ANNUAL REPORT 2023

























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About Yayasan PETRONAS

Yayasan PETRONAS is the social impact arm of PETRONAS. Our mission is to deliver positive and sustainable impact on the well-being of society across the nation. We initiate and support programmes that ensure better socio-economic outcomes and shared success for all.

Focus Areas and Objectives

Yayasan PETRONAS will extend and expand PETRONAS' efforts especially in the areas of Education, Community Wellbeing and Development, and the Environment.

Objectives

Promote the advancement and development of human capital and capabilities in Malaysia through provision of education aid and training.

Objectives

Promote community well-being and development through long term sustainable advancements in the areas of socio-economic developments, healthcare, safety and living environments among the communities in Malaysia

Objectives

Promote and advance the **preservation** and conservation of the environment in Malaysia and related study and research



Empowering Communities, Enriching Lives

This year's Annual Report theme - Empowering Communities, Enriching Lives reflects our dedication to empowering individuals and strengthening communities for a brighter future. Weaving these objectives into our core pillars -Community Well-being, Education, and Environment – we equip individuals with knowledge and skills, pave the way for societal growth and protect the environment for future generations. This holistic approach fuels our drive to create positive, tangible, and lasting change, thereby ensuring a sustainable future for all.

YAYASAN PETRONAS ANNUAL REPORT 2023

Our Goal

Enable high quality STEM education and inclusive education support



EDUCATION Powering Knowledge

Our Goal

Contribute to well-being and economic opportunities for underprivileged communities



COMMUNITY WELL-BEING & DEVELOPMENT **Uplifting Lives**

Our Goal

Increase resilience of vulnerable communities



ENVIRONMENT Planting Tomorrow



Chairman's Message

Tan Sri Mohd Bakke Salleh Chairman Yayasan PETRONAS

"It is imperative for us to continuously deliver high social impact initiatives to communities and be guided by our principles of Value Creation, Sustainable Impact, **Innovative Solutions and Effective Partnerships and** Collaboration"

Yayasan PETRONAS' highlights for 2023



RM215.37 million disbursed through our various initiatives since 2019

Touched the lives of more than **492,000** beneficiaries since 2019

The positive economic growth driven by investment and globalisation in recent decades has significantly improved the livelihoods and overall well-being of individuals around the world. However, the linkages and take-off between growth and development are at a different pace for each country and community. Therefore, strategic interventions are still important for fair and equitable growth opportunities.

There is much more to be done to support communities in need. Charitable efforts are always welcome, but philanthropy - addressing the root cause of social issues with a long-term view - takes centre stage as a crucial mechanism for sustainable impact. In our current global context, socioeconomic challenges are closely linked to environmental concerns. Furthermore, low-income communities often depend largely on agriculture and informal economic activities to support their livelihoods. This makes them more vulnerable to the threats posed by climate change and the global commodity cycle.

In Malaysia, addressing multidimensional poverty requires a focus on securing basic needs and uplifting communities to be more resilient and self-sustaining. Additionally, collaboration and inclusivity among key stakeholders such as private sector organisations and policymakers is vital to ensure greater positive spillovers.

Ultimately, empowering communities is a complex and multilayered issue that requires a multidimensional approach. On this note, 2023 was a transformative year for Yayasan PETRONAS as we adopted a more holistic strategy to achieve meaningful and sustainable positive impact while remaining focused to our core pillars of Education, Community Wellbeing & Development, and Environment.

During 2023, we embedded the Theory of Change (TOC) to maximise the impact of our programmes, and further delved into impact measurement. Through a focus on collecting and maintaining standardised data, it helps to explain how interventions are expected to derive a specific positive impact, empowering greater collective action and improved decision making between Yayasan PETRONAS and our stakeholders towards our shared ambitions.

Moving forward, it is imperative for us to continuously deliver high social impact initiatives to communities and be guided by our principles of Value Creation, Sustainable Impact, Innovative Solutions and Effective Partnerships and Collaboration.

On behalf of the Board of Trustees, I am proud of the exemplary efforts and achievements of Yayasan PETRONAS as the social impact arm of PETRONAS and truly an organisation "Where Good Flourishes". I am deeply grateful to the Board, Yayasan PETRONAS Management team, partners and key stakeholders for their indomitable dedication and relentless contributions.

Since our establishment in 2019, we have continued PETRONAS' five-decade-long legacy of positive social impact in Malaysia. We look forward to another year - and many more - of delivering lasting and sustainable change within our communities and throughout the country. Thank you.



"Armed with these insights, we now have a clear roadmap to deliver even greater positive and sustainable impact on the well-being of communities in future."



Dear Stakeholders.

Five years ago, we embarked on our journey as the social impact arm of PETRONAS. Guided by our three pillars of Education, Community Well-being & Development and Environment, we established programmes and forged partnerships with the aim of empowering sustainable socioeconomic development within Malaysian communities.

The years since have been filled with achievements, challenges and rich learnings. Moving forward amidst the restrictions of the pandemic, we gained an appreciation of the complexities involved in driving lasting transformation and continually refocused our programmes to better support local communities. As a result of these efforts, I am proud to say that our efforts have begun to bear even greater fruit over the past year.

Under our Education pillar, 2023 saw the graduation of a further **243 teachers** from our flagship Program Duta Guru (PDG), who have been empowered to develop higher order thinking skills (HOTS) - skills that their students need to possess to thrive in a fast-changing world. As a result, we have now produced 496 Duta Gurus since the programme's initiation, placing us in a stronger position to drive STEM learning across Malaysia's education system.

Our impact was equally visible within the Community Wellbeing & Development pillar, where our Memampankan Ekonomi Asas Rakyat (MEKAR) programme strives to create sustainable economic opportunities for underserved families in urban and rural areas. The programme adopts a holistic view to human advancement by training beneficiaries in entrepreneurship skills, building their financial literacy and sharpening their business acumen. This has enabled more people to improve their livelihoods, creating positive knock-on impacts for their families and their local business ecosystems.

Strengthening communities also means protecting the natural environments they interact with and depend on. Our Walk4Trees has carried this mantle, planting 74,652 trees since 2020 and being recognised as an ASEAN Green Initiative by the ASEAN Centre for Biodiversity in 2023.

YAYASAN PETRONAS ANNUAL REPORT 2023

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CEO's Reflections

Shariah Nelly Francis Chief Executive Officer Yayasan PETRONAS

Yayasan PETRONAS is proud to announce that in 2023

1,286 participants graduated from the MEKAR Skills & Entrepreneurship Development programme in the



74,652 trees planted nationwide Programme

2023 saw the graduation of a further **243** teachers from our flagship Program Duta Guru (PDG)

> Now, we are furthering our commitment to helping vulnerable communities and future generations in building their resilience by fostering a sense of shared responsibility and stewardship over the environment. Through the One Million Trees programme, we hope to raise awareness about the impact of climate change, and encourage sustainable behaviours that enhance community resilience to environmental challenges.

> In total, we invested RM 44.17 million in our programmes, grants and donations across 2023, creating value in the lives of **125,438 beneficiaries**. This is a testament to the continued efforts and passion of our volunteers and partners, and to the insightful guidance of our Board of Trustees, to whom I owe the heartiest thanks. However, we believe that we can deliver even greater impact moving forward by adopting a more focused and targeted approach.

> During the past year, we took a step back and examined the entire philanthropy landscape in Malaysia. We devised our Theory of Change (TOC) through which we identified areas where societal needs are relatively unmet and where strategic interventions can create the greatest socioeconomic value over the long term.

> The assessment validated that our focus on science, technology, engineering, and mathematics (STEM) education aligns with a clear gap in existing philanthropy efforts. At the same time, it indicated that we should also explore programmes in special needs education and, in the environmental sphere, the conservation of seagrass ecosystems. We also found that we can make a greater long-term impact by structuring our activities as holistic community development programmes spanning multiple areas of action rather than standalone initiatives.

> Armed with these insights, we now have a clear roadmap to deliver even greater positive and sustainable impact on the well-being of communities in future. Thank you for your continued support of our work, and I look forward to updating you on our progress during the next five years of our journey.



А

Board of Trustees

Chairman

Tan Sri Mohd Bakke Salleh

Tan Sri Mohd Bakke Salleh is the Chairman of Petroliam Nasional Bhd (PETRONAS). Prior to his current appointment in August 2021, he served as Chairman of Telekom Malaysia Bhd.

Over the course of his thirty-eight-year career, Tan Sri Mohd Bakke has held various key positions in both government-linked organisations and the private sector. He has served as Chairman of the Federal Land Development Authority (FELDA), Chairman of the Malaysian Palm Oil Board (MPOB) and Chairman of Bank Islam Malaysia Bhd.

He was also President & Group Chief Executive of Sime Darby Bhd, and subsequently, Executive Deputy Chairman & Managing Director of Sime Darby Plantation Bhd. Earlier, he served as Group Managing Director at Felda Holdings Bhd, before becoming Group President & CEO of Felda Global Ventures Holdings Bhd (FGV).

He has helmed Lembaga Tabung Haji and also served as Managing Director at various companies including Syarikat Perumahan Pegawai Kerajaan (SPPK) Sdn. Bhd., Federal Power Sdn. Bhd. and Electra House Sdn. Bhd. He has recorded stints at Pengurusan Danaharta Nasional Bhd., Island & Peninsular Bhd., Citibank Bhd., Caltex Oil Malaysia Ltd. and Ernst & Young, Kuala Lumpur.



He has served as Non-Executive Director on the Boards of several Malaysian public-listed companies including Eastern & Oriental Bhd. and Southern Acids Malaysia Bhd.; as Council Member of philanthropic foundation Yayasan Sime Darby and as Pro- Chancellor of Universiti Putra Malaysia (UPM). He is currently a Honorary Council Member of the Malaysian Palm Oil Association (MPOA).

Tan Sri Mohd Bakke holds a Bachelor of Science (Economics) from the London School of Economics (LSE). He is a Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW) and a member of the Malaysian Institute of Accountants.

Dato' Seri Ir. Dr Zaini Ujang

Dato' Seri Zaini is an academic administrator, environmental engineer and scientist who attempts to blend knowledge, skills, experience and innovation in a harmonious manner.

He served as Secretary-General in the Ministry of Energy, Green Technology and Water for two years. Prior to this, Dato' Seri Zaini was Chairman of the Malaysia Higher Education Blueprint 2015 - 2025 task force during his tenure as Secretary-General for the Ministry of Higher Education.

A prolific writer, Dato' Seri Zaini published his 36th book on "Japanese Ecosophy: A Traveller's Notes" (2019) which gathers his experience and understanding of science, technology, policy and financing for the environmental sector

He has over 250 scientific papers in leading academic journals to his name, as well as books on environmental engineering, water sustainability, higher education and learning innovation.



A lawyer by qualification, Tan Sri Dr Rafiah was the first Malaysian to be appointed Assistant Secretary-General for Human Resource Management at the United Nations from 1997 to 2002. She was instrumental in the UN's reform agenda laid out by then Secretary-General Kofi Annan in five core missions: peace and security, economic and social affairs, development cooperation, humanitarian affairs, and human rights.

Tan Sri Datuk Dr Rafiah Salim

Tan Sri Dr Rafiah also has excellent service records within the domestic public and private sectors. She has served as a Vice Chancellor/President for the University of Malava. Dean of the Law Faculty of the University of Malaya, Assistant Governor of the Central Bank of Malaysia, and Human Resources General Manager of Malayan Banking Bhd.

Tan Sri Dr Rafiah was also the Executive Director of the International Centre for Leadership in Finance (ICLIF), as well as the NAM Institute for the Empowerment of Women.

She is currently Chairman of Allianz Malaysia Bhd and Allianz General Insurance Company (Malaysia) Bhd, while serving as a Director of several public-listed companies. Tan Sri Dr Rafiah holds a Master's and a Bachelor's degree in Law from Queen's University Belfast, United Kingdom and was awarded an honorary Doctorate by the same university in 2002. She was called to the Malaysian Bar in 1988.



Dr Azura graduated with a degree in Accounting and Finance from the London School of Economics and Political Science. She is also a fellow of ACCA (UK), a member of Malaysian Institute of Accountants and a chartered member of the Institute of Chartered Islamic Finance Professionals (CIIF). She received her PhD in Islamic Finance from the International Centre of Education in Islamic Finance (INCEIF).

Currently, Dr Azura is the Chief Executive Officer of the Chartered Institute of Islamic Finance Professionals (CIIF), a professional body for Islamic finance practitioners. She is also a Non-Executive Director of Malaysia Debt Ventures Bhd since 2018 where she chairs the Board Audit Committee and an Independent Director of CIMB Islamic Bank Bhd. She served as an Independent Non-Executive Director of Bank Muamalat Malaysia Bhd from 2015 until September 2020, where she chaired the Board Audit Committee and the Nomination and Remuneration Committee



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He is also a registered Professional Engineer (Malaysia), Chartered Engineer (UK), Chartered Scientist (UK), and Chartered Water and Environmental Manager (UK). He is a Research Associate at MIT at Imperial College London, Tsukuba and Lund Japan and Research Associate at MIT

Dato' Seri Zaini was Vice-Chancellor of UTM (2008 - 2013) and he was also the first recipient of the prestigious Merdeka Award for Outstanding Scholastic Achievement in 2009.

Dr Azura Othman

She was a former Executive Director of PricewaterhouseCoopers Taxation Services, Malaysia with over 19 years of experience as a tax consultant and in engagements relating to Islamic Finance. Among her major assignments include formulating the tax incentives for Malaysia as the Malaysia Islamic Financial Centre (MIFC). She authored a book on Macroeconomic Policy and Islamic Finance as well as various chapters and articles on Islamic finance.



Board of Trustees

Tengku Mazura Tengku Ismit

Tengku Mazura holds more than 20 years of experience ranging from corporate, gas and downstream businesses. She joined PETRONAS in 2001 as Legal Officer, Legal Finance and was subsequently appointed as Senior Legal Counsel for Corporate Services. She was a part of the team that dissolved the PETRONAS Retirement Benefit Scheme (PRSB), which was replaced with PETRONAS Retirement Contribution Scheme (PRCS). She was also involved in the initial signing of the Mercedes-Benz F1 Sponsorship Agreement in 2009.

As the Head of Corporate Governance and International Compliance, she was instrumental in the development and roll out of PETRONAS Code of Conduct and Business Ethics (CoBe) and Anti Bribery and Compliance Manual (ABC) to PETRONAS groupwide. She was the Head of Legal Finance and was involved in raising financing for various projects for the Group. Notably, she was a key member of the Project Marigold team that



had secured USD 10 billion integrated financing for PrefChem Companies. Prior to assuming her current position, Tengku Mazura served as the General Counsel Gas & Power since 1 March 2020. She graduated from Universiti Kebangsaan Malaysia (UKM) with a Bachelor of Law with Honours.



























Puan Shariah Nelly has been with PETRONAS for over 28 years where she has held various management positions and key roles in the company. A true leader at heart, she has a passion for working with young minds from all backgrounds and bringing the best out of them.

CEO, Yayasan PETRONAS

Shariah Nelly Francis

Prior to this, Nelly was the Head of Human Capital Investment, where she was responsible for driving PETRONAS' Education Sponsorship Programme to create a sustainable pipeline of qualified and well-rounded talents of high calibre for the company and nation. In her early years, she has had hands-on experience working on hydrocarbon production-related systems and databases, capability management and data management.

Some of her notable achievements include spearheading the construction project of Maktab Rendah Sains MARA (MRSM) and Asrama Harian Luar Bandar (AHLB) in Sabah and Sarawak to provide the much-needed access to education for children in rural areas. She also played a key role in fostering and sustaining collaborative working relationships and rapport with the federal and state government authorities to support PETRONAS' business needs as well as manage stakeholders' interests.



YAYASAN PETRONAS ANNUAL REPORT 2023

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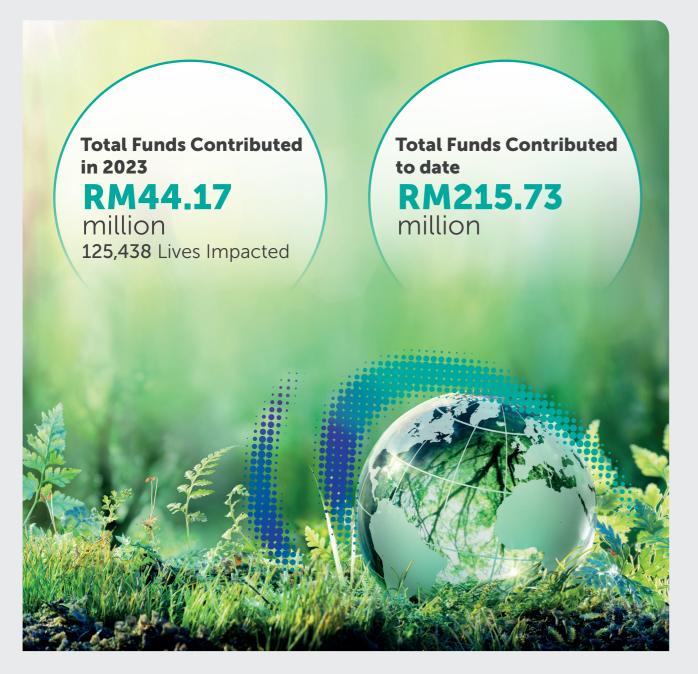
PEOPLE OF YAYASAN PETRONAS 2023 FINANCIAL IMPACT

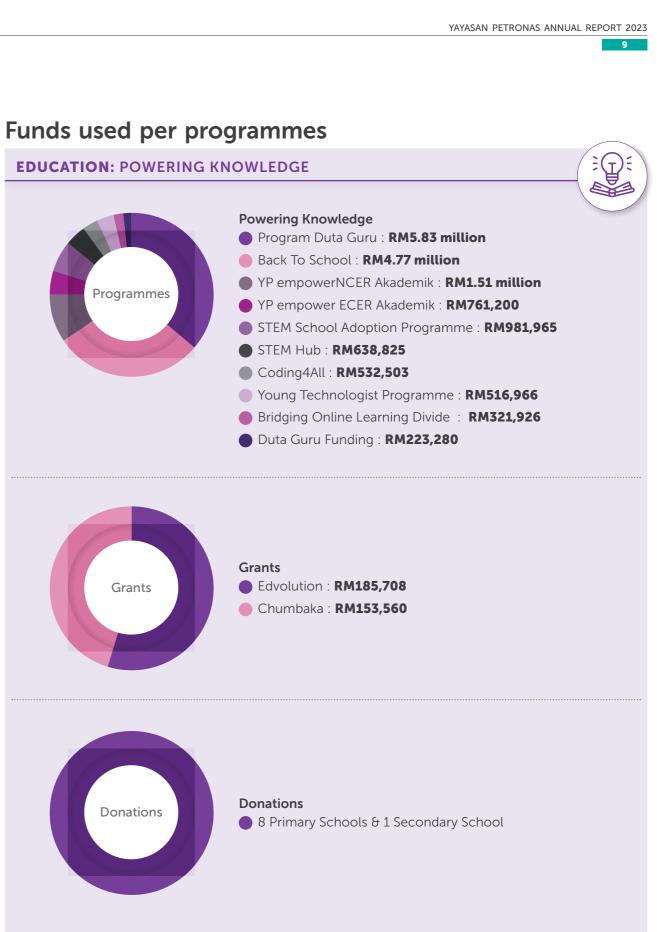
Financial Impact

Contributing to Better Lives and Stronger Communities

Guided by the ambition to empower lives and enrich communities for the long term, we continued to create positive impact throughout 2023. During the past year, we have invested in driving the adoption of STEM learning, restoring natural habitats and empowering entrepreneurs, amongst other positive outcomes. These efforts were further bolstered with our Theory of Change, which enabled us to focus our investments into areas that can deliver the greatest possible impact.

Our financial contributions in 2023, and the beneficiaries they impacted, are detailed below.



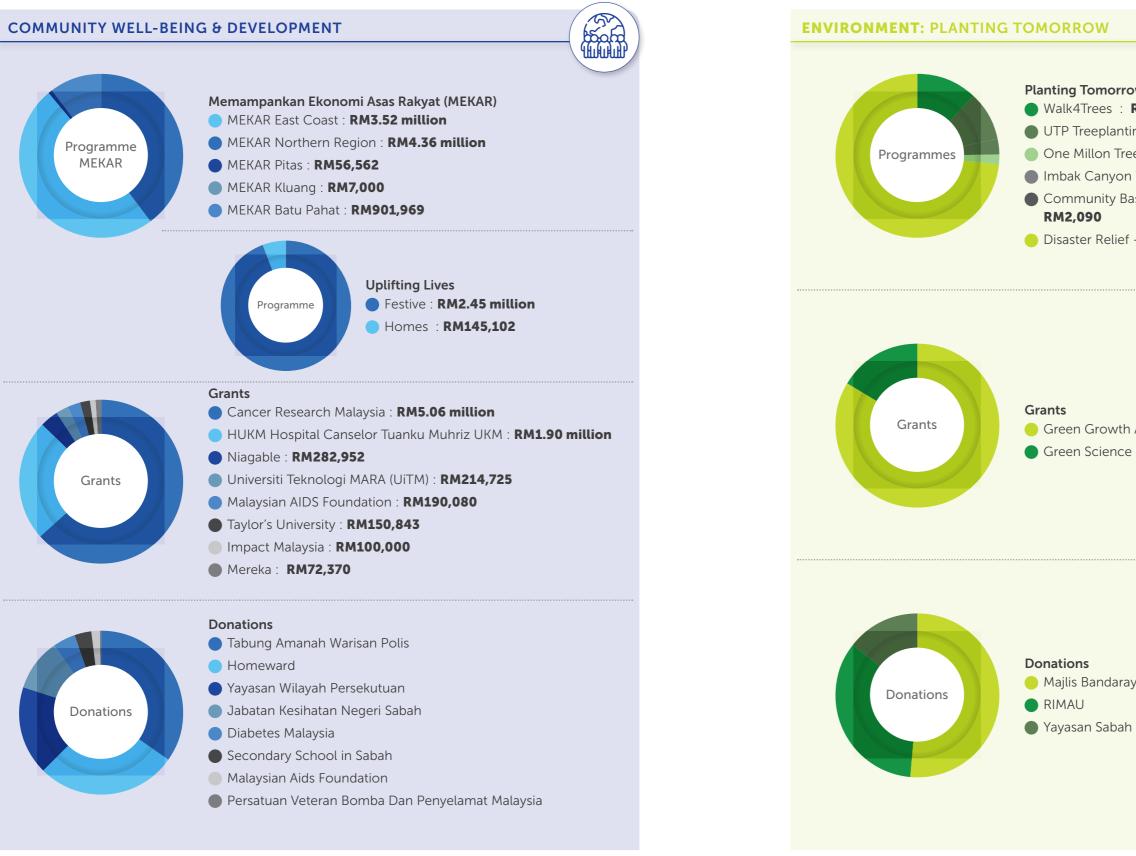


OUR PARTNERS

OUR NETWORKS



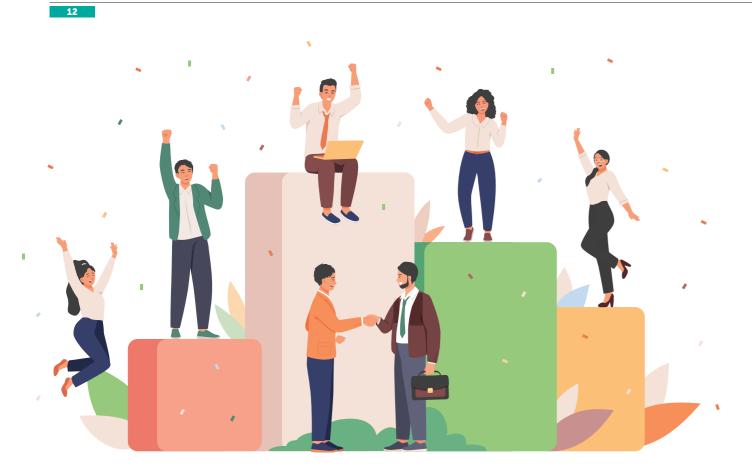
Financial Impact



Y WELLBEING ENVIRONMENT OUR OUR LOPMENT ENVIRONMENT NETWORKS PARTNERS
YAYASAN PETRONAS ANNUAL REPORT 2023
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rrow
: RM477,144
nting : RM395,156
rees : RM124,387
on Workshop : RM73,805 Based Disaster Relief Management (CBDRM) :
ef -JKM : RM2.91 million
th Asia Foundation : RM599,850 ce & Technology Association : RM116,367
raya Kuala Terengganu
ah



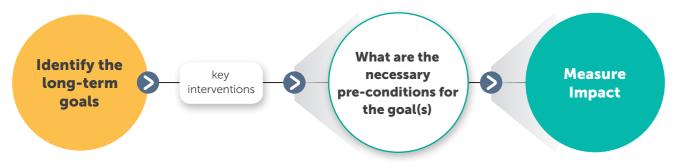
2023 FINANCIAL YAYASAN PETRONAS IMPACT



Yayasan PETRONAS' Theory of Change and **Impact Measurement Framework**

During the past year, we embedded the Theory of Change framework as a basis to assess our programmes across all three pillars and, looking outside our existing investments, to identify areas where potential contributions may deliver the greatest impact. This exercise directly led us to the identification of special needs education and seagrass conservation as two areas where we may consider scaling up our efforts in future.

Moving a step further, we embarked on the journey to devise our impact measurement framework based on our Theory of Change to best allow us to measure our impact in a meaningful way that is also aligned with common international and national targets. Measurable indicators were tied to each of our identified short-term and long-term outcomes, which will allow us to track our progress and create a feedback loop towards achieving our desired impact.



EDUCATION

to fulfill their - and the nation's- greatest potential.





243 teachers graduated to

496 Duta Gurus have come

across the nation

become Duta Gurus in 2023

through the programme to

date, bringing their skills to

schools, education offices

and education departments

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Education

Our Programmes

Program Duta Guru (PDG)

Recognising the fundamental role that educators play in nurturing the leaders of tomorrow, our flagship educational programme focuses on elevating the potential and skills of the nation's teachers through strategic intervention, across the STEM educational system.

Within a comprehensive, 24-month course, teachers learn how to integrate STEM thinking and Engineering Design Process (EDP) within their lessons. This helps them make learning more interactive and engaging, equipping their students with the technological literacy and confidence necessary to make a difference.



PDG is delivered in collaboration with the Ministry of Education Malaysia (MOE) as strategic partner, as well as implementation partners Teach For Malaysia (TFM) and Petrosains. Our aim is to empower 4,500 teachers to become more effective STEM educators by 2030, with a focus on teachers who work within underserved communities.



Sparking STEM Transformations

To spark change in their schools, we give all Duta Gurus a STEM Kit package that includes teaching aids and engaging educational materials like a portable voice amplifier, Arduino sets with additional sensors and learning modules, 3D pens and an organic molecules atomic kit. Taking this further, we also embarked on a Duta Guru funding initative, which offers up to RM20,000 to any Duta Guru keen on running projects that can drive further change in their school, particularly in areas that increases their students interest and competence in STEM, and and Higher Order Thinking Skills (HOTS). These efforts contribute to raising the commitment of the education ecosystem towards achieving STEM education excellence.

In 2023, we approved RM223,280 of funding for 13 projects under the initiative, with more to come.



Back to School (BTS)

Financial strain faced by families from underserved backgrounds form a stumbling block to their children's ability to complete their formal education. We are addressing this issue by providing essential school supplies and school uniform vouchers to such families.



students nationwide received school supplies and vouchers in 2023



students have been impacted by BTS since its launch in 2019

Empower Akademik

Tackling educational issues in Malaysia's most underserved communities, Yayasan PETRONAS (YP) empower Akademik brings together students, teachers and parents to forge an inclusive and supportive environment for students to improve their academic performance and their future employability.

The initiative comprises YP empowerNCER Akademik - delivered in collaboration with the Northern Corridor Economic Region (NCER) development authority - and YP empower ECER Akademik, a joint effort with the Eastern Corridor Economic Region Development Council (ECERDC). Low-performing students receive 150 hours of support across five subjects -Bahasa Melayu, English, Mathematics, Sejarah and Science - in addition to an enrichment programme that promotes their balanced academic, social and mental development. The aim is to drive rapid improvement to their academic performance and open the door to tertiary education opportunities, ultimately empowering them to exit the B40 group and build a better livelihood for themselves and their families.

Student Programmes

In support of our goal towards advancing Malaysia's human capital, we have initiated three student programmes at the secondary school level, aiming to inspire greater interest in STEM subjects and the development of valuable skills during this crucial period of development.

YP STEM School Adoption (YPSSAP)

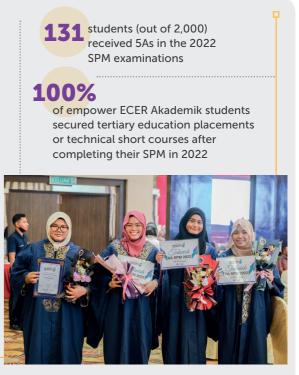
Developed in collaboration with Petrosains, YPSSAP offers STEM experiences and nurtures STEM skills amongst upper-secondary students, aiming to foster a love for these inspiring areas of knowledge. Students are also educated on the many potential career pathways that STEM offers, inspiring them to pursue STEM-related subjects at tertiary level and, eventually, through the career they choose. This supports the long-term enrichment of the nation's talent pool, nurturing the future leaders who will drive Malaysia forward.

Coding4All

Young Technologist Programme (YTP)

Developed in partnership with Petrosains and Yayasan Terengganu, YTP enhances the competency of lower secondary students in the 21st Century skills of Communication, Collaboration, Critical Thinking and Creativity the 4Cs. Through project-based learning and design thinking modules, students get a taste of the exciting realworld applications of STEM, giving them the confidence to enrol in STEM packages in Form 4 and setting them on the pathway to secure rewarding and meaningful jobs in the future world of work.





Coding4All aims to bring coding and programming courses to secondary students in underserved communities, strengthening their interest in STEM learning and empowering them with the skills to meet the needs of future work environments. The programme - delivered in partnership with Petrosains - also includes capacity development for local community members, enabling them to carry forth its mission over the long term and more effectively address inequalities in education.



Education

Impact Story



Building an Open Classroom

Hanirah Haslan went into PDG with her eyes open and emerged with inspiring ideas to energise her students' love for STEM.

After graduating from Cohort 3 of the programme in 2023, Hanirah brought her learnings back to SMK Chung Hwa (CF) in Miri, Sarawak, introducing innovative approaches to classroom learning that support the development of the 4 Cs (communication, collaboration, critical thinking and creative thinking). As a result, she was rewarded with the STEM Champion Award, a special recognition for teachers who have achieved excellence in implementing STEM learning and its studentcentric approach.

Always hungry to grow, Hanirah then became the first Duta Guru to conduct an Open Classroom – a session that brings together key stakeholders in the STEM education ecosystem to observe the practices of a STEM teacher in the classroom. The session provided Hanirah with valuable insights to further improve her standards and deliver even better educational outcomes for her students, a journey that will no doubt continue to reap rewards for this tireless innovator.



Story 2

A Catalyst For Change

For Juliah Jumpil, joining PDG sparked a whole new love for her profession.

Feeling burnt out after moving school twice during the pandemic, she discovered new learning approaches and methods during the two-year course, inspiring her to organise the very first STEM carnival at SMK Tamparuli in Tuaran, Sabah, upon her return.

With the help of her PDG mentor and state education officers, the carnival was a big success. It even attracted the attention of the district education officer, who was inspired to create the district's very own Science, Technology, Engineering and Mathemathics (STEM) fiesta the very next year.

From jaded to triumphant, Juliah's story is a testament to the transformative change that can happen when a passion for education meets the tools to affect change.

"Organising the first STEM carnival was a challenging yet rewarding experience for me as after joining PDG, I received encouragement from fellow participants, PPDG, and state education officers. I felt empowered to make a difference. It brought together students, teachers, and the community to celebrate STEM education."



Hanirah became **the first**

Duta Guru to conduct an Open Classroom – a session that brings together key stakeholders in the STEM education ecosystem to observe the practices of a STEM teacher in the classroom.







PEOPLE OF 2023 FINANCIAL YAYASAN PETRONAS IMPACT

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Community Wellbeing & Development

Our Programmes

Uplifting Lives

• Uplifting Lives (UL)

Uplifting Lives aims to uplift and drive the sustainable advancement of people from underserved backgrounds. From amplifying festive cheer to developing transferrable skills, its mission is underscored by the importance of ensuring the resilience of our communities.

MEKAR

Program Memampankan Ekonomi Asas Rakyat

Program Memampankan Ekonomi Asas Rakyat ("MEKAR"), which is part of the Uplifting Lives umbrella, is our flagship Community Well-Being and Development programme. Delivered in collaboration with multiple strategic and implementation partners, it aims to empower communities by meeting basic needs and driving economic advancement.

1,286 participants graduated from the MEKAR Skills & Entrepreneurship Development programme in the Northern Region

134 people in Batu Pahat completed skills development training under MEKAR Johor@Batu Pahat, with 120 selected for the next phase of the programme

We installed solar power for **14** homes in Kluang to provide clean water supply for 5 villages in Pitah, Sabah

1,349 participants from East Coast Region completed the hard and soft skills training under the MEKAR Skills & Entrepreneurship Development Programme

MEKAR contributes to community development through three sub-programmes:

1 MEKAR Basic Necessities

We work closely with locals in Kampung Orang Asli Berasau in Johor, a remote village that is not connected to the national grid. So far, we have installed 14 solar panels, providing 17 families with access to clean and reliable power. We also donated solar hydroponic systems to Sekolah Kebangsaan Seri Sedohok, a local primary school, to drive awareness and interest in Science, Technology, Engineering and Mathematics (STEM) learning.

In Pitas, Sabah, we have installed water supply systems across five villages, benefiting 200 families by providing them with access to clean water and eliminating the necessity of traveling through the jungle to fetch water from local rivers.

2 MEKAR Skills & Entrepreneurship Development

We provide community members with upskilling courses that empower them to build resilient and sustainable businesses. Participants gain specific knowledge for the food & beverage, agricultural and service industries, in addition to a solid grounding in digital marketing and other vital business tools. As a result, they develop the mindset of an entrepreneur, the most transferable skill of all.

The programme is delivered in collaboration with our strategic partners (Northern Corridor Implementation Authority (NCIA) and East Coast Economic Region Development Council (ECERDC) as well as our implementation partners Universiti Malaysia Pahang Advanced (UMPA), Universiti Malaysia Terengganu Jaya (UMTJ), Usains Holding (USM), UiTM Institute of Continuing Education & Professional Studies (iCEPS) and Yayasan Sejahtera.

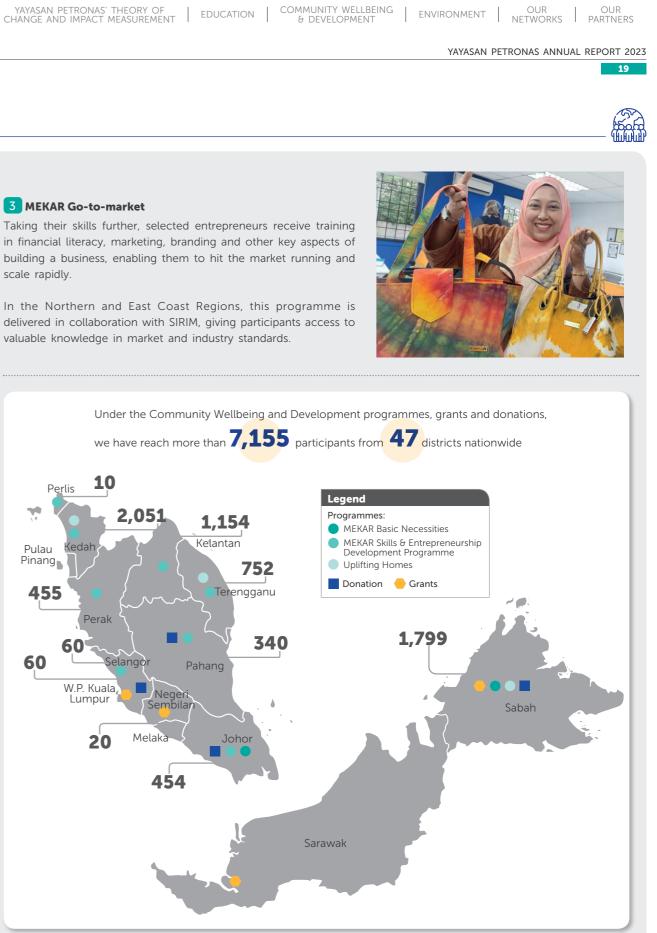
Thus far, we have created positive impact in three regions of the country:

- Perak and Kedah in collaboration with the NCIA
- Kelantan, Terengganu, Pahang and Johor in collaboration with ECERDC • Batu Pahat, Johor – through the MEKAR Johor @ Batu Pahat programme



scale rapidly.

valuable knowledge in market and industry standards.



Note:

i. All numbers reported are exclusive of the beneficiaries for Festives

ii. The number reported is based on the estimation that one household consists of 4 individuals as per DOSM data reported on 2022



Community Wellbeing & Development

Our Programmes

Uplifting Lives

Homes

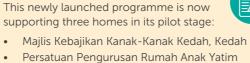
Furthering our mission to uplift the underserved, we support welfare homes for OKU, the elderly and orphans in identified localities or parts of the country. The help we provide goes beyond the financial - through knowledge transfer initiatives, residents acquire skills that improve their income-generating abilities, empowering them to become economically selfsufficient and build a brighter future for themselves.

Persatuan Pengurusan Rumah Anak Yatim Nur Taqwa, successfully harvested and sold **30kg** green chilies, boosting its economic self-sufficiency

Festive

We collaborate with PETRONAS' regional offices and the Department of Social Welfare (JKM) to donate essential supplies such as rice, cooking oil and flour, as well as festive food and hampers, during these treasured times of the year.

Our efforts span all major festive occasions celebrated in Malaysia, including Chinese New Year, Hari Raya Aidilfitri, Gawai Dayak, Kaamatan, Deepavali and Christmas.



- Persatuan Pengurusan Rumah Anak Yatim Nur Taqwa, Sabah
- Pertubuhan Komuniti CAKNA Terengganu, Terengganu













development of communities.

Program Digital Alaf Baru (A MEKAR-Related Grant) 🗖

Program Digital Alaf Baru aims to increase the employability and incomegenerating abilities of young Malaysians by developing their digital skills. Delivered in collaboration with Mereka - tracks a talent development ecosystem that focuses on future-ready capabilities - the programme comprises career and microentrepreneurial tracks, each helping to build the resilience of young professionals so they can adapt and thrive in the fast-evolving modern economy.

In 2023, 15 participants from the career were recruited and 9 secured job placements in the private sector. Meanwhile, participants from microentrepreneurial track witnessed a 101% average increase in income after completing the programme.



B BeSEMART (A MEKAR-Related Grant)

Niagable is a social enterprise that empowers street vendors by providing them access to digital business tools, helping them make smarter decisions that drive business growth. With our support, their BeSEMART initiative successfully connected micro-entrepreneurs from our MEKAR Skills & Entrepreneurship Development training in the Northern Region to Point of Sale (POS) devices. Through the device, these business owners can now collect customer data and uncover valuable business insights in real time, all while building their financial literacy.

50 participants, including MEKAR graduates, were onboarded and trained in the system during 2023, with 27 so far going on to implement the system in their day-to-day business processes. We have also commenced recruitment for a second batch of business owners to be onboarded in the near future.



OUR NETWORKS

YAYASAN PETRONAS ANNUAL REPORT 2023

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Guided by our Theory of Change (TOC), we continue to support various initiatives and programmes that can make a transformative impact on the well-being and



C Pre and Post Natal Care Training Programme (A MEKAR-Related Grant)

We extended our support to Universiti Teknologi MARA's (UITM) maternity department, helping them provide professional training in preand post-maternity care to 90 people from underserved communities in Papar, Beaufort and Kota Kinabalu, Sabah.



Each participant received a thorough grounding in the theoretical and practical aspects of safe maternal and infant care, gaining certification from the Ministry of Health (MOH) that will enable them to improve the quality of care and bring sustainable benefit to their communities.



Community Wellbeing & Development

D Bisnes Orang Muda (A MEKAR-related Grant)

Recognising the vital importance of young entrepreneurs in rural areas, Bisnes Orang Muda aims to accelerates their journey through funding, workshops and an incubator, delivering customised content to fit the needs of earlystage business owners in Sabah.

With our support, they were able to train 500 youths in business modelling and the entrepreneurial mindset while incubating a further 50 growing enterprises in product development and business management. These efforts contribute towards the end goal of building a sustainable supply chain for rural communities to market their products beyond their village.

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Initiative for Precision Medicine in Pediatric Cancer Therapy (IMPACT)

With the aim of improving the survival rate of pediatric cancer, our grant supported Hospital Canselor Tuanku Muhriz UKM (HCTM) in undertaking research in precision medicine that leverages genetic sequencing and public awareness effort on pediatric cancer.

G SAGA Health Access Programme

In line with the Malaysian AIDS Foundation's goal to improve access to healthcare, we subsidised transportation costs for 180 rural patients in Sabah to attend treatment towards improving their disease prognosis.

E Patient Navigation Programme

The Patient Navigation Programme (PNP) aims to close the care gap in cancer treatment for Asians and enable access to quality care for underserved communities. Our grant went towards the maintenance of four PNP centres, helping their dedicated medical professionals serve a total of 370 patients and achieve a marked reduction in treatment delays and patient defaults.



This extends our ongoing support of Cancer Research Malaysia (CRM), which also includes support of cancer research activities and the funding to set up four additional PNP centres in future.





MEKAR Grant – Harvesting the Value of Water Programme

We supported Taylor's University in its goal of providing access to safe water to families in Kampung Tinata Ulu, Kota Belud. The initiative involved the installation of gravity water and rainwater harvesting systems, in addition to the transfer of skills and knowledge to locals so they can maintain the system the long run.



Community Wellbeing & Development

Impact Story Building Sustainable Businesses

Story 1

The inspiring journeys of Muhammad Asyraf Azharuddin and Muhammad Syirazi are a testament to the impact that MEKAR has had on Malaysia's ecosystem of micro-entrepreneurs.

Hailing from Langkawi, Muhammad Asyraf Azharuddin was a die-hard coffee lover who wanted to open a business in the field but lacked the capital or knowledge to take the plunge. Through the MEKAR Skills & Entrepreneurship Development programme, he was able to immerse himself in the technical and artistic aspects of coffee making while also gaining essential skills in branding and marketing. Fresh off the programme, with a coffee machine provided to him as business capital, he opened up Dr. Kafein, a pop-up shop outside his own home.

With this small shop now seeing a two-fold increase in monthly income, Muhammad Asyraf now set his sights on franchising opportunities. That was when he was selected to take part in the BeSEMART programme, where he gained access to a POS system, he could use to track sales and uncover purchasing trends. Armed with this knowledge, he now has a gameplan to achieve his coffee empire aspirations - an incredible transformation in just a few years.



Story 2



For Muhammad Syirazi, taking part in the MEKAR Skills & Entrepreneurship Development and BeSEMART programmes was the fuel he needed to take his existing business to the next level

A graduate in Petroleum Engineering from Universiti Kebangsaan Malaysia (UKM), Muhammad Syirazi's passion for entrepreneurship led to him opening up Bread Mansion in Gurun, Kedah, a business that initially focused on making pastries for onward sale to shops. With the knowledge he gained, however, he decided to move into burger bun manufacturing, a decision he hasn't looked back on. Today, he makes more than 700 buns a day, selling them to buyers across Kedah and Penang, and has plans to create his own brand of buns for direct sales to consumers. Muhammad Syirazi has also leveraged the digital tools provided by BeSEMART for automatic tracking of sales and cash flow, empowering him to manage his business more efficiently and effectively.

Embodying the inclusive spirit of empowering local communities, Muhammad Syirazi wants his business to become an engine for local development. "Gurun is an up and coming entrepreneurial hub," he says. "Besides growing my business, I want to be able to give back to the community in Gurun, and by being an entrepreneur I can do so by creating job opportunities."

With two-fold jump in monthly income, Muhammad Asyraf Azharuddin sets his sights on franchising opportunities.



ENVIRONMENT Planting Tomorrow

Planet Earth is more than a place where nature lives. It is our shared home and the foundation upon which our connections and livelihoods are built. As such, any damage dealt to the planet impacts not only the animals and plants that live there but also us, as humans and communities.

Recognising our responsibility to safeguard this ultimate shared resource, we implement nature-based solutions that aim to protect biodiversity, conserve natural environments and contribute to the removal of carbon from the atmosphere. We do this with an inclusive approach, working hand-in-hand with local communities to build their capabilities and strengthen their resilience against climate change and its related effects.





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future generations to come.



PEOPLE OF 2023 FINANCIAL YAYASAN PETRONAS IMPACT

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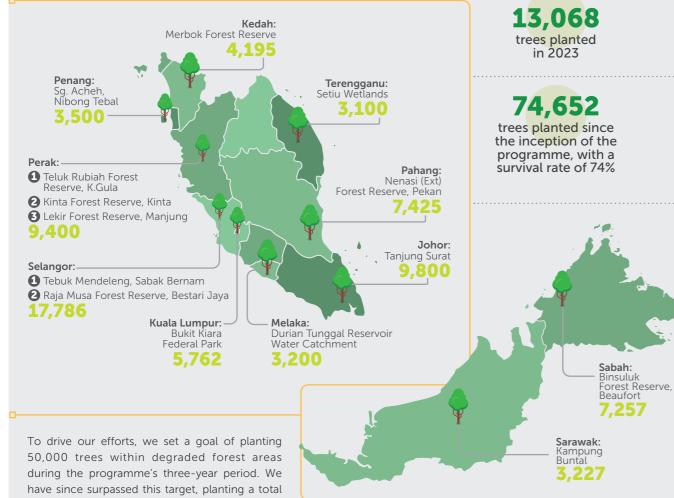
Environment

Our Programmes

Walk4Trees

PETRONAS' Walk4Trees project was developed to address two important issues: the climate crisis and employee health. The idea was simple: for every million steps recorded by PETRONAS employees, a tree would be planted.

Taking this mission further, with our implementation partner, Global Environment Centre (GEC), Walk4Trees aims to synergistically restore natural habitats through tree planting whilst improving the livelihoods of local communities, including the Orang Asli. Leveraging the local knowledge of community members, the programme provides them with the opportunity to earn additional income by planting trees, maintaining them and developing nurseries for plants cultivating a shared purpose towards conserving our vital natural habitats.



of 74,652 trees across 11 states in contribution to national carbon removal and biodiversity efforts. Aside from this, we also monitor the survival rate of the trees we plant, with insights gleaned used to progressively improve our tree planting practices.

The Walk4Trees programme concluded its run in December 2023, paving the way for us take the next step in our tree planting efforts and further empower the resilience of local communities.



At least 8 species of rare and endangered animals have been spotted in replanted areas



by the ASEAN Centre for **Biodiversity in 2023**



One Million Trees

Building on the success of Walk4Trees, we are now furthering our commitment to tree planting with the One Million Trees programme.

We pledge to plant one million more trees throughout Malaysia in support of the nation's climate action efforts. Mirroring our successful approach to Walk4Trees, we will achieve this goal by harnessing and developing the skills of local community members and providing them with sustainable income generation opportunities, forging a mutually beneficial approach to environmental conservation.

In support of the programme, we have initiated strategic partnerships with Universiti Teknologi PETRONAS (UTP) and Sabah Forestry Department (SFD). Moving forward, we will explore further partnerships to improve the potential reach and effectiveness of our efforts.

Planting a Greener UTP

We partnered with UTP under the One Million Trees programme to greenify the surroundings of the university. Bringing together students, staff and neighbouring communities (including Orang Asli), and assisted by the expertise of GEC, we have planted a total of 550 trees in the area since March 2023. These trees are monitored to estimate the amount of carbon they sequester and determine their survivability.

To encourage understanding of the vital importance of our forests, we conduct Communication, Education and Public Awareness (CEPA) activities for the UTP population on an ongoing basis. Taking this further, we will work with the Forest Research Institute of Malaysia (FRIM) via UTP to build a nature trail across the newly forested area in the near future.

The 27,000 hectare Imbak Canyon Conservation Area is one of Sabah's last remaining untouched wildernesses and a haven for various endangered animal and plant species. To support its continued preservation, PETRONAS invested RM83 million to create the Imbak Canyon Studies Centre (ICSC), a world-class rainforest biodiversity research facility, in tandem with Yayasan Sabah. However, with the centre completed in 2019, further plans were then put on hold due to the pandemic.

With movement control orders since lifted, we reignited our work in the Imbak Canyon by conducting a photography workshop for 15 local communities in 2023. Participants acquired technical skills and put them to use by photographing the beauty of the canyon and its biodiversity. This resulted in the creation of high-quality documentaries that raise awareness of this ecosystem and the work we're doing to protect it.



ENVIRONMENT

NETWORKS

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Activities conducted within the Imbak Canyon **Conservation Area (ICCA)**



BOARD OF

TRUSTEES

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Environment

Oisaster Relief Contributions

Natural disasters pose significant dangers to lives and livelihoods, and their increasing frequency – due in part to climate change – is a major cause for concern. In response, we contribute to disaster relief efforts that provide at-risk communities with continuous support, driving greater resilience against the impacts of such events.

- Our work comprises three phases of activation:
- Pre-disaster: Enhancing the preparedness of communities while mitigating, managing and circumventing risks
- During Disaster: Providing timely aid and undertaking rescue efforts
- Post-disaster: Helping communities recover quickly and rebuild their economic potential

Prior to the 2023 monsoonal floods in the North-East of the country, we distributed 11,800 care packages in communities identified to be at-risk based on data trends. This pre-distribution of resources, carried out in collaboration with Jabatan Kabajikan Masyarakat (JKM), ensured that we could assist those affected by the floods in a timely and efficient manner.



Biodiversity Monitoring Equipment for Persatuan Pelindung Harimau Malaysia (RIMAU)

Supporting RIMAU's efforts to save the highlyendangered Malayan Tiger, we provided a strategic donation that went towards purchasing biodiversity monitoring equipment. The newly-procured equipment enables RIMAU's patrolling team to monitor a larger area of land and capture footage of poachers. Through the data collected by the equipment, RIMAU can also undertake comprehensive analytics of the Malayan Tiger population and its geographic dispersion, facilitating the development of effective conservation strategies.



Donations

Beyond our core environmental efforts, we provided strategic donations to various public sector and non-governmental organisations in 2023. These donations funded the purchase of supplies and equipment for tree planting, environmental monitoring and analytics, empowering improved environmental management outcomes.



Biodiversity Monitoring Equipment for Yayasan Sabah

In October 2023, we received a request from Yayasan Sabah to support its intended purchase of biodiversity monitoring equipment for use in the Imbak Canyon Conservation Area (ICCA). The donation, will enable Yayasan Sabah to expand its data collection scope, providing them with a better understanding of wildlife populations in ICCA.



We funded the purchase of trees, saplings and planting equipment, enabling MBKT to undertake tree planting activities across a stretch from Pantai Batu Buruk to Pantai Pandak in Terengganu, in conjunction with the Silver Jubilee celebration to mark the 25-year reign of His Royal Highness the Sultan of Terengganu.

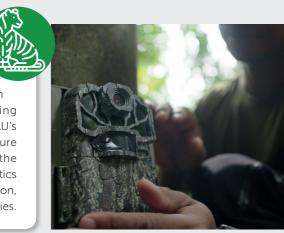
In addition to sequestering carbon, the trees help protect the region's coastal ecosystem from erosion, protecting its value for recreation, tourism and ecosystem services. This creates sustainable economic benefits for members of local communities.



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3,000 trees

were planted during the Silver Jubilee celebration thanks to the efforts of 100 PETRONAS and Yayasan **PETRONAS** volunteers





Environment

Impact Story



Persevering to Plant Tomorrow

When Rogayah binti Mohammad signed up to plant trees under the Walk4Trees programme, she knew it would be anything but a straightforward endeavour.

A member of the Orang Asli community in Bukit Lagong Selayang, Rogayah had firsthand knowledge of the difficulties that the tree planting exercise would entail. From challenging terrain - which meant that only 20 trees could be transported at any one time - getting the trees to their intended locations was time and effort-consuming. Furthermore, it wasn't a given that the trees would adapt to their new ecosystem, with different soil and a new set of plants to compete with.

Thankfully, however, she could call upon her intuitive knowledge of the forest and her husband's forestry skills that he gained while working for FRIM. Turning challenges into opportunities, they developed systems that worked for them.

"We built a water collection system utilizing drip irrigation from rain and dew", says Rogayah. "This made my life easier because I didn't need to constantly check on the plants."

Thanks to their innovative mindset, they were able to achieve their tree planting goals, bringing sustainable benefit to their local ecosystem and pulling in a valuable, extra source of income to support their family.

"We built a water collection system utilising drip irrigation from rain and dew, making my life easier without the need to constantly check on the plants."

Our Networks



GLC Demi Negara dan Rakyat

Yayasan PETRONAS is part of GLC Demi Rakyat dan Negara (GDRN), a network of government-linked companies and government-linked investment companies dedicated to driving sustainable social impact for the nation.

Led by Yayasan Hasanah and Yayasan Telekom Malaysia, the network fosters a collaborative approach to the dissemination of humanitarian aid and disaster recovery and preparedness support (Jalinan Kemanusiaan), while also focusing on the education (Jalinan Ilmu) and well-being enhancement (Jalinan Kesejahteraan) of Malaysians. Through continuous communication, it aims to minimise duplication of efforts and thus ensure that aid is deployed in the most efficient way - reaching the most people possible.

In 2023, we partnered with Jabatan Kebajikan Masyarakat (JKM) to deliver RM2.92 million in support of GDRN.

We have contributed a total of RM4.51 million to GDRN since 2021.

OVOO Asian Venture Philanthropy Network (AVPN)

Yayasan PETRONAS is a member of the Asian Venture Philanthropy Network (AVPN), a Singaporebased funders' network committed to building a vibrant and high-impact social investment ecosystem across Asia. This allows us to tap into the expertise, resources and networks of other philanthropic organisations to learn from each other, find innovative solutions, with the aim of ensuring the work that we do at Yayasan PETRONAS brings about the most significant impact for people and communities across Malaysia.

During the year, we were involved in the following activities organised by AVPN:

- AVPN Global Conference 2023
- Kuala Lumpur Philanthropy Asia Impact Roundtable
- COP28 Business & Philanthropy Climate Forum







Our Partners

Empowering Lives, Together

The impact we created in 2023 would not have been possible without the dedicated support of our partners, who share our purpose of enriching communities and bring valuable skills and knowledge to our programmes. As we move forward, these trusted partnerships will remain vital to achieving our ambitions and creating a sustainable future for more people across the nation.



Level 71, Tower 1, PETRONAS Twin Towers Kuala Lumpur City Centre, 50088 Kuala Lumpur www.yayasanpetronas.com.my yayasanpetronas@petronas.com

Yayasan PETRONAS