



29-31 AGUSTUS 2023
YOGYAKARTA

Delivering ESG in Pertamina



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Presentation Outline



1

Why ESG does Matters?

2

Pertamina ESG Strategy & Initiatives

3

Performance & Publication

Why do we have to Implement ESG?

Key External Drivers to ESG Implementation

IOC Best Practices



Net-Zero 2050



ESG linked to remuneration



Integrate Climate Into Strategy



Net-Zero 2050



Issuing Green Bond

International Organization's Support to adopt ESG Framework



17 Goals



UN Global Compact



Paris Agreement



Supportive to ESG

Investor's Concerns on ESG Investing



Ethical investing is a growing force in capital markets, and ESG funds account for around **10% of worldwide** fund assets. More than **\$649 billion poured into ESG funds** in 2021, a sharp increase over previous years.

Nationally Determined Contributions



31.89% **43.20%**

National Efforts International Support

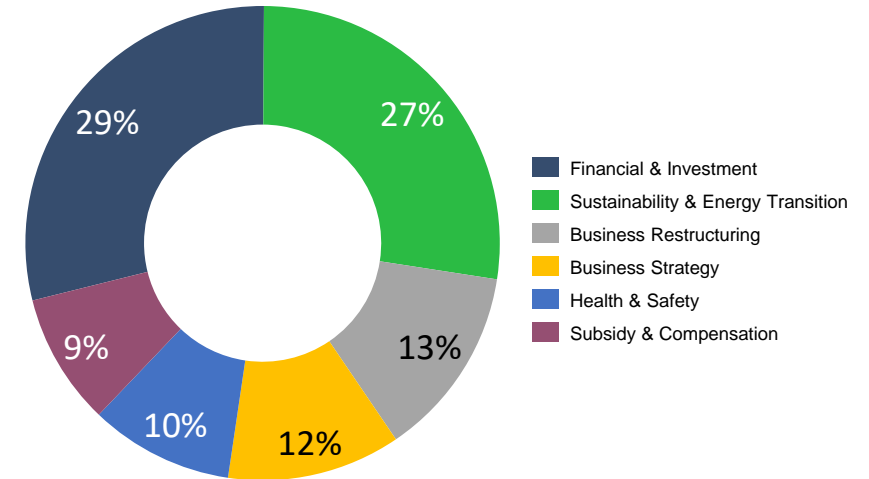
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Source : CFA Institute, UNPRI, FTSE Russell, Bloomberg, NDC, Internal analysis



Internal Drivers to ESG Implementation

Pertamina Investor Top Concern Pertamina 2021



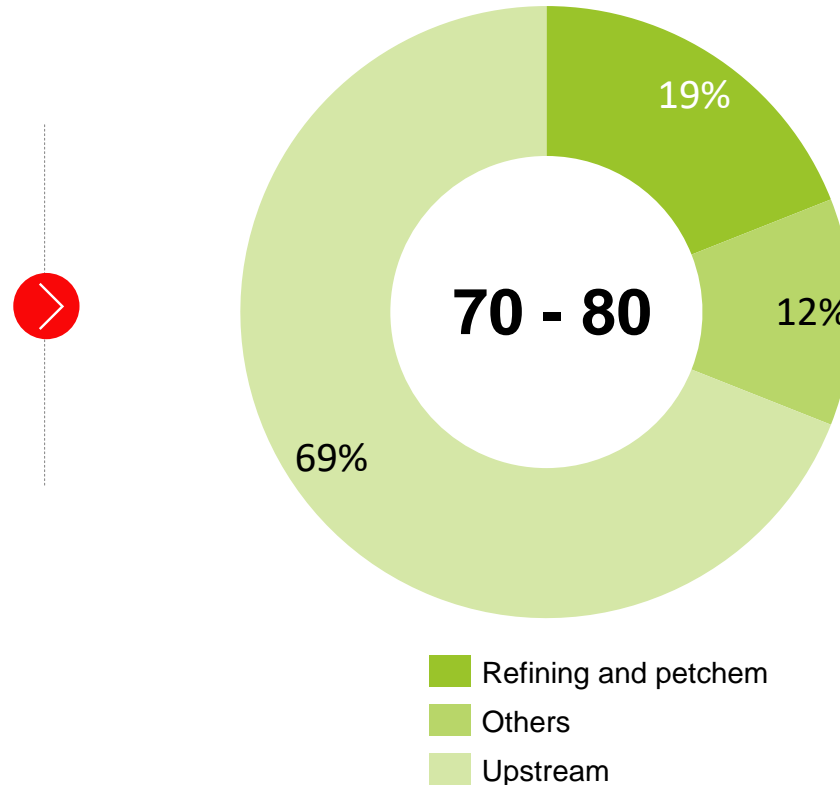
In Pertamina, sustainability & Energy Transition are the most frequently asked topic by investors, after financial topics since 2021

Benefit of ESG Implementation

Pertamina's ambition



Capex requirement (2020-2024) US\$B



- Org, people, culture capability
- Project delivery excellence
- Digital and technology
- Strategic partnerships and M&A
- Portfolio optimization

How can ESG help?

- Good ESG practice ✓
- Better ESG Scores ✓
- Better access to capital ✓
- Lower financing cost ✓
- Efficient investment ✓
- Better profit ✓
- Better employee wellbeing ✓



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1 Why ESG does Matters?

▶ 2 **Pertamina ESG Strategy & Initiatives**

3 Performance & Publication

Framework ESG in Pertamina



Deployment of ESG Strategy & Roadmap was accelerated to meet external drives

Diagnostic

2020

Development

2021

Deployment

2022

Outside in benchmark & Inside out assessment

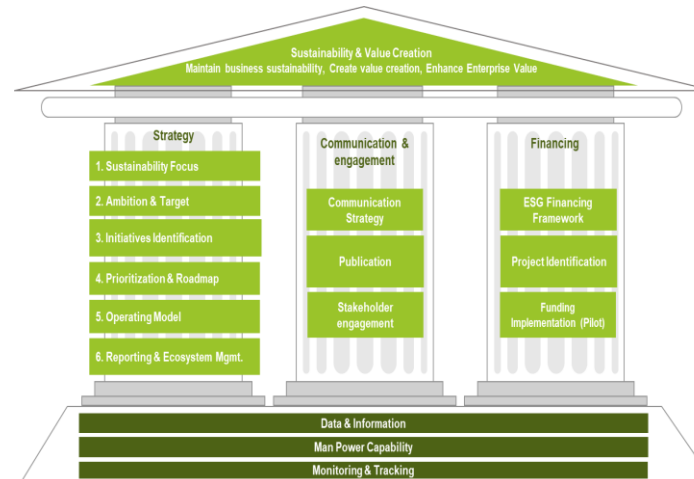


Benchmark, desktop study, consultant feedback



FGD & discussion with internal SME

House of ESG: Strategy, Financing & Communication



4Ps: Policy, Program, Performance, Publication



Policy



Programs



Performance



Publications

ESG Deployment in Pertamina



There are 4 main activities in deploying ESG within the organization, ranging from policy formulation to publication & rating.

1. Policy & Strategy

Pertamina develops policies and strategies related to ESG as the baseline for ESG implementation in the company

4. Publication & Rating

The ESG Campaign is carried out both internally and externally to publicize Pertamina's ESG performance.



2. Program Execution

This strategy is translated into work programs and ESG initiatives carried out by various functions at Pertamina

3. Performance & Monitoring

The program's performance is measured by KPIs and its achievements are monitored periodically every month.




Regular Evaluation

Pertamina ESG Policy



Pertamina Sustainability Policy

“PERTAMINA’s ambition is to be a leading and reputable Global Energy Company and to be recognized as:

-  **Environmentally Friendly Company**
-  **Socially Responsible Company**
-  **Good Governance Company”**

Pertamina Sustainability Committee

Chairperson : President Director & CEO

Members :

1. Strategy, Portfolio & New Ventures Director
2. Finance Director
3. Logistics & Infrastructure Director

Sustainability Department: Permanent body which has responsibility to implement ESG management in Pertamina, Lead by VP Sustainability

Adherence to International Standards on Sustainability Practices

Guiding Principles



17 Goals



National Determined Contribution



International Labor Organization



Climate Related Financial Disclosure



International Asso. Oil & Gas Producers

Participation to International Initiatives



Disclosure Standards



International Best Practices in Operation

ISO 14001:2015	Environmental Management	
ISO 45001:2018	Occupational Health and Safety	
ISO 50001:2018	Energy Management	
ISO 37001:2016	Anti Bribery Management System	
ISO 27001:2013	Information Security Management Systems	
ISO 26000:2010	Social Responsibility	

ESG Strategy & Implementation



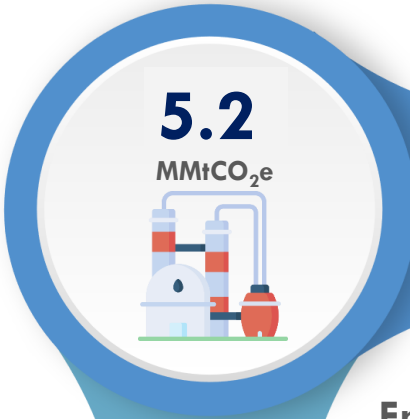
10 Sustainability Focus 2030

	Focus	SDGs
Environmental	1. Addressing climate change	7, 13
	2. Reducing environmental footprint	6, 7, 13
	3. Protecting biodiversity	14, 15
Social	4. Enhancing health and safety	3, 8
	5. Prevention of major accidents	3, 12, 14, 15
	6. Respecting & empowering our people	5, 8
	7. Reorienting Innovation and research	8, 9
	8. Expanding community engagement and impact	1, 4, 7, 14, 15
Governance	9. Strengthening Cyber security	16
	10. Leveraging Corporate ethics	16

Emission Reduction



Flare Gas Utilization
Upstream and Refinery
utilized for own use fuel and
for gas supply to customer



Energy Efficiency
Upstream, Refinery and PGE
waste heat recovery in upstream
& refinery, other energy efficiency
initiatives in geothermal activities



Fuel Gasification
Upstream
Switching liquid base fuel to gas fuel



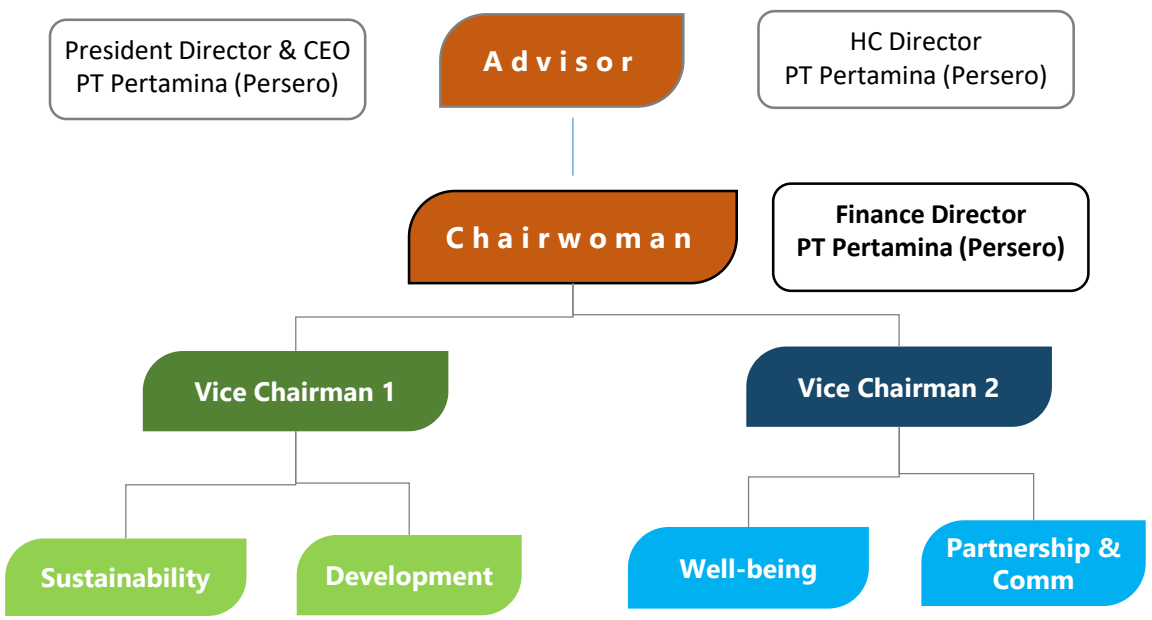
Other Activities
Upstream and Refinery
Commercialization CO₂ venting to
customer in upstream, other process
optimization in geothermal activities

Pertiwi Pertamina



A community in Pertamina to support woman to become a great leader, inspirative, authority, and independent. This program also as a part of Srikandi BUMN, and have 4 main programs : Sustainability, Development, Wellbeing, and Partnership & Communication. We implement 5 SDGs principles, such as Good Health & Well-being, Gender Equality, Affordable & Clean Energy, Decent Work & Economic Growth, Industry Innovation & Infrastructure, and Reduced Inequalities.

Organization Structure



Key Partners



Programs & Awards

Pertiwi Awards



Coaching



Zero Harrasment



Award

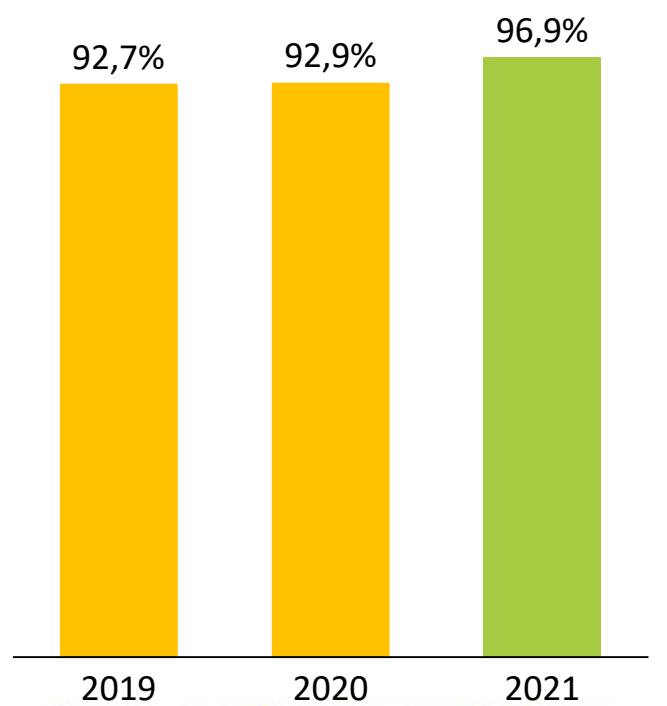


Corporate Governance



Pertamina continues to strengthen Good Corporate Governance by implementing policies, programs, and certifications in all lines of its business operations. The implementation of GCG is also supported by a commitment to anti-corruption support, which is realized through the implementation of ISO 37001:2016 Anti-Bribery Management System (SMAP) which has been accepted by the Company in 2021.

GCG Assessment Score



COC, COI, Gratifikasi, LHKPN, Sos GCG (2021)





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Pertamina ESG Rating

In October 2022, Pertamina has completed solicited rating by Sustainalytics and received an ESG Risk Rating of 22.1 or at Medium Risk of experiencing material financial impacts from ESG factors.



ESG Risk Rating 2022






Note: lower score is better

	Rating	Rating	Rating
Rating Score	41.6	28.1	22.1
Risk Level	SEVERE RISK	MEDIUM RISK	MEDIUM RISK
Rating Date	Feb 2021	Sep 2021	Oct 2022*
Methodology	Core Rating	Comprehensive Rating	Comprehensive Rating
Type	Unsolicited	Solicited	Solicited



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How do we compare against peers?

No	Benchmark	Score	Rating	Industry ¹ Rank (out of 254)	Subindustry ² Rank (out of 54)
	1 Compania Espanola	19.7	Low	1	1
	2 Pertamina	22.1	Medium	6	2
	3 Repsol	26.5	Medium	13	5
	4 ENI	27.5	Medium	15	7
	5 TotalEnergies	30.2	High	22	9
	6 PTT Public Co	30.3	High	23	10
	7 Petronas Gas ³	31.4	High	296	47
	8 BP	32.7	High	33	13
	9 Exxon Mobil	36.5	High	62	17
	10 Shell	37.6	High	70	19
	11 Chevron	37.6	High	69	18
	12 Petrobras	39.1	High	77	21
	13 ADNOC	43.6	Severe	115	30

¹ industry: Oil and Gas Producer

² Subindustry: Integrated Oil and Gas

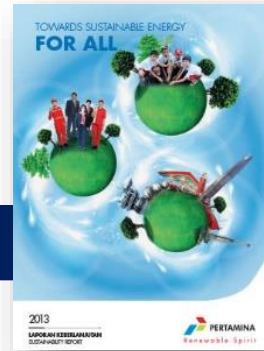
³ Industry: Multi-Utilities

Pertamina's Sustainability Report



Since 2011, Pertamina has published a Sustainability Report. Pertamina's SR contains the company's contribution (positive or negative) to the goals of sustainable development (SDGs), including environmental, social, and governance (ESG) aspects, throughout the company's operations.

2011



2022



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More Achievement in ESG Pertamina



International

Domestic

Sustainability Business Award

- Pertamina, and Pertamina Hulu Rokan received Highly Commended Award from Global Initiatives in the 9th Indonesia Sustainability Business Award

14TH Corporate Register Reporting Awards 2021

- Top 5:** Best Credibility – through - Assurance
- Top 8:** Best ESG Report

Asia Sustainability Reporting Rating

Bronze Award **Asia's Best SDG Reporting** in 7th Asia Sustainability Reporting Awards (ASRA)

Corporate Emission Award 2022 Berita Satu

ESG Awards 2022 Berita Satu Category A

Tren Asia ESG Excellence 2022

Asia Sustainability Reporting Rating

- Pertamina, Pertamina Hulu Energi ONWJ received Gold Rank dan Pertamina Drilling Contractor received Silver Rank in ASRRAT 2021

Presdir & CEO as The Winner Leadership Commitment Category UN Woman 2021 Indonesia WEPS Awards

Global Corporate Sustainability Awards - Taiwan

PERTAMINA : bronze Category Sustainability Report 2020

PHE : Great Practices (Program EP Rantau)

20 PROPER Emas pada tahun 2022

Presdir & CEO was awarded The Green Leadership Utama



Thank You

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