

Embracing Change

Energizing You

“Pertamina is battling adversity from all sides due to Covid-19 outbreak which swipes across the world, triggering a Triple Shocks circumstance throughout the industry. However, as the world emerges from the crisis, Pertamina commits to make decisive changes to play its part by ensuring energy resiliency, creating value to the community and preserving its commitment to the nation.”

Nicke Widyawati
 President Director & CEO

Several Strategic Action to Improve Performance in 2020

maintain the cost of leadership program



maintain oil and gas production to reduce import



optimize Pertamina Loyalty Program and Discount Program to increase revenue



renegotiate contract which are in the foreign currencies to be paid in IDR



implement energy efficiency program by replacing the refinery fuel and electricity use with natural gas from PLN



reduce the Integrated Port Time to decrease Cost of Goods Sold



digital transformation which includes digitizing gas station and centralized procurement



inventory build up with Time to Buy Management once oil price are low



mitigate foreign exchange risk and improve cash flow performance



Due to the COVID-19 pandemic, Pertamina encounters triple shocks:

- The fuel sales volume has been dropping
- ICP has been weakening
- The exchange rate also plunged

Pertamina keen to navigate business activities and do several strategic actions to improve the Company's financial performance as planned. Pertamina is expecting to have a positive performance and reasonable financial ratios by the end of 2020.

SEVERAL MILESTONES OF PERTAMINA IN 2020

1. Nicke Widyawati as Most Powerful Woman 2020

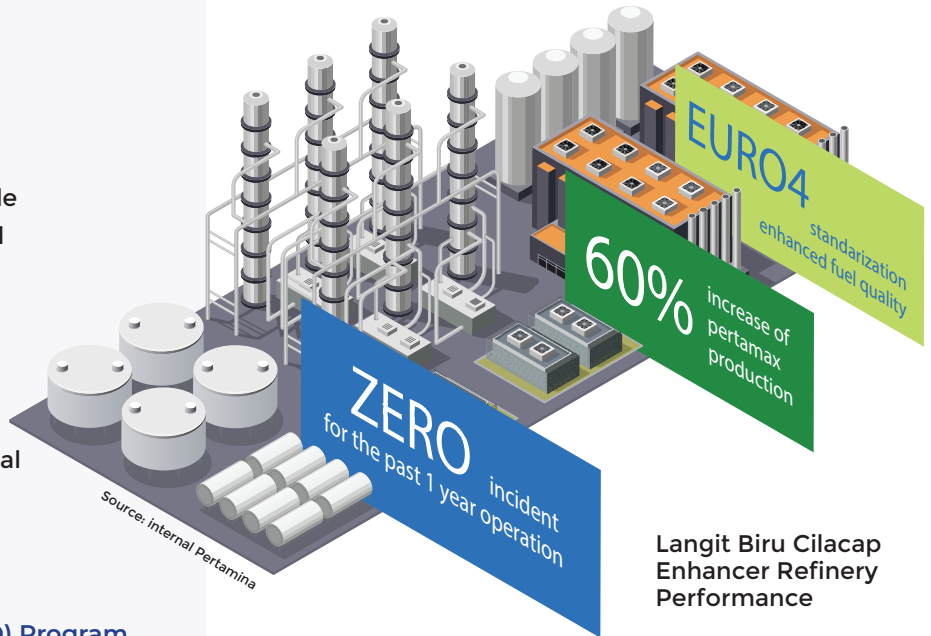
Chosen as one of the most powerful women outside The US in Fortune 2020 list, reflects Nicke Widyawati leadership in overseeing the company during her tenure.

2. Completion of “Pertamina Cilacap Langit Biru” (PLBC) Project

After fully operated in August 2019, the Company believed “Pertamina Langit Biru Cilacap” (PLBC) Project, which has been integrated with Cilacap Refinery, contributes to energy independence.

Source: internal Pertamina as of Q3-2020

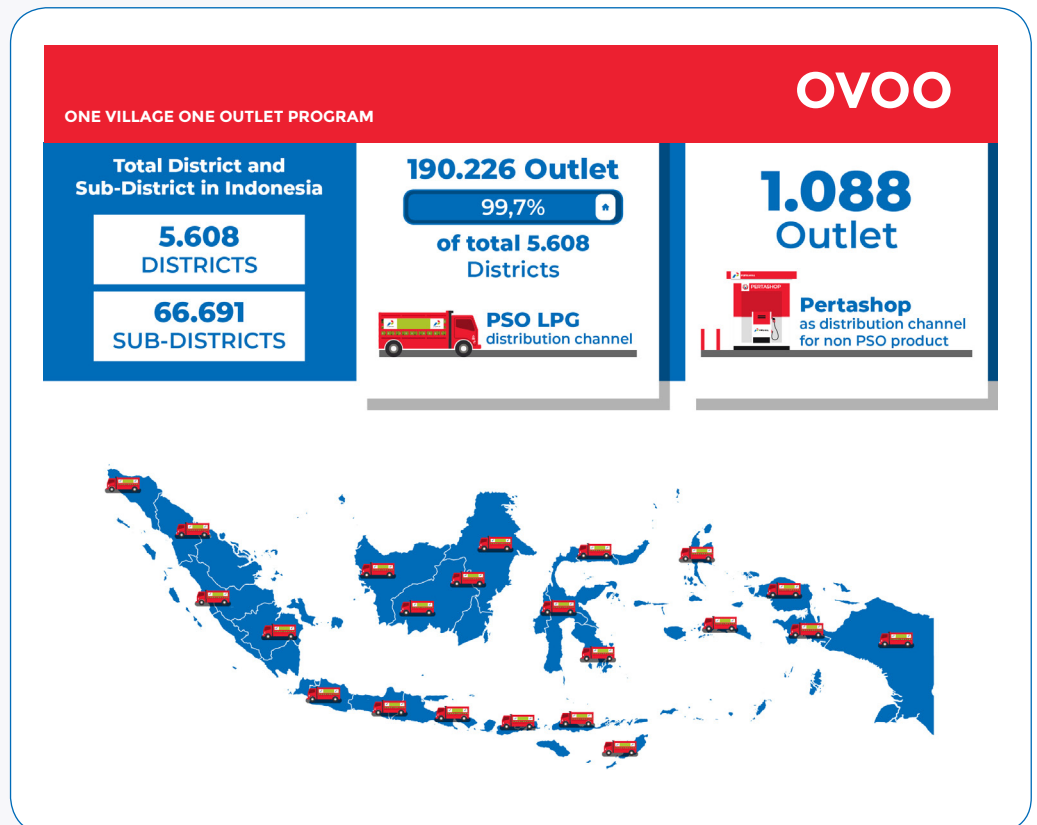
The Cilacap is Pertamina's largest refinery with a crude processing capacity reach 348 thousand barrels per day, or equivalent to 33% of Indonesia total capacity. With the PLBC Program, Cilacap Refinery is able to produce more environmental friendly fuel oil and increase the production from 1 million barrels Pertamina fuel (RON 92) per month to 1.6 million barrels per month. Thus, it can reduce fuel import and enhance national current account deficit.



Langit Biru Cilacap Enhancer Refinery Performance

3. One Village One Outlet (OVOO) Program

As part of revenue driver initiatives in the downstream business, Pertamina offers business players to join Pertashop under business cooperation scheme, as an effort to improve retail market share and services in the village.



Source: internal Pertamina as of Q3-2020

4. SPBU Digitalization

As part of digital transformation initiatives, Pertamina is able to monitor fuel stock in all tanks at the gas station at the real-time, the fuel distributed and sales. Currently, Indonesia's more than 5.000 gas stations have been digitalized, and more than 7.3 million consumers have subscribed MyPertamina apps and actively use cashless payment during transaction.

5. Pertamina ESG Commitment

As a national economy catalyzer, Pertamina's commitment to long-term and sustainable businesses will generate a mutual value creation and amplify economic, social, and environmental benefit within society in a responsible manner.

During 2020, the Company has also made active efforts toward implementing the Paris Agreement, such as Program Langit Biru and New & Renewable Energy (Biofuel, Geothermal and others). Pertamina gained several recognitions as our commitment to ESG and SDGs as follows:

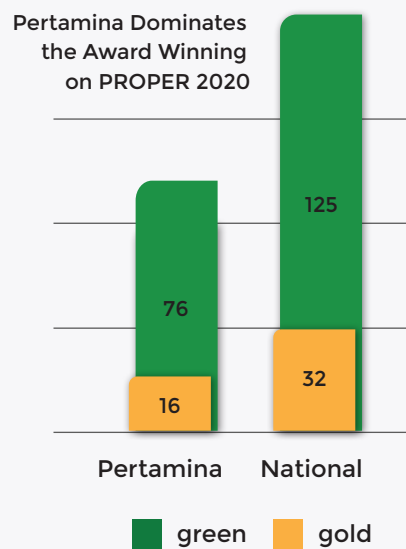
- Dominates the award-winning on PROPER (Company Performance Rating Assessment Program in Environmental Management) from the Ministry of Environment and Forestry, with 16 Gold PROPER and 76 Green PROPER awards.
- 16 awards on ESG Award 2020, from Berita Satu Media Group, in cooperation with Bumi Global Karbon Foundation
- 6 awards on The Asia Sustainability Reporting Awards 2020, from National Center for Sustainability Reporting

SDGs Priorities

Pertamina has determined 6 top priorities to be formed on SDGs related to our main becomes primary bussiness. However, the other SDGs priorities are still included in our program. Furthermore, the SDGs program is in line with the ESG framework.



Source: internal Pertamina as of Q3-2020



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For further information, please contact pertamina_IR@pertamina.com