



MEDIA STATEMENT

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KHAZANAH ISSUES 2012 CORPORATE RESPONSIBILITY REPORT

RM62.4 million spent on CR in 2012, benefiting thousands of individuals and families nationwide

Khazanah Nasional Berhad (“Khazanah”) today released its 2012 Corporate Responsibility (“CR”) Report, detailing a range of CR initiatives that focuses on the areas of responsible investments and value creation; human capital development; social capital development and environmental stewardship; and, Silver Book¹ and CR advocacy. These initiatives have positively impacted a cross-section of society, improving livelihoods and impacting lives of Malaysians.

Khazanah reported that in 2012, funding amounting to RM62.4 million was provided to various CR initiatives. The financial and non-financial support has benefited more than 140,000 individuals across the country. On a longer horizon, since 2004, total funding for Khazanah’s CR initiatives amounted to RM255 million, touching the lives of more than 500,000 individuals nationwide.

The 2012 CR Report, the fourth CR annual report published by Khazanah since 2009, was officially launched by Khazanah Managing Director Tan Sri Dato’ Azman Hj. Mokhtar.

“For the past nine years, Khazanah has thankfully successfully delivered on financial and strategic performance. As reported at the Ninth Khazanah Annual Review on 17 January 2013, our investment portfolio has risen by 138.7% from RM50.9 billion on 14 May 2004, to RM121.6 billion as at 31 December 2012, accompanied by an increase in value created in excess of RM53 billion over the same period. We have thus far successfully executed key strategic initiatives, such as Iskandar Malaysia, and key defining transactions and developments to catalyse growth and create further value for the country,” said Tan Sri Azman.

He added: “But Khazanah is more than just about financial or strategic returns. We believe we have touched many lives with our CR initiatives and the CR Report attempts to capture the essence of what we have done in this area. We also hope that the publication of this CR report will encourage more corporates to help underserved communities and protect the environment.”

The launch of the report was witnessed by representatives from Khazanah’s Civil Society Partner Organisations (“CSPO”) and National Initiatives (“NI”), namely, CADS Enhancement Centre, EcoKnights, Enactus Malaysia, OrphanCARE, Persatuan Pengasih Malaysia, Reef Check Malaysia, Teach For Malaysia, Voice of the Children, Yayasan Chow Kit, Graduate Employability Management Scheme (“GEMS”), PINTAR Foundation, Yayasan AMIR, and Yayasan Sejahtera.

The report primarily covers programmes and initiatives that were either implemented or supported by Khazanah in line with its CR principles and business focus in 2012. PricewaterhouseCoopers was engaged to provide independent limited assurance on eight key performance indicators (“KPIs”) reported by six programmes.

¹ The Silver Book is one of the 10 initiatives identified by the Putrajaya Committee on GLC High Performance (PCG) - a set of guidelines on how GLCs can contribute in a responsible manner and create a positive impact for their business and for society.



Khazanah's CR initiatives aim to build sustainable value by balancing its investment, social and environmental responsibilities. These initiatives underline Khazanah's support for several National Key Result Areas ("NKRA") under the Government Transformation Programme, namely, raising living standards of low income households, assuring quality education and crime prevention.

1. Responsible Investments and Value Creation

A highlight of Khazanah's efforts in this area is the 2MW biogas plant project by Camco Southeast Asia Ltd ("Camco SEA") in Palong, Pahang. Camco SEA is a joint-venture between Khazanah and Camco Clean Energy. The plant, which uses palm oil mill effluent, is scheduled to be completed in April 2013 and will be the first of its type to generate electricity for supply to the Malaysian national grid. The successful completion of the project will set the tone for similar biogas projects to be developed in Malaysia, given the vast palm oil mill effluent ("POME") production of around 57 million tonnes annually which could potentially produce an estimated 16 billion m³ of biogas each year.

In Iskandar Malaysia, Khazanah's investee companies involved in the development of LEGOLAND[®] Malaysia and Puteri Harbour Family Theme Park, worked with Iskandar Regional Development Authority ("IRDA") and services providers on customised programmes to train local talent for employment at the two theme parks. The theme parks have so far provided employment for 1,000 Malaysians.

In Penang, the Khazanah Koridor Utara ("KKU") office facilitated the establishment of the Allied Healthcare Centre of Excellence ("AHCoe") to enhance the skills and competency of Malaysian healthcare professionals. Last year, 2,400 healthcare professionals were trained, bringing the total number to 3,323 trained from 111 organisations since AHCoe was set up in 2010.

In Penang, Think City Sdn Bhd, a wholly-owned subsidiary of Khazanah, allocated 85 grants in 2012 under the Georgetown Grants Programme for urban regeneration. A total of 117 grants with a total committed value of RM14 million have been allocated since 2009. The programme thus far, has shown strong public and private partnership where the private sector partners have raised an average of RM6 for every RM1 of allocated public funding.

2. Human Capital Development

One of the aims of Khazanah's overall CR approach is to facilitate human capital development and sharing of knowledge and ideas.

This year, Khazanah collaborated with Wolfson College of Cambridge to sponsor two Malaysian journalists for the inaugural Khazanah-Wolfson Press Fellowship programme. After going through a rigorous screening process by both the college and Khazanah, Marhaini Kamaruddin of Utusan Malaysia and Cecilia Kok of The Star were selected as the first two recipients of the fellowship programme. The Wolfson Press Fellowship programme is one of the most prestigious fellowship courses in journalism. It enables established journalists to study in Cambridge for 10 weeks on a project of their choice. The annual programme aims to provide Malaysian journalists



the opportunity to enhance their expertise and knowledge in the field and contribute towards the further development of journalism in Malaysia.

In the spirit of developing its own human capital, Khazanah also extended the sponsorship offer to undertake the Khazanah-Wolfson Fellowship Programme to its employees. The selected staff member for this year, Firdaus Suffian Abdul Latif of the Communications and External Relations Unit, underwent the same screening process by Wolfson College to be offered a place in the programme.

Meanwhile, Yayasan Khazanah (“YK”), established in 2006 to develop and groom the next generation of leaders for the country, awarded 58 scholarships to candidates for studies in selected premier international universities in 2012. In total, YK has given out 283 scholarships since its inception.

Khazanah continued its knowledge sharing activities this year via the 2012 Khazanah Megatrends Forum, which saw the participation of 670 private and public sector leaders, as well as the 2012 Khazanah Global Lectures, which featured Dr Victor K Fung, founding Chairman of the Fung Global Institute and Group Chairman of the Hong Kong-based Fung Group.

3. Social Capital Development and Environmental Stewardship

Yayasan Amir (“YA”), a foundation created to improve the quality of education in public schools through public-private partnerships, continued its work on the Trust School Programme (“TSP”). In 2012, the first cohort of 10 Trust Schools, located in Johor and Sarawak, entered their second year of transformation with significant progress. The advancements include a 61% improvement across 20 selected competencies observed among TSP; 70% increase in TSP teachers’ professional use of new learning to influence their classroom practice; and 77% increase in TSP teachers’ use of strategic questioning that promotes student thinking. The first cohort of Trust Schools has impacted a total of 7,881 students over the two-year period.

In addition, PINTAR Foundation’s (“PINTAR”) school adoption programme saw 81 schools in low-income and underserved areas adopted by Government-linked companies (“GLC”) and corporate organisations in 2012. A total of 309 schools have been adopted by 31 PINTAR members and partners to date.

Under the Graduate Employability Management Scheme (“GEMS”), 1,149 graduates were placed and trained in various companies and organisations in 2012. In total, 8,029 graduates have been trained at 1,059 participating companies comprising of public and private sector organisations. The practical training provides graduates with commercially useful skills and experiences that can enhance their future employability.

Meanwhile, 47 Teach For Malaysia (“TFM”) Fellows completed their first-year teaching assignment in 17 schools across Kuala Lumpur, Selangor and Negeri Sembilan in 2012. TFM Fellows comprise exceptional Malaysian graduates and young professionals who undertake a two-year Fellowship to teach in selected high-need schools nationwide. This year, 54 additional Fellows commenced their fellowship at various schools.



Khazanah undertakes a long-term commitment to support important social and developmental issues such as poverty alleviation and humanitarian support in local communities.

In the area of poverty alleviation, Yayasan Sejahtera (“YS”), which addresses hardcore poverty through a sustainable programmed approach, assisted 534 families in 2012. In total, 4,911 families in five states have benefitted from various YS projects since its inception in 2009.

In the area of drug rehabilitation, Persatuan Pengasih Malaysia (“PENGASIH”) provided assistance to 267 drug users last year. PENGASIH practices a therapeutic community approach where successfully reformed addicts work and live among other addicts to help them reintegrate back into society. The organisation has set up six Teduhan Kasih half-way houses for newly rehabilitated former drug users as well as current ones seeking help. PENGASIH has assisted a total of 3,483 drug users since 1993.

Yayasan Chow Kit (“YCK”) provides meals, activities, therapy and educational programmes for at-risk children, mostly between six and 18 years old, in the Chow Kit neighbourhood. A total of 310 children have registered for YCK’s programmes and activities since 2008. In 2012, YCK conducted 192 tuition classes after school hours for students identified as requiring extra guidance.

The year 2012 also saw new initiatives being launched in partnership with Dutch football legend Johan Cruyff to construct two Cruyff Courts in Iskandar Malaysia and Kuala Lumpur. Cruyff himself was in Malaysia to witness the announcement of the KL court in Brickfields and the official launch of the Cruyff Court in Iskandar Malaysia. This project provides a much needed play space for youths from underserved communities and children with special needs. The KL Cruyff Court which is targeted to be ready in the middle of this year, will be located at the Dewan Bandaraya Kuala Lumpur Sports Club in Brickfields.

In the area of environmental stewardship, in 2012, Khazanah launched Friends of Iskandar Ramsar, a collaborative platform for advocacy and conservation at the Iskandar Ramsar sites. The founding members are Johor National Parks Corporation, Malaysian Nature Society Johor, IRDA, the Earth Observation Centre of University Kebangsaan Malaysia and Iskandar Investments Berhad.

4. Silver Book and CR Advocacy

In 2012, on-going capacity building efforts to enhance CR practices among Government-linked investment companies (“GLICs”) and GLCs continued with the publication of the Silver Book Best Practice Notes (“BPN”). The BPN supplements the Silver Book and details key learnings from a series of thematic workshops on best practices conducted for GLCs and GLICs from 2008 to 2011.

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About Khazanah Nasional Berhad

Khazanah is the strategic investment fund of the Government of Malaysia entrusted to hold and manage the commercial assets of the Government and to undertake strategic investments. Khazanah is involved in various sectors such as power, telecommunications, banking, healthcare, airport management, infrastructure, leisure & tourism, property development, broadcasting, investment holding, and technology. Some of the key listed companies in Khazanah's investment portfolio include Telekom Malaysia Bhd, Tenaga Nasional Bhd, CIMB Group, Axiata Group Bhd, IHH Healthcare Bhd, Malaysia Airports Holdings Bhd, and UEM Land Holdings Bhd. For further information on Khazanah, please visit www.khazanah.com.my.