

# [***Complying with ESG Aspects, Pertamina Determines to Reduce Carbon Emissions***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:64DH-4R11-DXP3-R4KM-00000-00&context=1516831)

PR Newswire Asia

December 29, 2021 Wednesday 12:04 AM EST

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**Length:** 688 words

**Dateline:** JAKARTA, Indonesia, Dec. 29, 2021

**Body**

PR Newswire

PT Pertamina (Persero) continues to strengthen its commitment and improve compliance with the Environment, Social, & Governance (ESG) aspect, which supports the company's energy transition and carbon ***emission*** reduction program.

During the Pertamina Energy Webinar, Iman Rachman, Director of Strategy, Portfolio, and Business Development, explained that as a National energy company and one of the largest State-Owned Enterprises (SOEs), Pertamina plays an important role in leading the energy transition and ***emission*** reductions in the energy sector.

"Pertamina has prepared an energy transition through the 2020-2024 RJPP (Long Term Corporate Plan) with a target of reducing carbon dioxide (CO2) ***emissions*** by 29% by 2030," he said.

Iman added that Pertamina's aspirations in implementing green and sustainable energy were translated into eight pillars of the energy transition. It includes increasing refinery specifications to produce environmentally friendly fuels, developing bioenergy such as biomass and bioethanol, optimizing potential and increasing installed geothermal capacity, developing green hydrogen. Pertamina is also taking a strategic role in the production and development of the battery ecosystem in Indonesia, strengthening integrated gasification, increasing the utilization of New and Renewable, and Low Carbon Energy to reduce the carbon footprint, and utilizing Carbon Capture, Utilization, and Storage (CCUS) to utilize carbon for increased production of several oil and gas fields.

Regarding CCUS utilization, Pertamina has established a collaboration with ExxonMobil, signed at the United Nations (UN) Climate Change Summit in Glasgow, Scotland (1/11/2021).

ExxonMobil Development Planner for Global CCS Projects Low Carbon Solutions Stephen Jones said that the global energy company welcomes the ongoing partnership with Pertamina and hopes to collaborate on low carbon solutions business opportunities in Indonesia.

"Together with Pertamina, we hope to support the Indonesian government's goal of reducing ***emissions*** and developing a low carbon solutions business in Indonesia. Indonesia has significant potential for large-scale CCS deployment, not only to meet its ***emission*** reduction ambitions but also to become a leader in providing CCS solutions for the Region," said Jones.

Pertamina's determination to reduce ***emissions*** is its commitment to ESG. In panel 1 session, Pertamina Energy Webinar, Jonathan Smith, Manager of ESG Research – Sustainalytics stated that in the ESG assessment, the energy transition is an important aspect in the context of mitigating climate change impacts and mitigating financial risks and is an increasingly attractive business opportunity for investors in the energy sector.

According to Smith, the transition to a global energy system is critical. However, it must not come at the expense of public welfare or sustainable development. The idea of a fair transition is also significant for national oil companies, which usually generate material revenues for the government.

"Issues such as energy security, economic development and growth, and labor and employment are among the relevant considerations when thinking about and acting on an energy transition," said Smith.

Smith continued there has been much progress made on ESG data, making it more useful and insightful. However, due to the urgency of dealing with ESG issues that are of concern to corporate and government investors, it is still necessary to improve the quality of the data and its rating.

Smith said in and research conducted, Sustainalytics has reached more than 20,000 companies, including the entire energy value chain from upstream to downstream. For now, the company is actively helping corporate issuers integrate sustainability strategies and project capital.

As is known, in September 2021, Pertamina received an ESG Risk Rating by Sustainalytics of 28.1 and was considered to be at Medium risk of experiencing a material financial impact from ESG factors. This Risk Rating experienced a significant improvement from previously reaching 41.6 (Severe Risk) in February 2021.

SOURCE Pertamina

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**Load-Date:** December 29, 2021

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