
- 11 CSL 465

Water repellent additives, coatings & sealants to bring long lasting protection for building material

Automotive

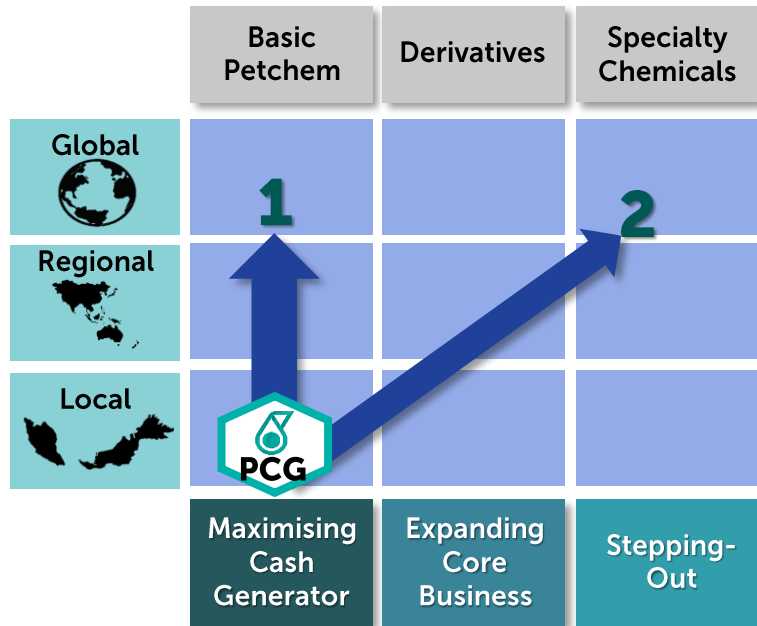


- 12 Petrolad 9200
- 13 Petrolad 9200 G
- 14 Petrolad 8770
- 15 Petrolad 6779 A
- 16 Petrolad 7076

Engine oil additives that meet different requirements for diesel & gasoline applications

Growth Delivery Excellence: Future-proofing the business

2-Pronged strategy



1. Sustain strength in basic petrochemicals
2. Selectively diversify into derivatives, specialty chemicals and solutions

Diversify into derivatives, specialty chemicals and solutions to future-proof the business

Expanding Core Business



Extend Value Chain (EVC)

via **downstream investment**

Stepping-Out



Build Specialty Platform

via **Merger & Acquisition (M&A)**



Create Optionality for Growth

via **Technology Research and Corporate Venture Capital (CVC)**

Growth Delivery Excellence: EVC - Making good progress

Extend Value Chain (EVC)



Pengerang Integrated Complex Starting Up



Specialty Ethoxylates Plant* in Kertih



Nitrile Butadiene Latex Plant* in Pengerang



Methanol Distribution in Indonesia

Note: *Sanctioned projects in execution

Growth Delivery Excellence: M&A - Strengthening specialty platform

Build Specialty Platform (M&A)

1st Platform : Silicone



New Silicone Blending Facility in Pahang



BRB Lube oil Additives and Chemical facilities

Next Platform



Growth Delivery Excellence: Venturing in disruptive technologies

Create Optionality for Growth



First drop of Bio-Monoethylene Glycol (Bio-MEG)



Specialty chemicals technology centre

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NPE Education and Clean Up



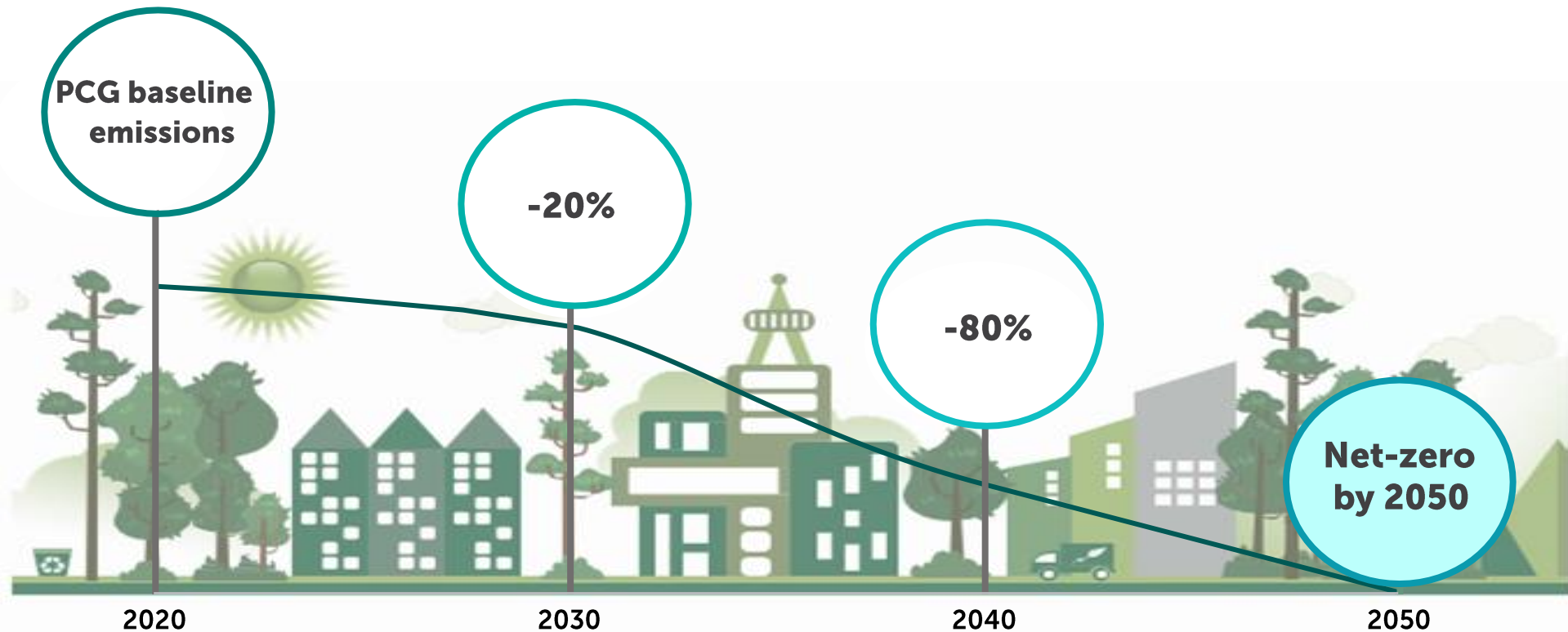
Governance



FTSE4Good and Dow Jones Sustainability Index (DJSI) benchmarking

GHG Emission Reduction: NZCE 2050 Roadmap

PCG NET-ZERO CARBON EMISSIONS (NZCE) PATHWAYS



Energy, Waste & Water: Efficient resource utilisation



Energy Intensity
Reduction

11% ↓

from baseline 2014



Hazardous Waste
Generation

26.2 ↓

kilotonne



Freshwater Withdrawal
Intensity

3.69 ↑

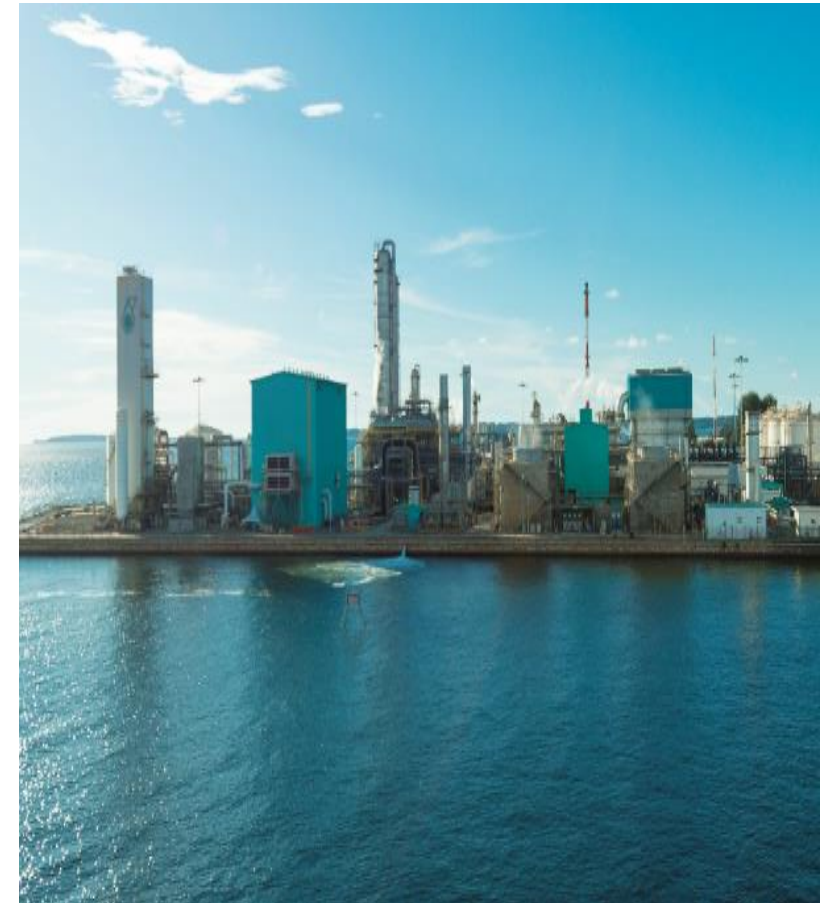
m³/tonne



Wastewater Discharge
Intensity

0.02 ↔

tonne/kilotonne



New Plastics Economy: Fronting Circular Economy Initiatives

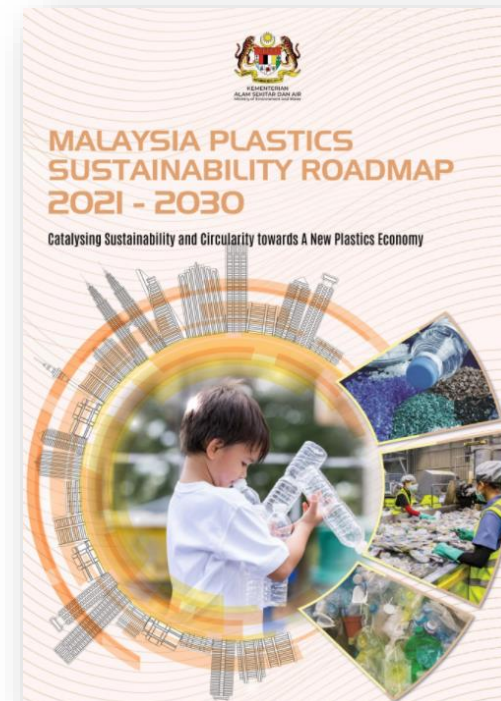


Plastic Waste To Circular Naphtha Recycling Plant

- ✓ Completed Detailed Feasibility Study
- ✓ Signed Memorandum of Understanding with waste management companies
- ✓ Completed process trial to convert plastic waste to naphtha at Melaka Refinery



Malaysia Plastics Sustainability Roadmap with the Ministry of Environment and Water



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Managing Human Rights: Upholding our commitments



Diversity & Inclusion

>20%

Female Board
Members & Senior
Management



Social Risk
Assessment



Vaccine Administration
Centre for employees'
vaccination



100% of
identified contractors
attended PETRONAS
Contractors Code of
Conduct on Human
Rights (CoCHR)
training




Community Well-Being: Enriching lives




 COVID 19 Relief Packages

 Corporate social responsibility initiatives reach
~295,000 people

- ✓ Plastic, Sustainability and You Education (PSYE)
- ✓ ecoCare
- ✓ Be Green
- ✓ Safe Handling of Chemicals at School (SHOC4School)

 Our COVID-19 efforts helped
> 18,000
community members within our areas of operations

 NADMA contribution for flood
> RM250,000
through salary deduction



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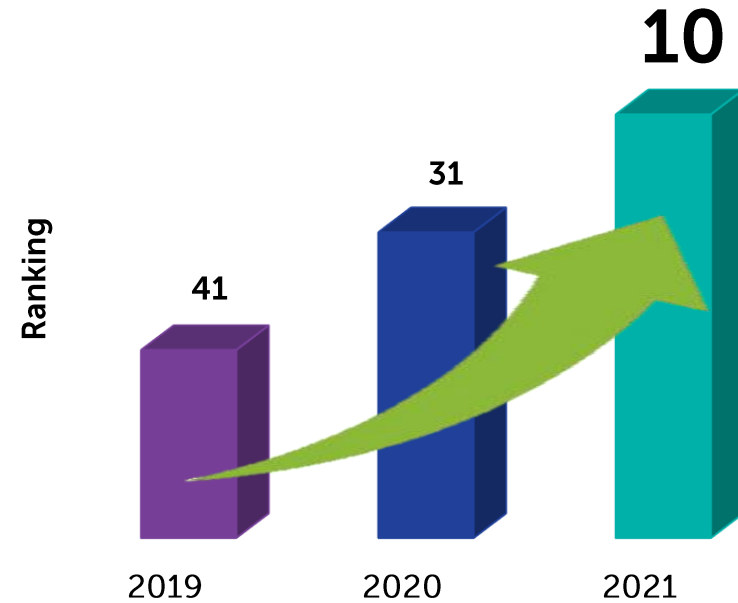
FTSE4Good and Dow Jones Sustainability Index (DJSI) benchmarking

DJSI: Global Top 10 Ranking



TOP 10 COMPANIES

DJSI WORLD CHEMICALS INDUSTRY



FTSE4GOOD
BURSA MALAYSIA
INDEX

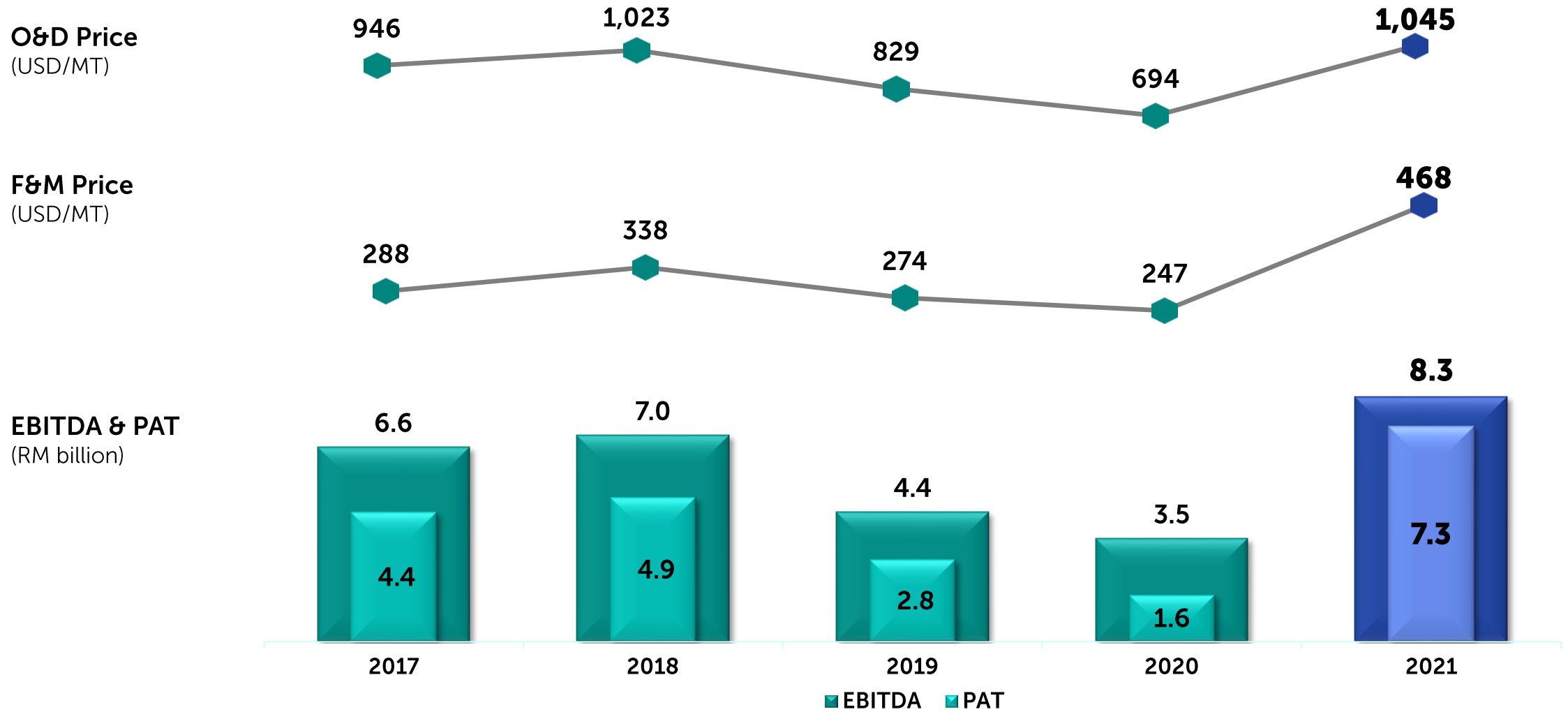
TOP QUARTILE

Highest rating

4 stars



Record-breaking financial performance



Highest dividend payout

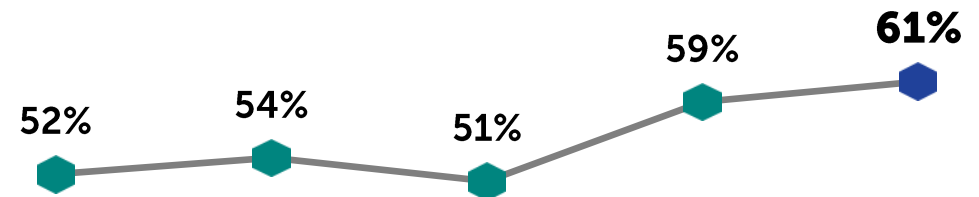
1st Interim Dividend
paid on 30th Sep 2021 **RM0.23**

Special Dividend
paid on 30th Dec 2021 **RM0.10**

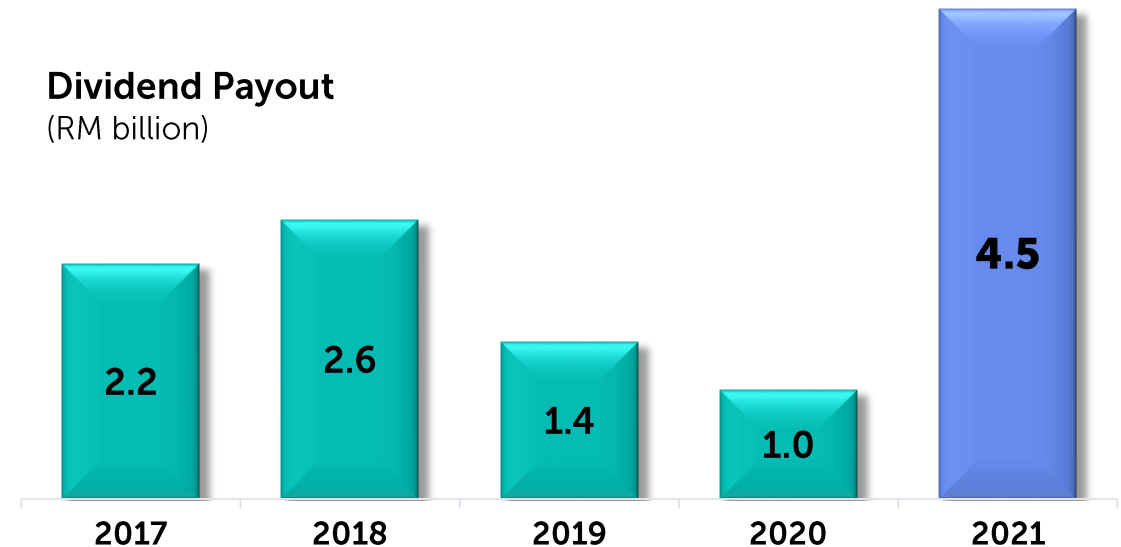
2nd Interim Dividend
paid on 25th Mar 2022 **RM0.23**

FY2021 Dividend
(per ordinary share) **RM0.56**

Dividend Payout Ratio
(% PATANCI)



Dividend Payout
(RM billion)

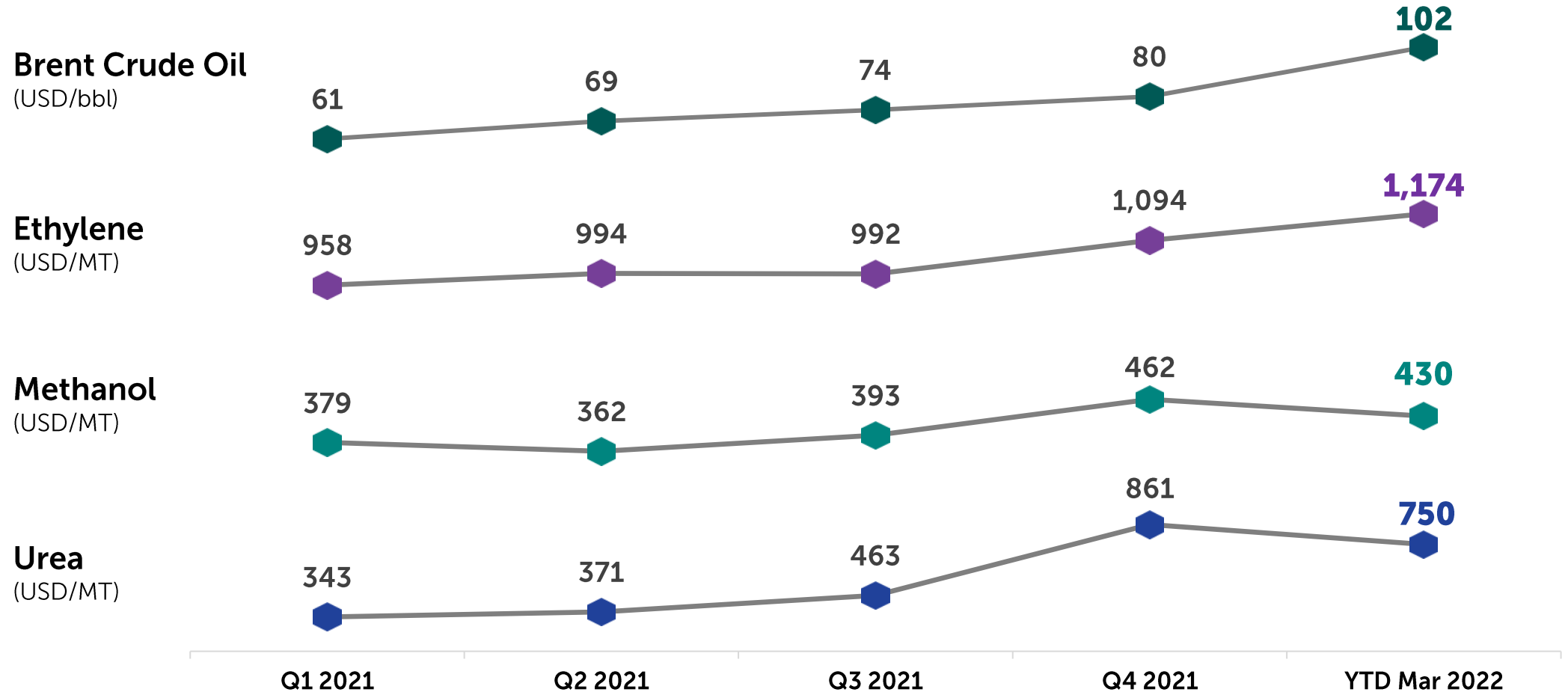




2022 Outlook

Global economy strengthen but remain uncertain

Brent Crude Oil and Petrochemical Prices



Source: Platts, ICIS, IHS, Profercy, CRU, Argus

Key Priorities for 2022

Economic

Business Sustenance & Green Initiatives

- Sustain **HSE Excellence**
- Maximise value from **Operational Excellence & Commercial Excellence**
- Continue **cost optimization**
- Invest in low carbon emissions **growth projects**

Environmental

Environment Stewardship & Resource Efficiency

- Execute **NZCE 2050 Roadmap**
- Continue **Environment Stewardship & Resource Efficiency**

Social

Social Responsibility

- Continue **Corporate Social Responsibility**
- **Empower people**

Governance



Sustain **DJSI world ranking & top quartile FTSE4Good**

Near-Term

VALUE

50% improvement in cash flow from operation by **2025**

Mid-Term

GROWTH

30% revenue by **2030** from non-traditional business

Long-Term

SUSTAINABILITY

Net Zero carbon Emissions by **2050**

The background features a gradient from dark blue on the left to purple on the right. Large, semi-transparent blue geometric shapes, resembling triangles and polygons, are layered across the scene. Overlaid on these are intricate molecular or network diagrams consisting of interconnected nodes and lines, some highlighted in light green and cyan. The overall aesthetic is modern and scientific.

Thank you