



KHAZANAH  
NASIONAL



ADVANCING  
MALAYSIA



FORGING AHEAD TO DELIVER A  
**SUSTAINABLE FUTURE**

THE KHAZANAH REPORT 2022



KHAZANAH  
NASIONAL

## ***Advancing Malaysia, for the long-term***

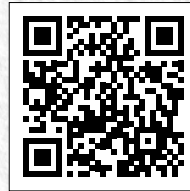
At Khazanah, we are guided by our purpose of investing to deliver sustainable value for Malaysians. During our 30-year journey as the nation's sovereign wealth fund, our long-term strategy for national development has seen us build regional champions across the corporate landscape, catalyse the growth of innovators and new industries, and spur the adoption of emerging technologies and strategies that future-proof the nation.

Our strategy also guides us in maintaining a diversified investment portfolio to minimise the impact of challenging economic periods. In this, *The Khazanah 2022 (TKR2022)*, we detail the wide-ranging actions we have taken to grow our portfolio during the past year, underpinned by the goal of growing Malaysia's wealth over the long-term.

In *Advancing Malaysia*, we strive to look beyond the present and forge new sources of prosperity for the country. In addition to delivering long-term risk adjusted returns through our investments, we support organisations and initiatives that build the capacity of Malaysia's population, drive progress for communities and protect natural environments. At the same time, our investments in catalytic sectors unlock new growth ecosystems and possibilities for the nation, empowering Malaysia's enterprises to remain at the forefront of technological innovation as globally-competitive players.

This is further supported by our international investments, which connect Malaysian companies to broader networks and new opportunities while establishing the country's presence as a player in global markets.

These key initiatives are reflected in the theme of *TKR2022 – Forging Ahead to Deliver a Sustainable Future* and in the images featured on the cover of this year's report. They depict the sustainable ecosystem that we strive to create within Malaysia, where human ambition and corporate innovation converge to drive the nation's economic and societal advancement, enabling brighter futures for all who call the country home.



**SCAN HERE**  
to visit the *TKR2022* microsite






## Our Reporting Approach

In publishing this report, our objective is to disclose the investments, initiatives and activities we have undertaken in 2022 towards creating sustainable value for Malaysians, as well as our future plans and outlook towards this same objective.

We are committed to practicing transparency where we strive to maintain the depth and quality of disclosure and reporting to drive meaningful dialogue with our stakeholders on our strategies and performance.

In line with our sustainability commitments, this report is fully digitised and available via our corporate website.


## Navigation

-  Leads to a page in this report that is relevant to the topic
-  Leads to a URL/website address that is relevant to the topic
-  Leads to a video that is relevant to the topic




## TKR2022 Special Highlights




-  Learn more by reading **Special Highlights 1: Building an Ecosystem for Start-Ups: Dana Impak** section on page 54 of this report.



-  Learn more by reading **Special Highlights 2: Food Security & Self-Sufficiency** section on page 58 of this report.



-  Learn more by reading **Special Highlights 3: Shaping an Equitable and Responsible ESG Transition for Corporate Malaysia** section on page 61 of this report.

# TABLE OF CONTENTS

## INTRODUCTION

### CHAPTER 1

#### WE STAY TRUE TO OUR PURPOSE

Who We Are	5
What We Do	5
2022 In Review	9
Sustainability at Khazanah	11

### CHAPTER 2

#### GUIDED BY THE STRENGTH OF OUR LEADERSHIP

Board of Directors	15
Senior Management Team	20
Governance and Accountability Framework	28

### CHAPTER 3

#### DRIVEN BY A SINGULAR FOCUS

Message from Our Chairman	32
Message from Our Managing Director	35

### CHAPTER 4

#### TO OPTIMISE PERFORMANCE

Financial Highlights	41
Key Financial Indicators	43
Independent Auditors' Report	44

### CHAPTER 5

#### AND DELIVER VALUE FOR ALL

Our Investment Approach	46
Investments Portfolio	47
Dana Impak Portfolio	51
Developmental Assets	52

## SPECIAL HIGHLIGHTS

<b>1</b>	<b>Building an Ecosystem for Start-Ups</b>	54
<b>2</b>	<b>Driving Food Security and Self-Sufficiency</b>	58
<b>3</b>	<b>Shaping an Equitable ESG Transition for Corporate Malaysia</b>	61

### CHAPTER 6

#### WITH SUSTAINABILITY AT THE HEART OF OUR CONSIDERATIONS

Our Approach to Sustainability	65
Sustainability Governance	69
Shareholder Expectations and Investment Stewardship	70
Khazanah's Affiliations	72

### CHAPTER 7

#### WHILE BUILDING CAPACITY, VIBRANT COMMUNITIES & A WINNING TEAM

Delivering Societal Value	78
Our People	87
Khazanah as a Learning Organisation	90
Khazanah's Digital Transformation	96

<b>FORGING AHEAD</b>	99
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CHAPTER

1

# WE STAY TRUE TO OUR PURPOSE



5	Who We Are
5	What We Do
9	2022 In Review
11	Sustainability at Khazanah

## WHO WE ARE

### Khazanah Nasional Berhad as Malaysia's sovereign wealth fund

Incorporated as a public limited company by shares on 3 September 1993 and commenced operations in 1994, we are owned by the Minister of Finance (Incorporated), with the exception of one share held by the Federal Lands Commissioner (Incorporated).

We invest across all levels of the Malaysian economy – from listed Malaysian companies to emerging sectors, as well as internationally across markets, asset classes, sectors and geographies. We report directly to the Government of Malaysia, with our Board of Directors chaired by the Prime Minister of Malaysia, YAB Dato' Seri Anwar Ibrahim.



[Click to watch the full video](#)

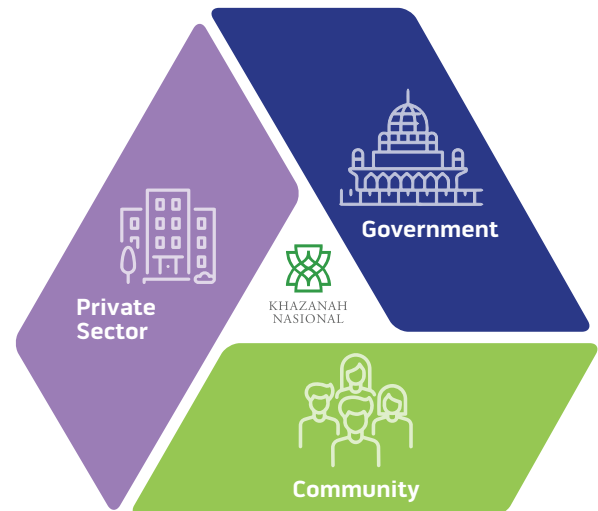
## WHAT WE DO

### OUR PURPOSE

#### Investing to deliver sustainable value for Malaysians

Sitting at the nexus of the Government, private sector and *rakyat* (community) of Malaysia, we play an important role in developing the nation, driven by our focus and strategy in *Advancing Malaysia*.

While our foremost aim is to deliver strong long-term risk-adjusted returns across our portfolio, the unique position we occupy in the nation endows us with a greater purpose. We also play a role in catalysing the growth of emerging sectors and companies within the nation, contributing towards the nation's long-term competitiveness and prosperity, and building more vibrant communities for all.



Ultimately, our activities and investments are anchored towards delivering long lasting impact towards a better Malaysia, responsibly.

# OUR STRATEGY

## Four Strategic Imperatives to deliver our purpose

Our Strategic Imperatives guide our thoughts and actions, providing steer towards fulfilling our purpose as Malaysia's sovereign wealth fund and a Government-Linked Investment Company (GLIC).

### Investing to Deliver Sustainable Value for Malaysians



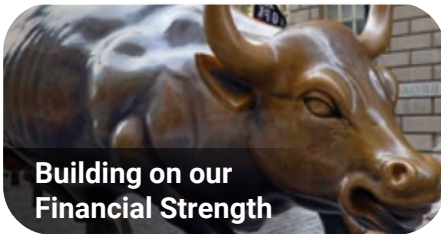
Strategic Imperatives

**Active Corporate Player** in Malaysia's capital markets, spurring economic growth

**Dana Impak** to invest in catalytic sectors that strengthen the country's resilience and open new growth opportunities

**Global Investor** to grow our portfolio, while finding opportunities to facilitate flows of knowledge, networks and investment opportunities into Malaysia

Focused on **Building Capacity and Vibrant Communities** for the benefit of Malaysians





## Advancing Malaysia (Four Key Initiatives)

### 1 Active Corporate Player

We participate in Malaysia's capital markets as an active shareholder, encouraging our investee companies to create value by crowding-in new private investments and driving regulatory improvements, all while promoting the adoption of cutting-edge technologies, nurturing innovation and encouraging more sustainable practices. These actions are carried out with the overarching aim of spurring Malaysia's capital market and contributing to the nation's development.

### 2 Dana Impak

Dana Impak (our impact fund) is a RM6 billion commitment over five years to invest in catalytic sectors that will increase the nation's competitiveness and build its resilience.

Investments under Dana Impak are guided by six themes:

- 1 Digital Society and Technology Hub
- 2 Food and Energy Security
- 3 Decent Work and Social Mobility
- 4 Quality Health and Education for all
- 5 Building Climate Resilience
- 6 Competing in Global Markets

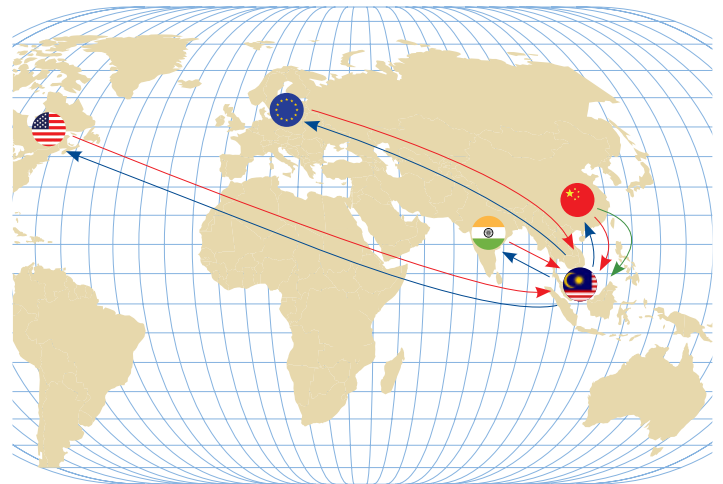
With a focus on driving long-term societal value, we introduced the SEMARAK framework, an impact assessment tool that will enable us to qualify the impact of our investments beyond their financial returns, in June 2023.



Learn more about Dana Impak by reading the **Chapter 5 – And Deliver Value for All** section on page 51 of this report.

### 3 Global Investor

Our international investments span a wide range of asset classes and markets. We strategically align these investments with global megatrends and emerging technologies, serving the twin goals of growing our portfolio value and facilitating flows of knowledge, networks and investment opportunities to Malaysia.

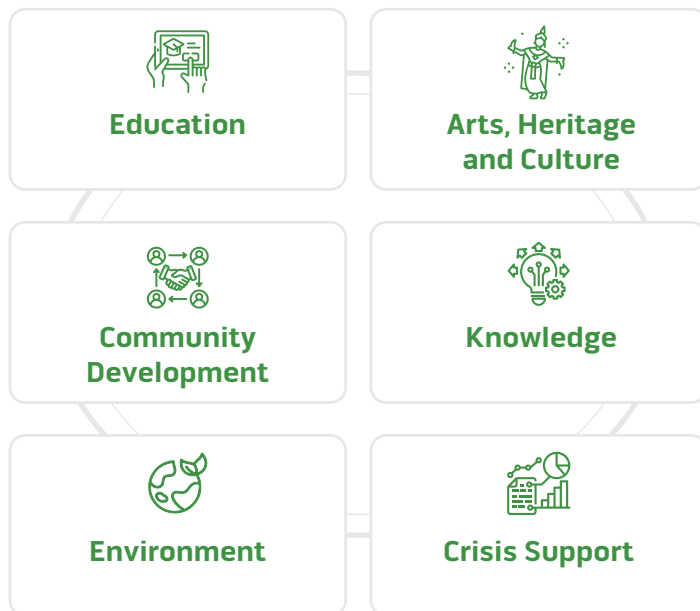



- Deployed investments and networking
- Knowledge and information transfer, co-investment flows
- Attracted investments to Malaysia

## 4 Building Capacity and Vibrant Communities

We continue to impact Malaysian society via our affiliated entities, including Yayasan Hasanah, Yayasan Khazanah, Khazanah Research Institute, Taman Tugu and Think City, to build capacity and nurture more resilient communities.

We deliver societal value across the pillars of:



 Learn more about our efforts in Building Capacity and Vibrant Communities by reading the **Delivering Societal Value** chapter on page 78 of this report.

## *Building on our Financial Strength*

By investing in a diversified portfolio and practicing prudent management of debt and liquidity, we position ourselves to meet our long-term risk-adjusted return targets. We are cognisant of the shifting macroeconomic and geopolitical environment, which underlies the importance of continuing our rebalancing efforts in achieving our target Strategic Asset Allocation (SAA), improving diversification and portfolio resilience.

## *Creating a Sustainable Future*

We recognise our role in shaping an equitable and responsible transition for Corporate Malaysia in the adoption of sustainability practices. Our Sustainability Framework guides our approach to deliver sustainable value as both an enterprise and investor, and our medium and long-term commitments are outlined in our Environment, Social and Governance (ESG) Targets.

## *Developing a Winning Team*

Our people are a key enabler of our success. By upholding a culture of high performance and collaboration, providing talent development opportunities and maintaining diverse and inclusive work environments, we support them in reaching their full potential, thereby building a digitally-savvy and future-ready Khazanah.

In developing a winning team, we are guided by our Core Values, which emphasise on the importance of holding ourselves accountable, respecting different viewpoints and supporting one another at all times.



# 2022 IN REVIEW

## 2 MAR Reporting

Khazanah Annual Review 2022



## 11-13 MAR Outreach

GLC Open Day 2022



## 22 MAR Investment

Successful IPO of Farm Fresh with a valuation of RM2.51 billion – one of the largest IPOs on Bursa Malaysia in 2022



## 13 MAY Building Capacity & Vibrant Communities

Think City and partners break ground with the historic Esplanade seawall and public promenade in Penang



## 20 MAY Partnership

Strategic partnership formed with SK ecoplant to accelerate Cenviro's growth into a regional resource management champion



## 30 MAY Reporting

Yayasan Hasanah publishes The Hasanah Report 2021



## 5 JUN Building Capacity & Vibrant Communities

Taman Tugu celebrates World Environment Day with the handover of the Taman Tugu land agreement from Kuala Lumpur City Hall to Amanah Warisan Negara (AWAN)



## 10 JUN Sustainability

Launch of the Khazanah Sustainability Framework and Targets: Investing in a Sustainable Transition 2022



## 16 JUN Building Capacity & Vibrant Communities

Think City presents Rights to the City, the first Public Housing Liveability Conference



**24 AUG**  
**Building Capacity & Vibrant Communities**

Launch of our virtual art gallery, Galeri Khazanah, with an accompanying mini exhibition



**9 SEP**  
**Building Capacity & Vibrant Communities**

Yayasan Khazanah Scholarship Awards Day



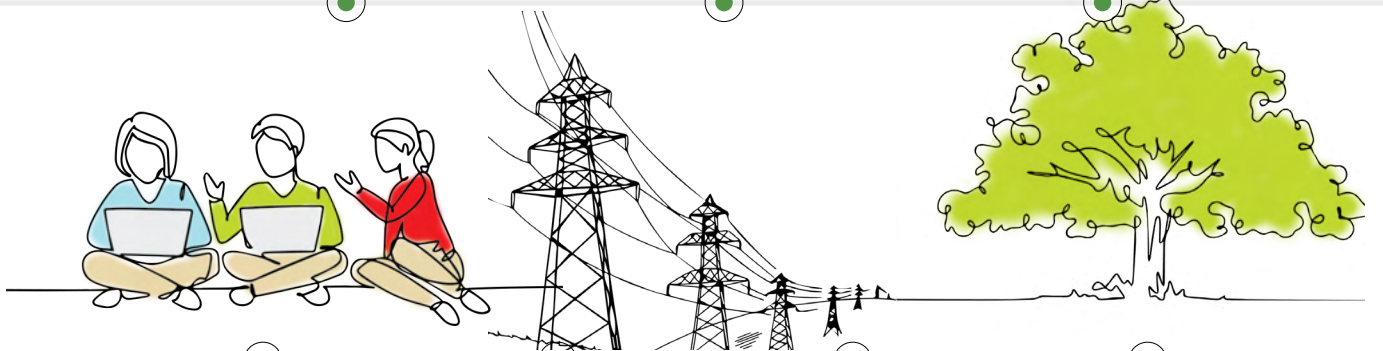
**3-4 OCT**  
**Outreach**

Khazanah Megatrends Forum 2022



**1 NOV**  
**Building Capacity & Vibrant Communities**

Think City and partners launch Atlas of Climate Resilient Trees to document climate resilient tree species



**celcomdigi**

**30 NOV**  
**Investment**

Completion of the Celcom-Digi merger, forming the largest telecommunications company on Bursa Malaysia



**NOV-DEC**  
**Building Capacity & Vibrant Communities**

Yayasan Hasanah launches *Arts for all Seasons*



**2 DEC**  
**Research**

Khazanah Research Institute launches *The Paddy and Rice Industry of Sabah and Sarawak: Status and Potential*



**5 DEC**  
**Sustainability**

Launch of Khazanah's Shareholder Expectations and Investment Stewardship statement



**23 DEC**  
**Research**

Khazanah Research Institute launches *Residential Settlements and Spatial Inequality: A Study of Greater Kuala Lumpur Neighbourhoods*

# SUSTAINABILITY AT KHAZANAH

As Malaysia's sovereign wealth fund, we have a duty to create value beyond just monetary terms. Through our reach and influence, we actively engage with our portfolio companies to drive the adoption of sustainable practices that deliver long-term benefits for the nation, communities and natural environments.

## Our Sustainability Principles



### Do Good

We aspire for positive outcomes and ensure our actions today produce results towards a **positive economic, social, and environmental change**, for current and future generations.



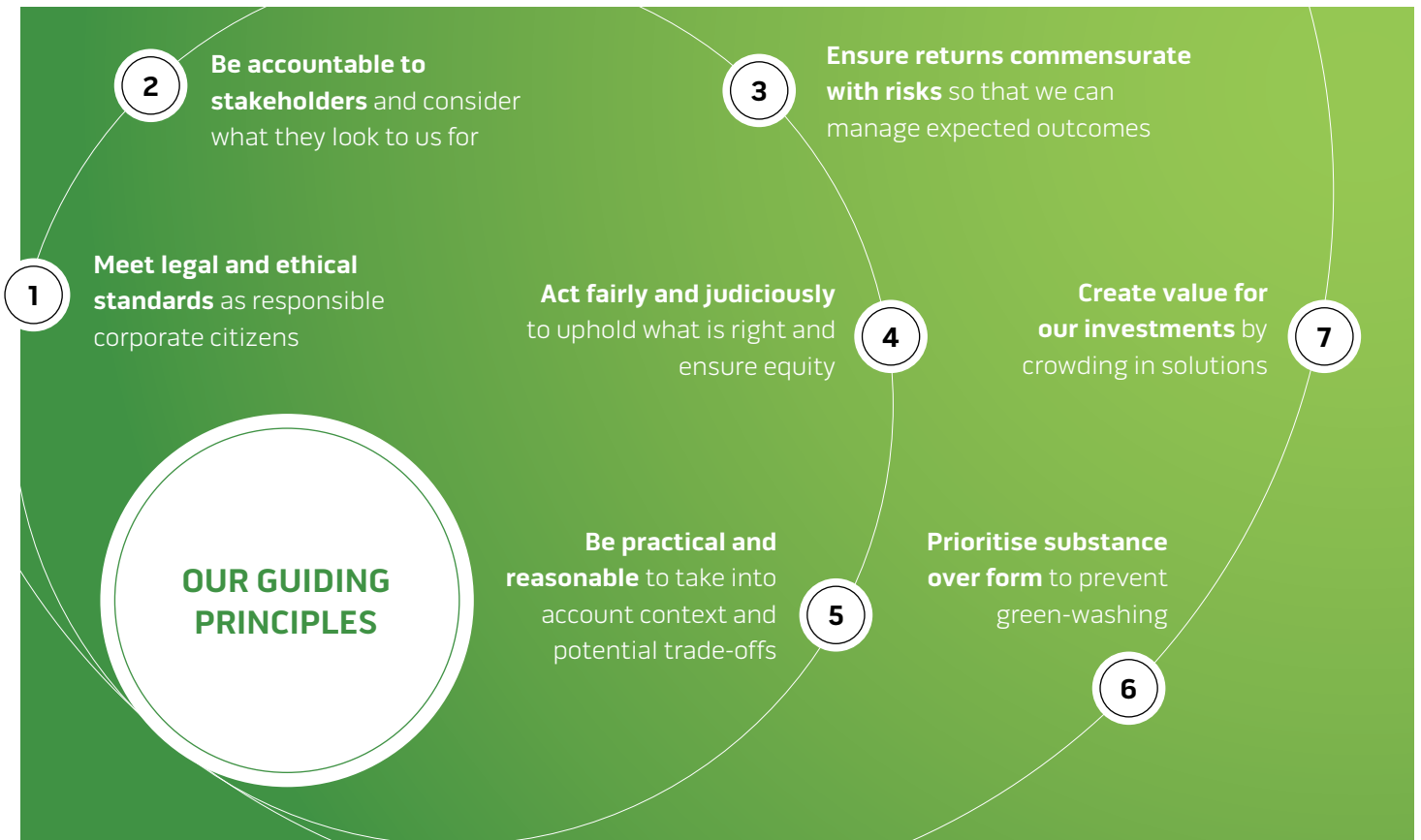
### Do Better

We aim to build on the status quo, by identifying **opportunities to create shared value** through managing risks and preparing for the future.



### Do No Harm

We **manage and mitigate risks** to ensure that our actions do not expose stakeholders to negative effects on the social fabric, the economy, or the environment.



## Our Environmental, Social and Governance (ESG) Framework

Launched in June 2022, our ESG Framework sets out an approach to sustainability that is anchored on the three pillars of ESG.

The focus areas we have identified within our framework are determined based on issues that are most material to our investment portfolio, business and mandate.














**Note:**

<sup>1</sup> Material ESG issues highlighted are Khazanah’s primary focus issues

To guide and focus our sustainability efforts over the coming years, we have also committed to the following short, medium, and long-term targets across our three pillars. These targets align our aspirations with our stakeholders, including the Government of Malaysia, as well as other national institutions.

We acknowledge that the ESG space is evolving at a fast pace, and in response we will continue to adapt our targets and actions to ensure they remain relevant for the long-term.

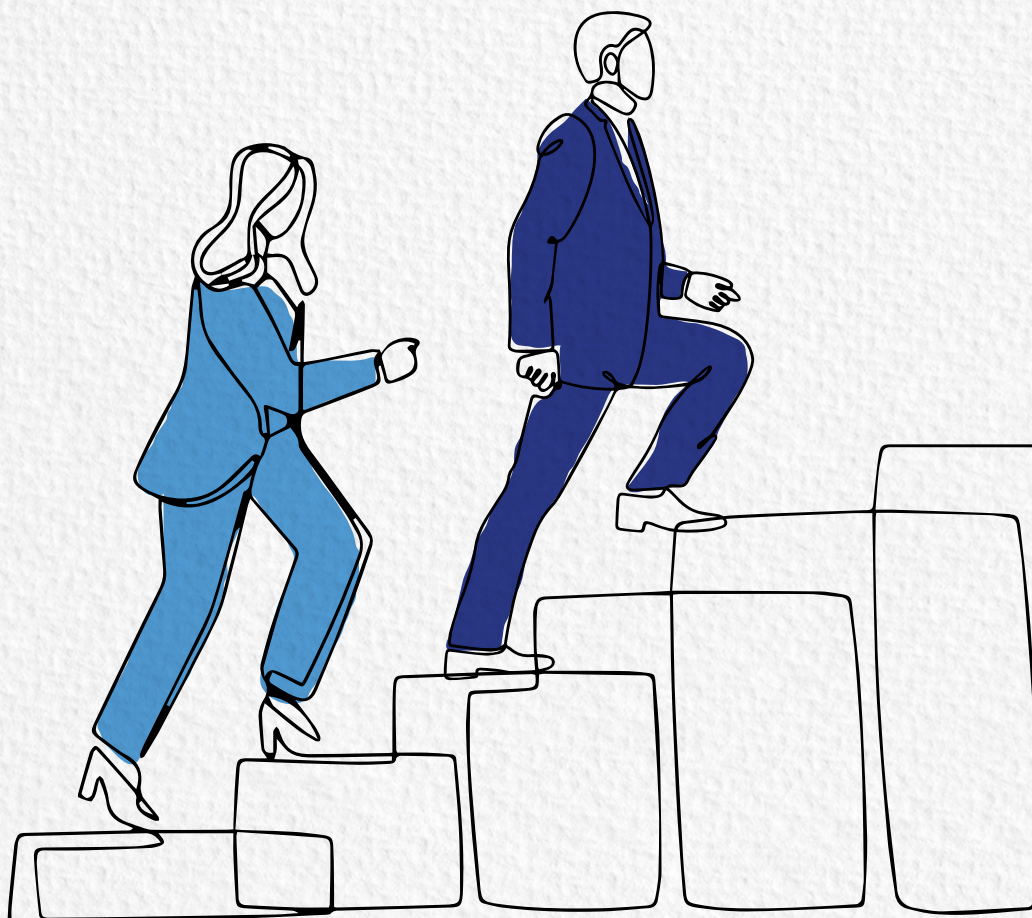
**OUR ESG TARGETS**

Environmental	Social	Governance
<p>We aim to reduce environmental impact of our operations and support the transition to a lower-carbon economy</p>   <p><b>Net Zero emissions</b> by 2050</p>  <p><b>Carbon neutral operations</b> by 2023</p>	<p>We aim to develop a productive and inclusive workforce and drive societal impact</p>   <p><b>30% women in Board and senior leadership</b> by 2025</p>  <p><b>Enhance diversity, equity and inclusion framework and programmes</b> by 2023</p>  <p><b>Measurable socio-economic impact targets</b> by 2023</p>	<p>We aim to promote good governance and effective engagements with stakeholders and portfolio companies</p>   <p><b>Enhance Board competencies</b> (including sustainability) at our portfolio companies by 2024</p>  <p><b>Disclose general voting principles</b> by 2022</p>  <p><b>Include ESG-linked KPIs for key leadership positions</b> for our portfolio companies by 2023</p>

CHAPTER

# 2

## GUIDED BY THE STRENGTH OF OUR LEADERSHIP



- 15 Board of Directors
- 20 Senior Management Team
- 28 Governance and Accountability Framework



# BOARD OF DIRECTORS



1

**Dato' Seri Anwar Ibrahim**

Chairman

2

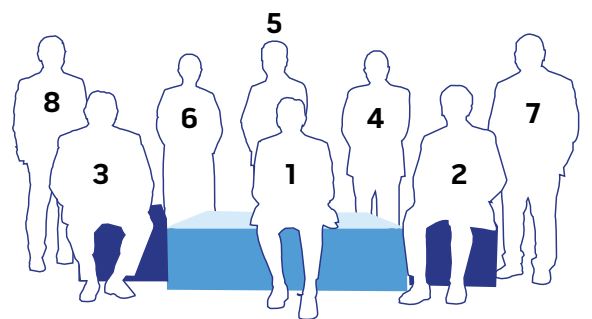
**Goh Ching Yin**

Director, Chairman of Executive Committee (EXCO), Member of Audit & Risk Committee (ARC) and Member of Nomination & Remuneration Committee (NRC)

3

**Tan Sri Mohammed Azlan Hashim**

Director, Chairman of Nomination & Remuneration Committee (NRC) and Member of Executive Committee (EXCO)



4

**Dato' Zainal Abidin Putih**

Director and Chairman of Audit & Risk Committee (ARC)

5

**Lau Seng Yee**

Director, Member of Executive Committee (EXCO) and Member of Nomination & Remuneration Committee (NRC)

6

**Datuk Azian Mohd Aziz**

Director and Member of Audit & Risk Committee (ARC)

7

**Dato' Amirul Feisal Wan Zahir**

Managing Director and Member of Executive Committee (EXCO)

8

**Dato' Mohamed Nasri Sallehuddin**

Company Secretary

**DATO' SERI ANWAR IBRAHIM**

Chairman



Dato' Seri Anwar Ibrahim was appointed as the Chairman of Khazanah effective 3 January 2023.

He is the current Prime Minister of Malaysia and Minister of Finance.

He was the Deputy Prime Minister from 1993 to 1998 and has also held various ministerial posts, including Minister of Education, Minister of Agriculture, and Minister of Culture, Youth and Sports.

**GOH CHING YIN**

Director, Chairman of Executive Committee (EXCO), Member of Audit & Risk Committee (ARC) and Member of Nomination & Remuneration Committee (NRC)



**E A N**

Goh Ching Yin was appointed as a Board member of Khazanah effective 31 July 2018.

He was a former Executive Director of the Chairman's Office, Strategy & Development, and Market Oversight at the Securities Commission Malaysia. Prior to that, he was CEO of Southern Investment Bank, Managing Director, Corporate Finance for BNP Paribas Group, and Chief Representative of BNP Peregrine Sdn Bhd. He also served at RHB Sakura Merchant Bankers Berhad, Renong Group and Price Waterhouse Associates.

He is currently the Chairman and Independent Non-Executive Director of Allianz Life Insurance Malaysia Berhad, Maybank Asset Management Singapore Pte Ltd and Maybank Securities Pte Ltd.

He also sits on the boards of Maybank Investment Bank Berhad, Maybank Asset Management Group Berhad, Allianz Malaysia Berhad and Shangri-La Hotels (Malaysia) Berhad. He holds an MBA from Cranfield University, United Kingdom.

## TAN SRI MOHAMMED AZLAN HASHIM

Director, Chairman of Nomination & Remuneration Committee (NRC) and Member of Executive Committee (EXCO)



E N

Tan Sri Mohammed Azlan Hashim was appointed as a Board member of Khazanah effective 1 April 2020.

He is the Chairman of Investment Panel of Employees Provident Fund. He is also currently Chairman of several public listed entities including Telekom Malaysia Berhad, D&O Green Technologies Berhad, Marine & General Berhad and IHH Healthcare Berhad.

He has extensive working experience in the corporate sectors including financial services and investments. Among others, he served as Chief Executive of Bumiputra Merchant Bankers Berhad, Managing Director of Amanah Capital Malaysia Berhad, Executive Chairman of Bursa Malaysia Berhad and a Board member of the Employees Provident Fund.

He holds a Bachelor of Economics from Monash University, Melbourne and is a qualified Chartered Accountant. He is a Fellow Member of the Institute of Chartered Accountants, Australia, Member of Institute of Chartered Secretaries and Administrators and the Malaysian Institute of Accountants.

## DATO' ZAINAL ABIDIN PUTIH

Director and Chairman of Audit & Risk Committee (ARC)



A

Dato' Zainal Abidin Putih was appointed as a Board member of Khazanah effective 18 April 2023.

He is currently the Chairman of several companies including Land & General Berhad, Tokio Marine Insurans (Malaysia) Berhad and Touch 'n Go Sdn Bhd. He also sits on the boards of several private limited companies.

He brings with him decades of extensive experience in audit, having worked as a practising accountant throughout his career covering many principal industries including banks, insurance, energy, transport, manufacturing, government agencies, plantations, properties, hotels, investment companies and unit trusts. He also has good knowledge of taxation matters and management consultancy, especially in the areas of acquisition, takeovers, amalgamations, restructuring and public listing of companies.

He is a fellow of the Institute of Chartered Accountants in England and Wales, as well as a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He is the current Chairman of Financial Reporting Foundation. He was the past president of the Malaysian Institute of Certified Public Accountants, former Chairman of the Malaysian Accounting Standards Board and Pengurusan Danaharta Nasional Berhad, as well as a former member of the Malaysian Communication & Multimedia Commission. He is a Trustee of IJN Foundation and a Trustee of Yayasan Universiti Multimedia.

## LAU SENG YEE

Director, Member of Executive Committee (EXCO) and Member of Nomination & Remuneration Committee (NRC)



E N

Lau Seng Yee was appointed as a Board Member of Khazanah effective 26 June 2019.

He has 25 years of extensive China market experience in the technology and media sector. He joined Tencent Holding Company since 2006, holding various key management roles such as SEVP, President of Online Media Group, Chairman of Global Branding and Group Marketing before transitioning into his current role as the Senior Management Advisor in January 2021. Prior to that, he was the CEO of BBDO and the CEO of Publicis in China.

Recognised as "Global Media Person of the Year" by Cannes Lions in 2015, he joins a list of previous recipients which includes Facebook founder Mark Zuckerberg, former Microsoft CEO Steve Balmer and former Google Chairman Eric Schmidt, among others.

A distinguished alumnus of Universiti Kebangsaan Malaysia and Rutgers University in New Jersey, where he received his Executive MBA; he completed the Advanced Management Program at Harvard Business School, and now serves as Harvard Business School Asia Pacific Advisory Board member since 2015.

## DATUK AZIAN MOHD AZIZ

Director and Member of Audit & Risk Committee (ARC)



A

Datuk Azian Mohd Aziz was appointed as a Board Member of Khazanah effective 26 June 2019.

She is currently an Advocate and Solicitor of the High Court of Malaya, practising at Messrs. Mohamad Hanafiah Zakaria based in Kuala Lumpur, Malaysia.

She began her career on 1 October 1987 as a Federal Counsel in Attorney General's Chambers and has held various positions throughout her career, such as a Legal Advisor to the Ministry of Transport, Senior Federal Counsel in Advisory Division and Research Division of the Attorney General's Chambers, Senior Assistant Parliamentary Draftsman and Legal Advisor of the Ministry of Defence.

In 2009, she was appointed as the Corporation Secretary of Putrajaya Corporation (PPJ) and in 2010, she was appointed as the Director General of the Judicial and Legal Training Institute (ILKAP) at the Prime Minister's Department. She also served as the Treasury Solicitor, Ministry of Finance, Deputy Head of Advisory Division (Municipal) I of the Attorney General's Chambers, Head of International Affairs Division, Attorney General's Chambers and Head of Advisory Division, Attorney General's Chambers. She was also the Parliamentary Draftsman of the Attorney General's Chambers from 16 December 2020 until 26 June 2023.

She has also sat on the boards of various entities such as the Inland Revenue Board of Malaysia (LHDNM), Sepang International Circuit, Amanah Raya Berhad, Amanah Raya Trustees, Syarikat Perumahan Negara Berhad, Institut Jantung Negara, Syarikat Prasarana Nasional Berhad and the Board of Advisors of Institut Latihan Islam Malaysia (ILIM). She holds a Bachelor of Laws (LL.B) (Hons) degree from the University of Malaya.

**DATO' AMIRUL FEISAL WAN ZAHIR**

Managing Director and Member of Executive Committee (EXCO)



E

Dato' Amirul Feisal Wan Zahir was appointed as the Managing Director of Khazanah effective 16 July 2021.

Previously, he was Group Chief Financial Officer of Malayan Banking Berhad (Maybank) since July 2016 and was also the Group Head Global Banking of Maybank from October 2014 until June 2016. Prior to Maybank, he joined Permodalan Nasional Berhad in 2010 as Executive Vice President of Special Projects and was seconded to Chemical Company of Malaysia Berhad, a public listed company, as Group Managing Director. In 2008, he was appointed as Managing Director, Head of Investment Banking for Maybank Investment Bank, where he was responsible for the Investment Banking, Corporate Finance, Equity Capital Markets and Private Equity Divisions. He also served as Executive Director at BinaFikir Sdn Bhd from 2004 to 2008.

He is currently the Chairman of Iskandar Investment Berhad, M+S Pte Ltd, Yayasan Khazanah and Amanah Warisan Negara (AWAN). He also sits on the Board of Trustees of Yayasan Hasanah and Khazanah Research Institute.

He is a Fellow of the Institute of Chartered Accountants England and Wales, a member of the Malaysian Institute of Accountants, and a Chartered Banker, Asian Institute of Chartered Bankers. He holds a Bachelor of Science degree in Economics, majoring in Accounting and Finance from the London School of Economics & Political Science, United Kingdom and completed the Advanced Management Program at Harvard Business School.

## SENIOR MANAGEMENT TEAM



### From left to right

**Dato' Mohamed Nasri Sallehuddin**

Executive Director  
General Counsel  
Company Secretary and  
Head, Corporate &  
Support Services

**Faridah Bakar Ali**

Chief Financial Officer

**Dato' Amirul Feisal Wan Zahir**

Managing Director

**Datuk Amran Hafiz Affifudin**

Executive Director  
Head, Malaysian Investments

### From left to right

**Bryan Lim**

Executive Director  
Head, Dana Impak and  
Head, Healthcare

**Datuk Hisham Hamdan**

Executive Director  
Head, Public Markets

**Geoff Lee**

Executive Director  
Head, Private Markets and  
Head, Technology

**Wong Shu Hsien**

Executive Director  
Head, Transport & Tourism





**From left to right**

**Selvendran Katheerayson**

Executive Director  
Head, Real Assets & Property

**Latifah Daud**

Executive Director  
Head, Strategic Human  
Capital Management

**Suhana Dewi Selamat**

Executive Director  
Head, Governance, Risk &  
Compliance

**Wong Wai Seng**

Head, Strategy and  
Head, Asset Allocation

**From left to right**

**Effizal Faiz Zulkifly**

Head, Consumer and Services

**Dr Farid Mohamed Sani**

Head, Special Projects  
(Investments)

**Ong King How**

Head, Telco and Media

**Nick Khaw**

Head, Research

**Sherliza Zaharudin**

Head, Corporate  
Communications





**Dato' Amirul Feisal Wan Zahir**  
Managing Director

Dato' Amirul Feisal Wan Zahir is currently the Chairman of Iskandar Investment Berhad, M+S Pte Ltd, Yayasan Khazanah and Amanah Warisan Negara (AWAN). He also sits on the Board of Trustees of Yayasan Hasanah and Khazanah Research Institute.

He is a Fellow of the Institute of Chartered Accountants England and Wales, a member of the Malaysian Institute of Accountants, and a Chartered Banker, Asian Institute of Chartered Bankers. He holds a Bachelor of Science degree in Economics, majoring in Accounting and Finance from the London School of Economics & Political Science, United Kingdom and completed the Advanced Management Program at Harvard Business School.



**Faridah Bakar Ali**  
Chief Financial Officer

Faridah Bakar Ali joined Khazanah in May 2006 after building a career in accountancy and finance with PricewaterhouseCoopers Malaysia and BP Malaysia.

In Khazanah, she has delivered several notable Islamic Finance transactions including the world's first exchangeable sukuk and the inaugural retail offering of Sukuk Ihsan, Khazanah's sustainable and responsible investment sukuk.

She currently sits on the board of Malaysia Aviation Group Berhad (MAGB).

She graduated from Lancaster University in Accounting & Finance. She is a member of the Malaysian Institute of Accountants (MIA) and a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW).



**Dato' Mohamed Nasri Sallehuddin**

Executive Director  
General Counsel, Company Secretary and Head, Corporate & Support Services

Dato' Mohamed Nasri Sallehuddin is currently the Executive Director, General Counsel, Company Secretary and Head of Corporate & Support Services at Khazanah Nasional Berhad.

He obtained his Bachelor of Laws (Hons) degree from University of Wales, Aberystwyth, United Kingdom in 1993. He was admitted to Gray's Inn as a Barrister-at-law in 1995 and admitted to the High Court of Malaya as an Advocate and Solicitor in 1996. He also holds an MBA from University of Strathclyde, United Kingdom.

He is currently the Chairman of Destination Resorts and Hotels Sdn Bhd (DRH) and Taman Tugu Development Sdn Bhd. He also sits on the board of Telekom Malaysia Berhad, UEM Group Berhad and Think City Sdn Bhd.





### **Datuk Amran Hafiz Affifudin**

Executive Director  
Head, Malaysian Investments

Datuk Amran Hafiz Affifudin joined Khazanah in June 2011.

He started his career with PETRONAS in corporate finance and treasury. He also has experience in the private equity industry, where he served across various roles and responsibilities with several firms.

He is currently the Chairman of UEM Group Berhad and sits on the boards of Tenaga Nasional Berhad, Iskandar Investment Berhad and Sunway Iskandar Sdn Bhd.

He holds a BSc in Commerce, majoring in Accounting and Finance, from the McIntire School of Commerce at the University of Virginia, United States.



### **Bryan Lim**

Executive Director  
Head, Dana Impak and  
Head, Healthcare

Bryan Lim joined Khazanah in December 2005.

He was a key member of the team that set up Khazanah's first foreign office in Beijing in 2008 and was subsequently appointed Head of China in 2017. After serving for 13 years, he returned to Malaysia in 2021 to assume his current role.

Prior to Khazanah, he was with Ernst & Young, Rating Agency Malaysia Bhd (RAM) and ECM Libra Securities Sdn Bhd.

He currently sits on the board of IHH Healthcare.

He holds a Master's in Business Administration from the MIT Sloan Fellows programme at the Massachusetts Institute of Technology, United States and a Bachelor of Commerce and Management degree from Lincoln University, New Zealand. He is also a Chartered Financial Analyst (CFA) charterholder.



### **Datuk Hisham Hamdan**

Executive Director  
Head, Public Markets

Datuk Hisham Hamdan joined Khazanah in April 2011 from Sime Darby Berhad, where he served in various senior capacities, covering strategy and business development, healthcare, energy & utilities, and China.

He is currently the Chairman of UEM Sunrise and sits on the Board of Trustees of Khazanah Research Institute and on the board of ValueCap Sdn Bhd.

He holds two degrees, in Chemical Engineering and Industrial management from Purdue University, United States. He has also attended the Harvard Business School's Advanced Management Programme.



### Geoff Lee

Executive Director  
Head, Private Markets and  
Head, Technology

Geoff Lee joined Khazanah in September 2021 after spending over 30 years in various roles in the finance and investments industries in Hong Kong and the United Kingdom.

He was previously Head of Principal Investments at Korea Development Bank Asia, Head of Asian Investments at HSBC Alternative Proprietary Investments and Managing Director and Co-founder of Myo Capital Special Situations Fund.

Prior to moving to the buy-side, he spent nearly a decade in investment banking latterly as a Director of Telecommunication, Media and Technology and Founding Member of the Mergers & Acquisitions team at HSBC Investment Bank Asia.

He is a UK Fellow Chartered Accountant and a graduate of the University of Manchester.



### Wong Shu Hsien

Executive Director  
Head, Transport & Tourism

Wong Shu Hsien joined Khazanah in February 2005 from Binafikir Sdn Bhd.

Prior to that, she worked in a private equity firm, Emerging Markets Partnership, as the Principal Adviser to AIG Infrastructure Fund II.

She currently sits on the boards of Destination Resorts and Hotels Sdn Bhd (DRH), Malaysia Airports Holding Berhad and Malaysia Aviation Group Berhad (MAGB).

She holds a degree in Economics from University of Cambridge, United Kingdom and a Masters in Economics and Political Science from the London School of Economics & Political Science, United Kingdom.



### Selvendran Katheerayson

Executive Director  
Head, Real Assets & Property

Selvendran Katheerayson has been with Khazanah since January 2006. He started his career at Ernst & Young in 1994. Following which, he has worked at Motorola Inc and Maxis Communications Berhad.

He currently sits on the boards of Time dotCom, Putrajaya Holdings Sdn Bhd and IVP Sdn Bhd.

He holds a Master of Public Administration from Harvard University, a Master of Business Administration (Finance) from the University of Hull, United Kingdom and an Honours degree in Law from the University of London, United Kingdom.



### Latifah Daud

Executive Director  
Head, Strategic Human Capital  
Management

Latifah Daud joined Khazanah in April 2015 from Honeywell International Inc. where she was an Asia Pacific lead based in Shanghai, China.

She has extensive management consulting and human resources experience gained over a 30-year career in a variety of industries including semiconductor, aerospace and software technology solutions.

Early on in her career, she worked for a consulting firm in Singapore, as well as at Hatibudi Nominees/ Renong Group and Arab Malaysian Merchant Bank in Kuala Lumpur.

She now sits on the Board of Theta Edge Berhad, a Tabung Haji Group company as an Independent Director as well as the Industry Network Talent Advisory at TalentCorp, Ministry of Human Resources.

She holds a Bachelor of Science in Computer Management and an MBA from Eastern Illinois University, United States.



### Suhana Dewi Selamat

Executive Director  
Head, Governance, Risk & Compliance

Suhana Dewi Selamat joined Khazanah in November 2012 to establish the Investments Division's business-embedded compliance function, and was appointed the Chief Risk Officer on 1 February 2017. She is also serves as the Chief Integrity & Governance Officer liaising with the Malaysian Anti-Corruption Commission (MACC) and is a regular speaker on risk management, business continuity, compliance and integrity (anti-corruption), drawing on her 28 years' working experience in local and international firms.

She retired from the Board of Trustees of WWF Malaysia in 2022 after serving for 8 years. She was previously in roles at Credit Suisse in Malaysia, the Securities Commission, RHB Bank, and started her career in legal practice after obtaining her Certificate in Legal Practice from Universiti Malaya.

She read law at the London School of Economics, and has since earned the Certified Integrity Officer (CeIO) from the MACC's Anti-Corruption Academy, the international Certificate of Business Continuity Institute (CBCI), and the Sustainable Capitalism & ESG certification by UC Berkeley's law school.



### Wong Wai Seng

Head, Strategy and  
Head, Asset Allocation

Wong Wai Seng joined Khazanah in August 2011. He is responsible for overall corporate strategy, strategic asset allocation and strategic planning to meet Khazanah's long-term mandate and sustainability goals.

He holds a Bachelor's Degree in Management (Technology), majoring in Finance from Universiti Teknologi Malaysia, a Masters in Business Administration from the Thunderbird School of Global Management as a Fullbright Scholar, and a Master of Science in Management as a Sloan Fellow from the Stanford Graduate School of Business.

He is an Associate Chartered Management Accountant (ACMA).



### **Effizal Faiz Zulkifly**

Head, Consumer and Services

Effizal Faiz Zulkifly joined Khazanah in July 2007 and spent his earlier years in Khazanah covering the infrastructure and telecommunication space, particularly on UEM Group of companies, Telekom Malaysia, and Astro Berhad.

In 2017, upon his return from a one-year stint at Khazanah Americas Inc. (KAI), he was made Director of Internet & Technology (I&T) and Innovation and Entrepreneurship (IxE) space. Prior to Khazanah, he was a business analyst with Citibank Berhad.

He currently sits on the boards of Farm Fresh Berhad, UEM Group Berhad and Cenviro Sdn Bhd.

He holds a Master of Business Administration, MIT Sloan Fellows Program, Massachusetts Institute of Technology, a Master of Commerce, Finance and Business Information System, University of Sydney and a Bachelor of Commerce, Accounting, University of Queensland.



### **Dr Farid Mohamed Sani**

Head, Special Projects  
(Investments)

Dr Farid Mohamed Sani rejoined Khazanah in December 2018 after serving as Chief Strategy Officer of UEM Group. Prior to that, he was with Telekom Malaysia from 2012 to 2017.

He first joined Khazanah in July 2004 and stayed until 2011. He was previously a consultant at McKinsey & Co.

He currently sits on the board of ReGen Rehabilitation International Sdn Bhd.

He holds a Bachelor's and Master's degree in Chemical Engineering, as well as a PhD in Chemical Engineering, all three obtained from the University of Cambridge, United Kingdom.



### **Ong King How**

Head, Telco and Media

Ong King How joined Khazanah in November 2006, working in the Managing Director's Office before joining Investments in 2008.

Prior to Khazanah, he worked in PricewaterhouseCoopers Malaysia, specialising in financial services.

He currently sits on the boards of Axiata Group Berhad and Astro Holdings Sdn Bhd.

He holds a Bachelor of Business (Accountancy) with Distinction from RMIT University, Australia and is a fellow of CPA Australia.



**Nicholas Khaw**  
Head, Research

Nicholas Khaw joined Khazanah in April 2011 from the Economic Planning Unit of the Prime Minister's Department, where he started his career as a macroeconomist.

Currently, he is a Trustee at Khazanah Research Institute and is a monthly contributor to The Edge Malaysia's Forum column.

He holds a Master in Public Administration in International Development (MPA/ID) from Harvard Kennedy School and completed his Bachelor of Arts in Economics at Harvard College, United States. He is currently a part-time PhD student in Political Economy Research at King's College London.



**Sherliza Zaharudin**  
Head, Corporate Communications

Sherliza Zaharudin joined Khazanah in February 2022 and has more than 20 years of experience in marketing and corporate communications which includes curated campaigns, branding, media relations, crisis communications and event management.

Prior to Khazanah, she worked in Pos Malaysia Berhad, Sime Darby Property Berhad, AirAsia Group, F&N Coca-Cola (M) Sdn Bhd, Sepang International Circuit Sdn Bhd and Malaysia Airports Holdings Berhad.

She holds a Master of Business Administration in Marketing from Universiti Putra Malaysia and Bachelor of Science in Parks, Recreation & Tourism Management from University of Missouri-Columbia, USA.

## Our Heartfelt Appreciation



The Khazanah Board of Directors, Senior Management Team (SMT) and staff would like to express our heartfelt appreciation to two SMT members who left Khazanah in 2022:

### **Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz**

Chief Investment Officer

Tengku Dato' Sri Azmil left Khazanah on 31 December 2022 after 11 years of service.

### **Nik Sharifidin Nik Mohd Din**

Head, Strategy

Nik Sharifidin left Khazanah on 2 September 2022 after 4 years of service.

# GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

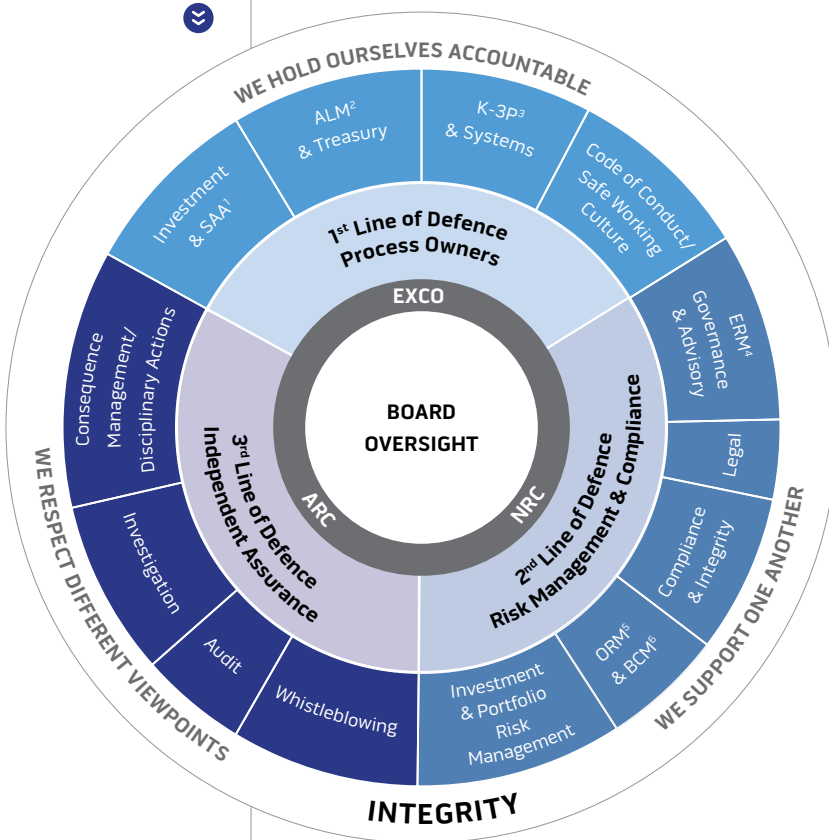
We uphold rigorous standards of transparency and accountability, guided by a framework that establishes a clear responsibility, authority and governance structure.

*Framework of Integrity, Governance and Risk Management*

Adopted in 2004 and last updated and enhanced in 2021, our Framework of Integrity, Governance, and Risk Management (FIGR) guides us in managing risks effectively and instilling a strong culture of corporate governance and risk management in the organisation.

The FIGR highlights the Board's oversight functions and outlines the key parameters that guide our overall strategy execution. This is in turn guided by our Core Values, committing us to holding ourselves accountable, supporting one another, and respecting different viewpoints, with integrity forming the foundation to upholding high moral and ethical principles in everything we do.

The Board governs our operations and has the ultimate responsibility and accountability for our overall governance. The Board is chaired by the Prime Minister of Malaysia and is supported by a diverse group of highly qualified industry professionals as Board Members. The Board is further supported by three subcommittees – the Executive Committee (EXCO), the Audit and Risk Committee (ARC) and the Nomination and Remuneration Committee (NRC) – with the ARC required to have no fewer than three members at any time with a majority (including its Chairman) comprising Independent Non-Executive Directors.



<sup>1</sup> SAA - Strategic Asset Allocation  
<sup>2</sup> ALM - Asset and Liability Management  
<sup>3</sup> K-3P - Khazanah Policies, Processes & Procedures  
<sup>4</sup> ERM - Enterprise Risk Management  
<sup>5</sup> ORM - Operational Risk Management  
<sup>6</sup> BCM - Business Continuity Management

Our Board Charter sets out the roles and responsibilities of the Board. Supporting this, the FIGR includes a Schedule of Matters for the Board, Limits of Authority for Management, a Risk Management Policy and other pertinent policies and guidelines.

The management oversees our operational and investment-related matters through various management-level committees, namely the Management Committee (MC) and the Investment Committee (IC).

As part of our accountability practices, we comply with statutory public disclosure requirements with respect to our investments, divestments and capital-raising activities. In addition, we make the appropriate disclosures of our performance and operations to meet legal and regulatory requirements, and on a voluntary basis to our key stakeholders.

Our accounts are audited by an independent external auditor and the audited financial statements are submitted to the Companies Commission of Malaysia. Financial data is disclosed to our shareholder, the Minister of Finance, Inc. We also publish our audited financial statements on our website and through annual publications including *The Khazanah Report*.

We continue to strengthen our stakeholder management efforts through several outreach programmes with government ministries and agencies, parliamentarians, civil society organisations, asset managers, investors and the media. This is part of our efforts in remaining accountable to our stakeholders by keeping them abreast of our operations and performance.

## Our ESG FIGR is adopted to guide and govern our dual ESG objectives of Enterprise Sustainability (ES) and Sustainable Investments (SI).

Following the launch of our Sustainability Framework and medium-term targets in June 2022, the Environmental, Social and Governance FIGR (ESG FIGR) was developed to guide us in achieving our ESG targets. The framework was adopted by the Management Committee in May 2023 and highlights the management's oversight on ESG matters including internal ESG policies and stewardship priorities, based on our ESG targets.

The Board has the ultimate responsibility and oversight for all sustainability matters, with the EXCO and ARC as the sub-committees that support the Board with key oversight over ESG initiatives. Further to this, the MC and IC serve as the key platforms for deliberation and monitoring of our progress, while also functioning as a management-level approving authority.

The ESG FIGR ensures robust ESG risk management and compliance for both Sustainable Investing and Enterprise Sustainability. In 2022, we also developed the Shareholder Expectations and Investment Stewardship (SEIS) document, which clearly outlines our expectations towards our investee companies and our investment stewardship principles. It also includes our newly revised Voting Guidelines, which govern our voting at general meetings of listed companies.

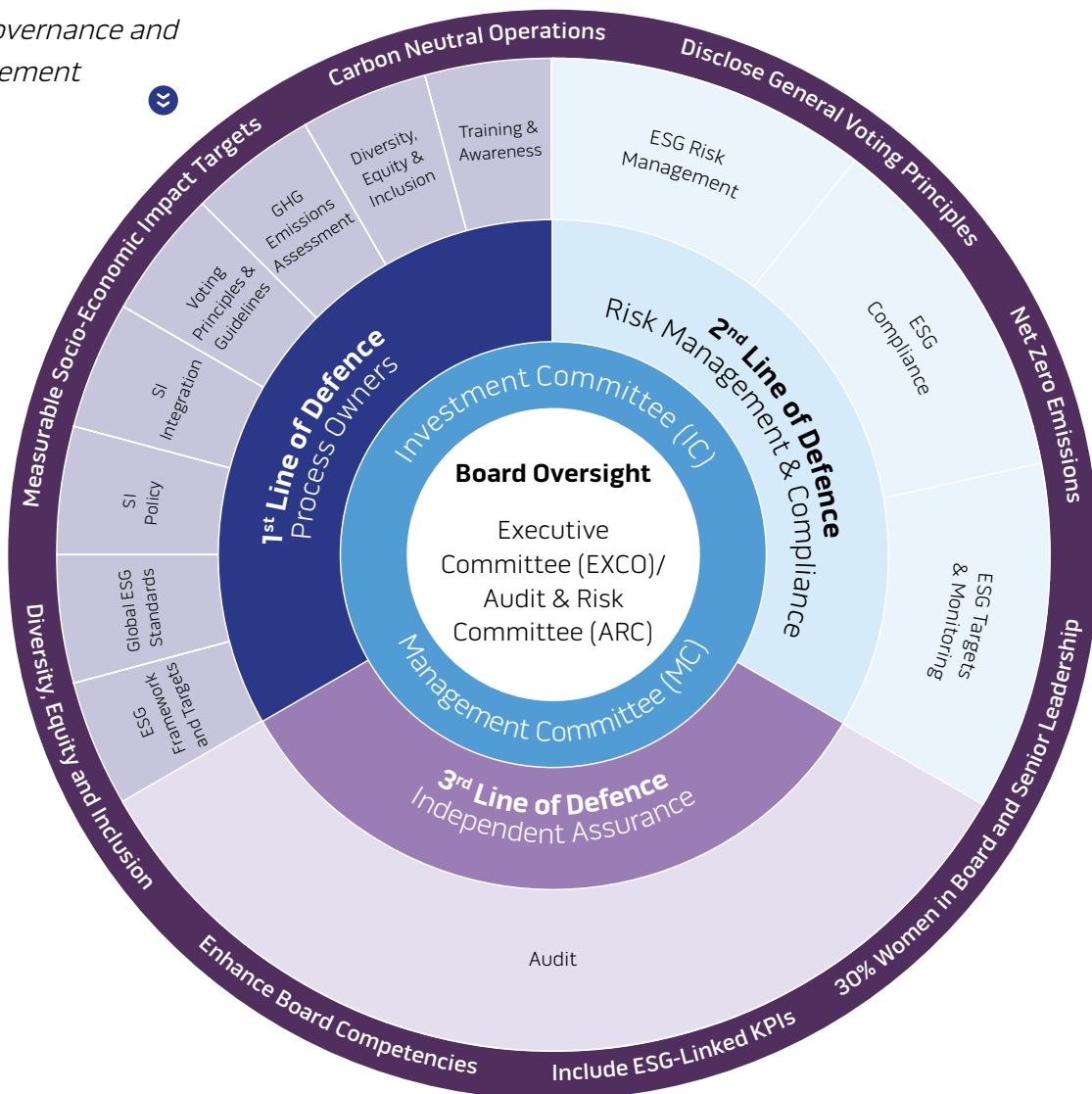


Learn more by reading **Shareholder Expectations and Investment Stewardship (SEIS)** on page 70 of this report.

As part of our efforts to maintain a high standard of transparency and accountability, we have published on our website the SEIS document and Sustainable Investment Policy, outlining our principles and commitments in relation to responsible investment and taking into account ESG factors. These guidelines complement our Investment Policy, which outlines our investment mandate, objectives and principles.

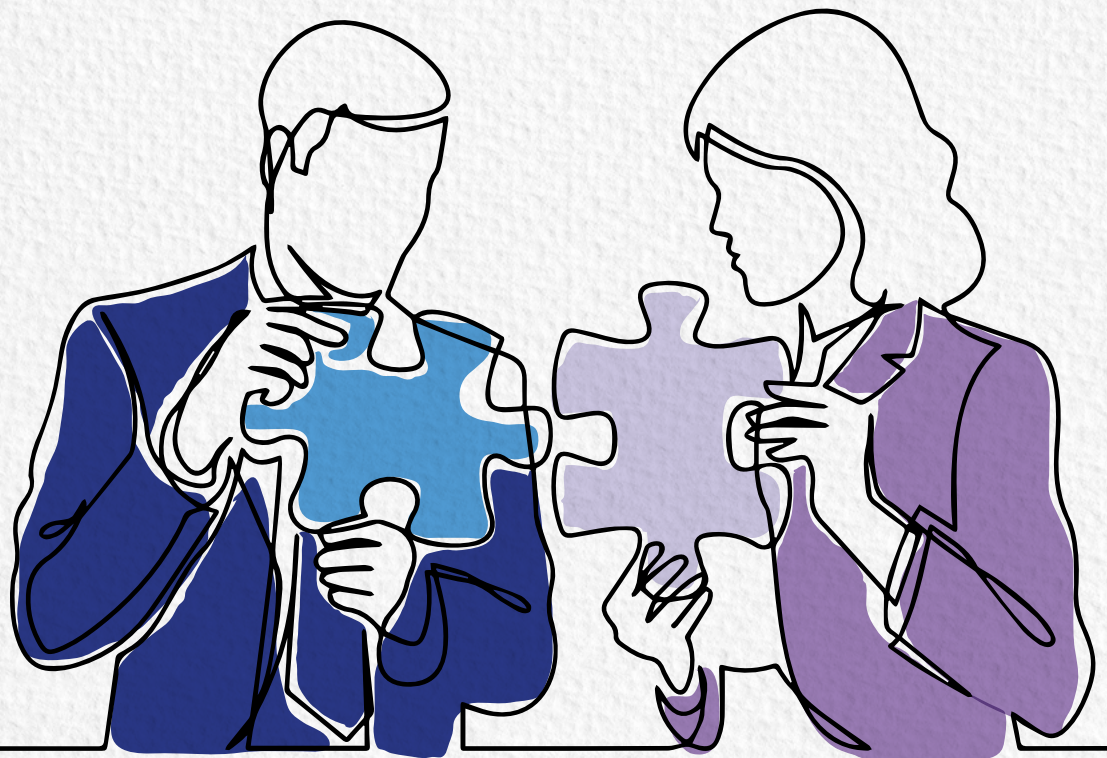
We continue to engage key stakeholders and publicly disclose our progress in achieving the ESG targets via various forums and platforms including *The Khazanah Report*.

*Environmental, Social and Governance Framework of Integrity, Governance and Risk Management*





# DRIVEN BY A SINGULAR FOCUS



32 Message from Our Chairman

35 Message from Our Managing Director

## MESSAGE FROM OUR CHAIRMAN

“

2022 was a year of significant challenges, both in Malaysia and around the world, with ongoing geopolitical conflicts compounded by a fragile macroeconomic situation. Against this backdrop, my immediate priority was to ensure collective action by all in driving the nation's recovery efforts.”

Khazanah, together with other Government-Linked Investment Companies (GLICs) and Government-Linked Companies (GLCs) in Malaysia, will bring forth a mandate to forge a fair and inclusive Malaysia that embraces advanced technology, innovation and seeks new growth areas while meeting the needs of all Malaysians, equitably.

As the nation's sovereign wealth fund, Khazanah is in a position to play a central role in reaching these aspirations. Through targeted investments in national champions and startups, across key and emerging sectors alike, Khazanah is working on the country's continued recovery and laying the groundwork for a stronger and more sustainable future.



**Dato' Seri Anwar Ibrahim**

## Building A Stronger Nation

To steer Malaysia into becoming a more prosperous and developed nation, a new vision and framework for national development was introduced by the government, termed as Malaysia MADANI and pillared against six core values of Sustainability, Care and Compassion, Respect, Innovation, Prosperity, and Trust.

Malaysia MADANI signifies an inclusive view of what matters to our progress as a nation – including non-financial matters – with GLICs and GLCs playing significant roles in realising its aspiration. I am pleased that Khazanah is playing an active role in carrying out nation building initiatives through key national priorities and advancing the country towards reaching its potential.

It is important for Khazanah to work hand-in-hand with other GLICs and GLCs in establishing Malaysia as a nation that is globally competitive, delivers on its growth targets and stands as an attractive destination for foreign investment.



► Dato' Seri Anwar Ibrahim with Datuk Seri Aminudin Shari, Menteri Besar of Selangor and Hamdan Majeed, Managing Director of Think City sharing a light moment with youth representatives from PPR Kg Hicom, Shah Alam during the launch of Kita-Untuk-Kita (K2K) Programme on 8 April 2023



► Dato' Seri Anwar Ibrahim at the Khazanah Board Meeting, May 2023

“

**I am pleased with the active role played by Khazanah as an investor that empowers local companies to adopt innovation and technology while driving skilled job creation and enhancing the sustainability of the talent pool in Malaysia.”**

## Khazanah's Unique Position

With its unique position as a bridge between the Government, the private sector and the *rakyat* (community), Khazanah's role is to deliver long-term, sustainable impact for the country. This can only be achieved through collective support and by driving meaningful collaboration between the nation's key stakeholders, thereby creating shared solutions that enable progress for all.

Khazanah's holistic and humanistic approach to national development is encompassed by *Advancing Malaysia*, a strategy that guides its diverse investment activities and is aligned with the aspirations of Malaysia MADANI.

On this note, I am pleased with the active role played by Khazanah as an investor, whereby they empower local companies to adopt innovation and technology while driving skilled job creation and enhancing the sustainability of the talent pool in Malaysia. Specifically, Khazanah's determination in setting clear expectations on the adoption of sustainability by its portfolio companies allows these companies to achieve global standards in sustainability and enhance their international competitiveness.

It is also heartening to see the focus placed on other longer-term and community-based channels such as Yayasan Hasanah, which has to date reached 2.4 million people through its programmes, Khazanah's partnership with Sunway Education Group through 42 Malaysia – an innovative P2P computer science school driving digital upskilling for Malaysians of all ages – and the allocation of RM150 million for nature-based carbon credit projects. These initiatives are true reflection of what a better Malaysia means, and positions Khazanah as a foundational driver of the nation's development.



► Dato' Seri Anwar Ibrahim at the Aidilfitri gathering with Khazanah employees and Board Members



► Dato' Seri Anwar Ibrahim with Dato' Feisal at the Youth Empowerment Fair (YEF2023) in Kuala Lumpur

## Advancing the Nation

Even amidst the challenges of the past year, Khazanah has continued to maintain a strong investment cadence, channeling financial support into initiatives and ideas that will form the basis of a brighter future for the country.

On this note, it is my hope that Khazanah will continue to prioritise nation building initiatives through key national priorities, advancing the nation towards reaching its fullest potential, *Insha Allah*.

## Acknowledgement

I would like to take this opportunity to convey my heartfelt appreciation to the past and current Board Members of Khazanah for constantly being responsible and accountable in their decisions and actions, and therefore ensuring the overall good governance and performance of Khazanah. My appreciation also goes to the senior management and employees of Khazanah, led by Dato' Amirul Feisal, for their hard work and dedication towards ensuring that Khazanah remains on track with its purpose of delivering sustainable economic and societal benefits for the *rakyat* (community) and a better future for Malaysia.

## MESSAGE FROM OUR MANAGING DIRECTOR

“

As I write this statement, the world is still reeling from the aftereffects of the pandemic. Geopolitical turbulence has increased the propensity for global inflation and disrupted supply chains, while the uncertainty brought about by macroeconomic challenges has been compounded by the acceleration of advanced digital technology. With this confluence of factors, it is easy to conclude that, in our modern world, change has become the only constant.

2022 was indeed challenging but true as this may be, at Khazanah, we remain guided by a purpose that remains necessarily unchanged – to deliver sustainable value for Malaysians and build the nation for a better tomorrow.”



Dato' Amirul Feisal Wan Zahir



► Dato' Feisal with the Khazanah Megatrends Forum (KMF2022) organising team

## Advancing Malaysia for the Long-Term

Our diverse investments and initiatives are underpinned by our main imperative: *Advancing Malaysia*. This means delivering strong returns through our portfolio of investments and in doing so, it is vital that we remain guided by a sustainable approach that puts long-term value first.

2022 was undeniably challenging not only for Khazanah but also other domestic and international institutional investors and asset owners. The volatility that shook global markets brought upon an uncertain macroeconomic environment where we saw a negative 5.7% Net Asset Value return for our Investments Portfolio.

I would like to take this opportunity to extend my appreciation to the team here in Khazanah, as through collective effort and commitment, we navigated the downturn by remaining invested, being disciplined in deploying and monetising across asset classes and upholding active stewardship of our portfolio companies, keeping our value creation objectives on track and positioning us to rebound strongly in the future.

*Advancing Malaysia* also includes looking beyond financial returns. As part of nation-building, our mandate is to drive socio-economic value and impact by developing new growth areas for Malaysia, thereby driving the competitiveness and performance of key companies to grow them into national champions. This in turn spurs innovation across the corporate landscape.

An example is Farm Fresh, one of our long-term portfolio companies. Farm Fresh was a small but ambitious dairy player in 2010, on a mission to disrupt the industry by imploring new methodologies to increase yield and pioneering an innovative distribution method through its home dealer network, enabling access to fresh dairy for rural communities. Fast forward to 12 years later, they have executed one of the most successful IPOs in Malaysia's history, putting the company in a position to expand their presence internationally.

This success story, among others, is a testament to the value of adopting a longer-term view towards investments; an approach which will continue to guide our strategies and actions.

## Building A Better Malaysia, in line with Malaysia MADANI

Our continued commitment to deliver long-term value for Malaysians is governed by the foundations of good governance, in line with the aspirations of Malaysia MADANI.

To illustrate, the *Advancing Malaysia* strategy is like building a house. The floor of the house represents us building national resilience while the ceiling represents the competitiveness and growth of the nation. In terms of *Advancing Malaysia*, Khazanah as the builder of the house endeavours to strengthen the floor and raise the ceiling in a sustainable manner and with proper governance.

We are energised by the prospect of working with the government to drive the nation's growth and development.

## Catalysing Growth Sustainably

We have made firm progress on Dana Impak, a RM6 billion allocation earmarked specifically to invest in areas that aim to increase Malaysia's economic competitiveness and build national resilience.

In 2022, RM500 million worth of new projects were identified to deliver socio-economic benefits to Malaysians, spanning various impact areas including digital upskilling, boosting investments in local entrepreneurs as well as the venture capital ecosystem and agrifood sectors. Our various initiatives aimed to support the local start-up ecosystem of entrepreneurs, start-ups, venture capital and corporate venture programmes are captured under the *Future Malaysia Programme* banner, which involves collaboration with both domestic and international partners.



► Key personnel from Khazanah and 42 Malaysia (42MY) at the Dana Impak x 42MY booth at the Youth Empowerment Fair 2023 (YEF2023)

In line with this effort, we are working with various partners such as venture capital funds, accelerator programmes and global innovation platforms to create a vibrant local start-up ecosystem.

To complement this, we have partnered with Sunway Education Group under Dana Impak to establish 42 Malaysia, an innovative peer-to-peer computer science school that provides Malaysians with a unique education opportunity, free-of-charge. With the goal of developing 10,000 skilled tech talents nationwide within the next 10 years, 42 Malaysia will provide Malaysians with in demand skills for access to high quality jobs, leading to improved livelihood while spurring a competitive industry landscape that would drive the economic growth for Malaysia.



► Khazanah Annual Review (KAR2023) media briefing

Through the lasting social impact it seeks to create, the Dana Impak portfolio embodies our overarching focus on sustainability, continuing a longstanding journey that started in 2005 with our GLC Transformation (GLCT) Programme, evolved to include sustainability-themed investment opportunities, and now sees us playing a leading role in driving ESG adoption across Malaysia's corporate landscape. In 2022, we launched our Shareholder Expectations and Investment Stewardship statement, detailing six core expectations of our portfolio companies, including their adoption of sustainable business practices.

With the aspiration of shaping an equitable and responsible transition towards a sustainable future for Malaysia, Khazanah's Sustainability Targets outlines eight time-based targets across the ESG spectrum which includes 30% representation of women in our Board and senior leadership by 2025, enhancing the competencies of our investee companies' Boards by 2024 and achieving Net Zero emissions by 2050.

The execution of our strategy to create sustainable value is guided by the principles of Just Transition, Khazanah's Sustainability Framework and our own Guiding Principles for sustainability to ensure that everything we do from investment strategies to internal practices achieves positive and improved outcomes that will not only benefit the economy but society as a whole.

“

**With the goal of developing 10,000 skilled tech talents nationwide within the next 10 years, 42 Malaysia will play a crucial role in elevating the nation's growing technology ecosystem, preparing Malaysians to thrive in the digital age.”**





- 42 Malaysia, an innovative peer-to-peer computer science school that provides Malaysians with a unique education opportunity free-of-charge

## Towards A Sustainable Future

Casting an eye towards the future, there is strong reason to believe that macroeconomic and geopolitical uncertainties will persist through 2023. This equates to a challenging investment environment across asset classes that will continue to threaten our short-term performance.

Amidst these uncertainties, we will remain focused on portfolio rebalancing towards enhancing diversification, to achieve an improved risk-return profile, while continuing to monitor global markets for opportunities in public equity, private equity and real assets. This is our strategy to build portfolio resilience while we continue our value creation and stewardship of our key portfolio companies, with the intention to grow Khazanah's portfolio for the long-term and place Khazanah on firmer footing and higher capacity to fund our mandate.

Nevertheless, the turbulent operating environment sharpens our focus on investing in opportunities that have the potential to deliver long-term growth, irrespective of current market conditions.

Ultimately, our strategy of *Advancing Malaysia* will provide clarity to our actions, guiding our investments in catalytic sectors, the Malaysian and global capital markets as well as local communities, united by the imperative of building a stronger and more sustainable nation for the benefit of all Malaysians.

## Acknowledgement

On behalf of the Khazanah family, I would like to extend our warmest welcome to our new Chairman, Dato' Seri Anwar Ibrahim. It is an honour to have the Prime Minister chair our Board. I would also like to take this opportunity to convey my sincerest gratitude to the Chairman and the Board for their continued guidance and wisdom.

Together, we at Khazanah are excited to play a part in strengthening the nation, in line with the Malaysia MADANI aspirations.



- As part of its efforts in preserving Malaysia's national heritage, Khazanah plans to restore and rejuvenate historic heritage buildings such as the Sultan Abdul Samad Building and Carcosa Sri Negara. This will be executed under a public-private partnership initiative and in collaboration with Think City.

CHAPTER

4

# TO OPTIMISE PERFORMANCE



- 41 Financial Highlights
- 43 Key Financial Indicators
- 44 Independent Auditors' Report

## FINANCIAL HIGHLIGHTS

**In 2022, Khazanah's overall portfolio remained broadly resilient, benefitting from the progress made on portfolio rebalancing and diversification to date.**

For the year under review, the Net Asset Value (NAV) of our Total Fund declined by RM4.4 billion to RM81 billion, attributed by the global market downtrends. In terms of portfolio return, the Investments Portfolio recorded a -5.7% in NAV time-weighted rate of return (TWRR) for the year and 2.2% on a four-year rolling basis.

“

**Khazanah recorded a profit of RM1.6 billion, compared to RM670 million in 2021. The increased profit was mainly from monetisation activities and various income distributions. It is also due to lower impairment in the portfolio such as Malaysia Airlines which was aided by the recovery of the aviation industry as a whole and disciplined cash management strategy.”**

We remain steadfast in realising opportunities and executing value creation plans for all our existing investments.

We have entered into a strategic partnership with SK ecoplant from South Korea through our investment in Cenviro, with the aim of driving growth to become a regional waste management champion.

In addition, we successfully listed Farm Fresh during the year, the culmination of our 12-year investment in the dairy company.

In terms of new investments, we identified RM500 million of new opportunities for Dana Impak (our impact fund), with the aim of increasing Malaysia's economic competitiveness, building national resilience and delivering socio-economic impact to Malaysians.

Debt increased marginally to RM49.1 billion compared to RM48.5 billion in the previous year, while Realisable Asset Value (RAV) over debt ratio remained healthy at 2.7x and on track to achieve the long-term target of 3.0x – 4.0x.

Khazanah declared a dividend of RM500 million for 2022 to the Government of Malaysia, with cumulative dividends declared since 2004 amounting to RM17.1 billion.



Scan to view our full  
Financial Statements 2022

## OVERALL KHAZANAH PORTFOLIO

## Investments Portfolio

**RM122.5 billion**  
RAV<sup>1</sup>

Investments with commercial returns expectations



**Continue portfolio rebalancing efforts** towards the target Strategic Asset Allocation

## Dana Impak Portfolio

**RM6.0 billion**  
Allocated

Investments with clearly defined targeted socio-economic outcomes



Plan and execute investments across the 6 identified themes to **deliver** measurable **socio-economic impact**

## Developmental Assets

**RM4.3 billion**  
RAV<sup>1</sup>

Long-term developmental investments with the potential to deliver economic impact



Continue shepherding companies towards **long-term financial sustainability**

## Special Situations



Assets which require turnaround in terms of profitability and sustainable operating cash flows



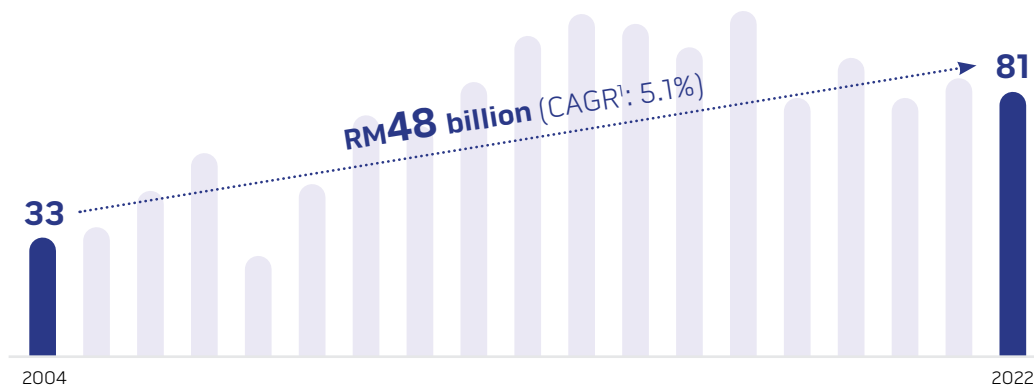
Active management to **resolve** assets faced with severely **challenging situations**

<sup>1</sup> As at 31 December 2022



To learn more about our investment approach, please refer to **Chapter 5 – And Deliver Value for All** on page 46 of this report.

## Overall Khazanah Portfolio NAV Growth (RM billion)



**RM17.1 billion**

Cumulative Dividends paid to Government of Malaysia

**RM65.1 billion**

Cumulative Shareholder Return

<sup>1</sup> Compounded Annual Growth Rate

## KEY FINANCIAL INDICATORS

### Income Statement (RM million)

For the years ended 31 December

	2022	2021	2020	2019	2018
Revenue	<b>8,017</b>	5,353	8,364	14,290	4,471
Profit/(loss) from operations	<b>1,630</b>	670	2,897	7,360	(6,271)
Taxation	<b>(156)</b>	(226)	(88)	(82)	(249)
Net profit/(loss) for the year	<b>1,474</b>	444	2,809	7,278	(6,520)
Dividends declared					
- Normal dividend	<b>(500)</b>	(2,000)	(1,000)	(1,000)	(1,000)
- Special dividend	-	-	(1,000)	-	(500)
Net profit/(loss) for the year after dividends	<b>974</b>	(1,556)	809	6,278	(8,020)

### Balance Sheet (RM million)

As at 31 December

	2022	2021	2020	2019	2018
Total assets	<b>86,819</b>	84,822	81,888	83,066	86,819
Total liabilities (Note A)	<b>(50,101)</b>	(49,504)	(45,474)	(46,584)	(55,902)
Net assets	<b>36,718</b>	35,318	36,414	36,482	30,917
Share capital	<b>12,284</b>	12,284	12,284	12,284	12,284
Retained profits	<b>16,093</b>	15,119	16,675	15,866	9,587
Other reserves	<b>8,341</b>	7,915	7,455	8,332	9,046
Shareholders' funds	<b>36,718</b>	35,318	36,414	36,482	30,917

Note A - Included in total liabilities are borrowings as follows:

### Borrowings (RM million)

As at 31 December

	2022	2021	2020	2019	2018
Khazanah's Government-guaranteed bonds	<b>5,767</b>	7,943	9,878	10,639	12,626
Other bonds and notes	<b>30,188</b>	29,826	26,245	24,997	23,015
Term loans	<b>5,985</b>	5,802	3,352	2,500	5,067
Exchangeable Sukuk	<b>1,015</b>	3,283	3,135	3,133	2,899
Revolving credit facilities	<b>6,189</b>	1,624	456	4,500	11,628
	<b>49,144</b>	48,478	43,066	45,769	55,235

- The above income statements and balance sheets are derived from Khazanah's Extended Company Financial Statements, which refers to the consolidation of the financial statements of Khazanah (Company) and its Special Purpose Vehicles (SPVs). These SPVs are wholly-owned subsidiaries of Khazanah, which have been set up to actively hold investments or as funding vehicles of the Company.
- Revenue includes realised divestment gains from investments classified as fair value through other comprehensive income that was recycled to retained earnings upon divestment.
- Profit/(loss) from operations consist of profit/(loss) before tax, realised divestment gains and permanent reduction value of assets classified as fair value through other comprehensive income that was recycled to retained earnings.

# INDEPENDENT AUDITORS' REPORT

## REPORT ON THE SUMMARY FINANCIAL INFORMATION

### Opinion

The summary financial information, which comprises the summary balance sheets as at 31 December 2022, 2021, 2020, 2019 and 2018, the summary income statements for the years then ended, and related notes, are derived from the audited financial statements of Khazanah Nasional Berhad and the management accounts for the years ended 31 December 2022, 2021, 2020, 2019 and 2018.

In our opinion, the accompanying summary financial information, are consistent, in all material respects, with those audited financial statements and the management accounts, in accordance with the basis described on Selected Financial Indicators.

### Summary Financial Information

The summary financial information does not contain all the disclosures required by the Financial reporting Standards and the requirements of the Companies Act 2016 in Malaysia. Reading the summary financial information and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements of Khazanah Nasional Berhad and the auditors' report thereon. The summary financial information and those audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those audited financial statements.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those audited financial statements in our reports for the respective years.

### Directors' Responsibility for the Summary Financial Information

Directors are responsible for the preparation of the summary financial information in accordance with the basis described on Selected Financial Indicators.

### Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with those audited financial statements based on our procedures, which were conducted in accordance with Malaysian Approved Standard on Auditing (ISA) 810 (Revised), 'Engagements to Report on Summary Financial Statements'.



**Ernst & Young PLT**

8 May 2023

Kuala Lumpur

# AND DELIVER VALUE FOR ALL



- 46 Our Investment Approach
- 47 Investments Portfolio
- 51 Dana Impak Portfolio
- 52 Developmental Assets

## OUR INVESTMENT APPROACH

Through our investments, we seek to fulfil our mandate of growing our Assets Under Management (AUM) and deliver sustainable economic and societal value for Malaysians.

To achieve this, we strive to generate sustainable financial returns through our investment programmes, while capitalising on monetisation opportunities where they arise. We also support investments in new growth areas to catalyse sectors and play a part in driving the nation's competitiveness. As such, our investments range from global public and private equities to locally-founded start-ups.

Our Investments Portfolio comprise investments with commercial returns expectations, wherein our Strategic Asset Allocation (SAA) guides us in pursuing allocations that reduce concentration risk and insulate our portfolio against short-term market shocks. In building portfolio resilience, we are cognisant of the dynamic macroeconomic landscape and the confluence of global megatrends, which have resulted in an increasingly volatile investment environment. However, as a multi-generational fund, we remain disciplined in deploying our capital commercially with the aim of growing our portfolio for the long-term.

We are also an active shareholder across our investments within Malaysia's capital markets, working at the Board level to address issues and areas of priority that could have the potential to drive differentiation of our portfolio companies in their respective segments.

Beyond returns, we commit to maintaining responsible investment practices across our portfolio, with our approach aligned with the United Nations Principles for Responsible Investment (UNPRI) and the Malaysian Code for Institutional Investors (MCII). In parallel, sustainability is a key driver and determinant of our investments, and our recently-launched Shareholder Expectations and Investment Stewardship document outlines clear expectations on ESG adoption at our investee companies.

From 2022 onwards, we have focused our investments based on the following investment structure:

### Investments Portfolio

Our multigenerational portfolio of investments across various asset classes and geographies, with the aim of generating consistent long-term risk-adjusted returns.

### Dana Impak Portfolio

Our Dana Impak (impact fund) invests with the aim of increasing Malaysia's economic competitiveness, building national resilience while delivering socio-economic impact for Malaysians.

### Developmental Assets

Our Developmental Assets portfolio comprises investments with the potential to deliver high economic impact, but where a longer gestation period is required to realise the targeted financial returns and achieve their national and/or societal benefits and outcomes.

### Special Situation Assets

Assets that require turnaround in terms of profitability and sustainable operating cash flows, with specific targets and action plans approved by the Board on an annual basis.

By strategically allocating investments across these four areas, we can effectively balance our goal of achieving robust and consistent returns and our responsibility to deliver long-term socio-economic value for Malaysians.



## INVESTMENTS PORTFOLIO

We invest in global and domestic portfolios to achieve consistent long-term risk-adjusted returns which is crucial in growing the nation's wealth.

**RM122.5**  
billion  
2022 RAV

**-5.7%**  
2022 NAV  
TWRR

**2.2%**  
4-year rolling  
NAV TWRR

“

As at 31 December 2022, the RAV of our Investments Portfolio stood at RM122.5 billion, with a one-year NAV TWRR of -5.7% and a rolling four-year TWRR of 2.2%.”

The Investments Portfolio performance was negatively affected by the significant macroeconomic headwinds in 2022, which included rising inflationary pressure, aggressive monetary tightening by the US Federal Reserve and the ongoing energy crisis precipitated by the Russia-Ukraine war. This led to depressed equity markets which impacted investment managers around the world, contributing to the Investments Portfolio's -5.7% annual Time-Weighted Rate of Return based on Net Asset Value (NAV TWRR). The NAV TWRR decline was largely attributable to the valuation decline in the Public Markets asset class (both Malaysia and globally).

Against this backdrop, our exposure in Real Assets and Private Markets investments remained broadly resilient and generated positive returns in 2022, underpinning the importance of portfolio diversification across asset classes, sectors and geographies.



► Tenaga Nasional's transmission tower



► A Malaysia Airlines aircraft at the Kuala Lumpur International Airport (KLIA)



► PLUS highway

## Investments Portfolio Annual Returns by Asset Class

Asset Classes	2022	2021	2020	2019	4-yr Rolling
Public Markets - Malaysia	<b>-4.2%</b>	14.0%	-7.4%	3.2%	1.1%
Public Markets - Global	<b>-16.3%</b>	1.6%	26.2%	27.5%	8.1%
Private Markets - Malaysia	<b>16.8%</b>	12.2%	-4.7%	5.9%	7.2%
Private Markets - Global	<b>3.9%</b>	19.1%	-1.3%	6.1%	6.7%
Real Assets	<b>23.5%</b>	11.2%	0.1%	10.5%	11.0%

In line with portfolio rebalancing towards our Strategic Asset Allocation (SAA), we remained disciplined by systematically deploying capital into Private Markets, Public Markets and Real Assets – including our internal direct investments – and also leveraging our relationships with top-tier general partners and external fund managers to execute our investment strategy.

Our Real Assets deployments cover investments in real estate and infrastructure, where the asset class objective is to provide the portfolio with long-term income generation and as long-term inflation protection. On the other hand, our investments into Private Markets is intended to enhance portfolio returns through our direct, co-investments and funds programme, leveraging on our access to top quartile managers. Concurrently, we continue to build our exposure in Developed Markets via Public Markets to diversify our existing Emerging Markets concentration.

Together, the actions we are taking across these asset classes are instrumental in driving the long-term growth of our AUM, enhancing our risk-adjusted returns and ensuring sufficient liquidity and capital available to fund the various requirements of our mandate.

## Investments Portfolio Split by Asset Class

Asset Classes	2022	2021	2020	2019	2018
Public Markets - Malaysia	<b>55.9%</b>	59.0%	59.5%	62.0%	63.4%
Public Markets - Global	<b>13.4%</b>	13.5%	14.4%	9.2%	9.6%
Private Markets - Malaysia	<b>9.2%</b>	8.9%	9.2%	11.2%	10.0%
Private Markets - Global	<b>13.5%</b>	12.1%	10.1%	9.2%	8.5%
Real Assets	<b>8.0%</b>	6.6%	6.8%	8.5%	8.5%

## Investments Portfolio Split by Geography

Geographical Split	2022	2021	2020	2019	2018
Malaysia	<b>66.3%</b>	69.5%	70.5%	75.1%	75.0%
China	<b>10.1%</b>	12.3%	13.7%	11.2%	9.3%
Asia (Ex-China)	<b>10.6%</b>	10.0%	9.7%	10.4%	12.0%
EMEA <sup>1</sup>	<b>3.1%</b>	2.3%	2.2%	2.0%	2.6%
North America	<b>9.9%</b>	5.9%	3.9%	1.3%	1.0%

<sup>1</sup> EMEA - Europe, Middle East & Africa

We invest globally across various asset classes to grow our portfolio value. This is supported by the proprietary networks that we have established through our regional offices and global partnerships, aiding the deployment of capital across four focus sectors – Healthcare, Technology, Consumer & Business Services, and Financial Institutions.









In parallel to our portfolio rebalancing efforts, we continue to explore value creation opportunities for our existing investments. In spite of the bearish market of 2022, we completed RM2.5 billion of divestments and received dividends and distributions from our existing investments, strengthening our balance sheet and contributing to an annual profitability of RM1.6 billion. Further to this, we leveraged our strong relationships with fund managers and global portfolio companies to drive the flow of knowledge, skills and expertise from global markets into Malaysia, while striving to create an ideal climate for foreign investments and strategic mergers and acquisitions (M&A) in the country.

Looking forward, despite a challenging macroeconomic environment, we will continue to execute our investments and value creation activities concurrently to build portfolio resilience, reduce our risk exposure and unlock further monetisation opportunities.



## Selected Portfolio Companies

As at 31 December 2022. List is non exhaustive.

COMMUNICATION SERVICES	CONSUMER	FINANCIAL	HEALTHCARE
 <p><b>axiata</b> Axiata Group Berhad www.axiata.com</p>  <p><b>TM</b> Telekom Malaysia Berhad www.tm.com.my</p>  <p><b>Astro</b> Astro Malaysia Holdings Berhad www.astro.com.my</p>  <p><b>time</b> TIME dotCom Berhad www.time.com.my</p>	 <p><b>Farm Fresh</b> Farm Fresh Berhad www.farmfresh.com.my</p>  <p><b>DRH</b> Destination Resorts &amp; Hotels Sdn Bhd www.drh.com.my</p> 	 <p><b>CIMB</b> CIMB Group Holdings Berhad www.cimb.com</p>  <p><b>Sun Life</b> Sun Life Malaysia Assurance Berhad www.sunlifemalaysia.com</p>  <p><b>Bank Muamalat</b> Bank Muamalat Malaysia Berhad www.muamalat.com.my</p> 	 <p><b>IHH Healthcare</b> IHH Healthcare Berhad www.ihhhealthcare.com</p>  <p><b>ReGen Rehab Hospital</b> ReGen Rehabilitation International Sdn Bhd www.regen.rehab</p> 
INDUSTRIAL	TRANSPORTATION	REAL ESTATE	RENEWABLE ENERGY & UTILITIES
 <p><b>cenviro</b> Cenviro Sdn Bhd www.cenviro.com</p>  <p><b>UEM EDGENTA</b> A member of UEM Group UEM Edgenta Berhad www.uemedgenta.com</p>  <p><b>CIMA</b> A member of UEM Cement Industries of Malaysia Berhad www.cima.com.my</p> 	 <p><b>malaysia airlines</b> Malaysia Aviation Group Berhad www.malaysiaairlines.com</p>  <p><b>MALAYSIA AIRPORTS</b> Malaysia Airports Holdings Berhad www.malaysiaairports.com.my</p>  <p><b>PLUS</b> PLUS Holdings Berhad www.plus.com.my</p> 	 <p><b>M+S</b> M+S Pte Ltd</p>  <p><b>UEM SUNRISE</b> A member of UEM Group UEM Sunrise Berhad www.uemsunrise.com</p>  <p><b>ISKANDAR INVESTMENT</b> Iskandar Investment Berhad www.iskandarinvestment.com</p>  <p><b>SOUTHERN MARINA RESIDENCES</b> Southern Marina Development Sdn Bhd www.southernmarina.com.my</p>  <p><b>SUNWAY ISKANDAR</b> NATURE'S CAPITAL CITY™ Sunway Iskandar Sdn Bhd www.sunwaycityiskandarputeri.com</p> 	 <p><b>TENAGA NASIONAL</b> Tenaga Nasional Berhad www.tnb.com.my</p>  <p><b>cenergi</b> Cenergi SEA Sdn Bhd www.cenergi-sea.com</p>

## DANA IMPAK PORTFOLIO



Our Dana Impak (impact fund) portfolio invests in areas that aim to increase Malaysia's economic competitiveness and build national resilience, while delivering socio-economic benefits and impact to the *rakyat* (community).

As a key pillar under our *Advancing Malaysia* strategy, Dana Impak is a RM6 billion allocation over five years across six key themes:

### Digital Society and Technology Hub



Harness digitalisation and technological developments to boost efficiency and economic growth

### Food and Energy Security



Ensure the availability and security of critical resources like food and energy

### Decent Work and Social Mobility



Narrow the income and wealth gap to ensure future social stability

### Quality Health and Education for all



Ensure equal access to health and education amid global demographic shifts

### Building Climate Resilience



Preserve and protect the only habitat we know

### Competing in Global Markets



Remain competitive in a multipolar world

In 2022, we identified RM500 million worth of projects for Dana Impak across various impact areas. This includes the Future Malaysia Programme, a planned RM180 million initiative to support local entrepreneurs, start-ups and the nation's venture capital ecosystem; Project Semai, a nationwide research project to better understand the challenges faced by agriculture workers and smallholders in order to improve Malaysia's food security; and 42 Malaysia, a joint venture established with Sunway Education Group, a peer-to-peer computer science schools that will accelerate the development of 10,000 skilled tech talents nationwide over the next 10 years.

Underscoring these investments is a focus on creating long-term societal impact. To facilitate the measurement of the impact we create, we developed the SEMARAK framework, an impact assessment tool which converges global methodologies to measure societal value, adapted to the Malaysian context. For instance, with 42 Malaysia, the tool will measure impact performance metrics such as the number of graduates, successful placement rates, employer satisfaction scores and the distribution of graduates across income groups and geography, among others.

Furthermore, we believe that an-all-of society approach is crucial, and at the heart of any Dana Impak initiative, to successfully deliver socio-economic impact for the country.

## DEVELOPMENTAL ASSETS

Our Developmental Assets portfolio comprise investments with clear economic impact targets, but where a longer gestation period is required to realise the targeted returns.



In line with our strategy of *Advancing Malaysia*, one of our key investments under this portfolio is in Iskandar Malaysia, through which we aim to boost the socio-economic growth and economic competitiveness of the Iskandar Puteri region. Our long-term support has helped the area transform into a vibrant economic region since its inception in 2006, with our investments in education and property development, among other sectors, continuing to show encouraging progress.



► EduCity Iskandar Malaysia



Our developmental assets also include Impeccable Vintage Properties Sdn Bhd (IVP), a wholly-owned subsidiary of Khazanah which we have invested to carry out the rehabilitation and upgrading of its existing facilities in Subang. The project is in line with the Malaysian Government's aspiration to develop Subang into a world-class aerospace hub and will help to support the Malaysia Aerospace Industry Blueprint 2030 (MAIB2030) in transforming Malaysia into a high-value, R&D focused aerospace participant in the global market. The initiative will also have positive spillover effects on Malaysia's Maintenance, Repair and Overhaul (MRO) ecosystem and further promote the creation of high skill jobs via Technical and Vocational Education and Training (TVET) programmes.

Special Highlights 1

# BUILDING AN ECOSYSTEM FOR START-UPS



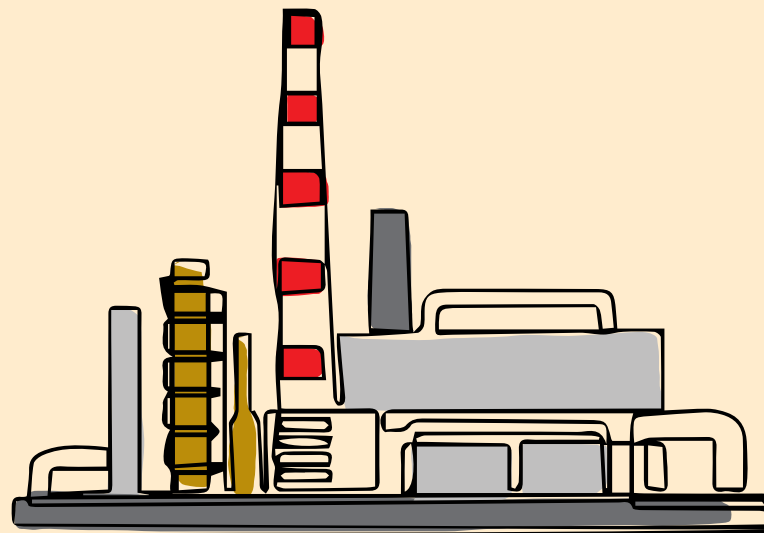
Special Highlights 2

# DRIVING FOOD SECURITY AND SELF-SUFFICIENCY



Special Highlights 3

# SHAPING AN EQUITABLE ESG TRANSITION FOR CORPORATE MALAYSIA



## Special Highlights 1

## BUILDING AN ECOSYSTEM FOR START-UPS

The start-up ecosystem is a critical driver of economic growth in all countries, and Malaysia is no exception. Through our support of the ecosystem, we help to promote entrepreneurship, create employment opportunities, foster innovation and attract investments into the country.



Start-ups and entrepreneurs have the potential to transform industries, disrupt established business models and create new ones that address the social, environmental, and economic challenges faced by society.

However, despite the immense potential of these start-ups and entrepreneurs, they face significant challenges, especially in their early stages. Many potential solutions to the challenges identified under the Dana Impak themes are in early-stage companies, which require injection of risk capital at different stages of the venture to scale innovation and the business.

In addition, start-ups and entrepreneurs need access to funding, mentorship, networking opportunities, and other resources to overcome these challenges, build sustainable businesses, and reach their full potential. Therefore, we recognise the need for strategic support to enable start-ups and entrepreneurs to reach their “escape velocity” and become regional or global champions.



## Growing Digital Talent and Companies



► Bryan Lim, our Executive Director of Investments and Head of Dana Impak, with corporate partners from PETRONAS, Tenaga Nasional, Gentari and DRB HICOM at the launch of PETRONAS FutureTech 3.0. This strategic partnership with PETRONAS exemplifies our dedication to fostering corporate collaboration within Malaysia's venture capital ecosystem.

► **The Future Malaysia Programme (FMP) seeks to support the local start-up ecosystem of local entrepreneurs, start-ups, venture capital and corporate venture programmes through collaborations with domestic and international partners.**

In line with this effort, partnerships have been inked with Gobi Partners and 500 Global, both of which are internationally recognised venture capital managers with an extensive investing track record and expertise for value creation in Malaysia. Through their international networks, these partners act as a bridge to crowd-in investment from regional venture funds to invest in Malaysian companies, helping Malaysian start-ups expand internationally with the goal of becoming regional champions.

On the corporate venture front, we have come on board as a corporate partner for the PETRONAS FutureTech 3.0 Accelerator Program, which strives to unlock synergies and create business value by fostering collaboration between Malaysian corporates and the start-up ecosystem. We are also working with Plug and Play, a leading global innovation platform based in Silicon Valley, with the objective of establishing an innovation accelerator in Malaysia for corporations. With CelcomDigi Berhad and Sime Darby Plantation Berhad as anchor partners, the programme will provide corporations a platform to access leading

international enterprise-grade start-ups, thereby meeting their innovation objectives and reducing start-up risk in driving innovative corporate ventures.

The availability of talent is crucial to the continuous development of any industry. Accordingly, we have also launched the Future Malaysia Skills (FMS) initiative as a talent generation platform to prepare Malaysia's talent for the Future of Work and spur more local champions. Our work here began with a joint venture with Sunway Education Group to establish 42 Malaysia (42MY), an innovative peer-to-peer computer science school that aims to accelerate the development of 10,000 skilled tech talents nationwide within the next 10 years. The 42 programme is part of a global movement with a network of 47 campuses across 26 countries that offers a unique education opportunity free-of-charge, enabling the participation of those aged 18 years and above, regardless of education and socio-economic background.

The programme's innovative and scalable education model focuses on peer-to-peer and practical project-based learning approaches that resemble a real-work environment, providing learners the opportunity to learn coding while working on real-life industry projects with 42MY's participating corporate partners. 42MY will see the expansion of the 42 programme nationwide through new campuses in Johor, Penang and Kuching in the coming years, and potentially across Malaysia.

Ultimately, we believe that FMP, FMS and our other initiatives for the domestic start-up ecosystem and talent landscape will play an integral role in spurring innovation and economic growth in the country, ultimately providing Malaysians with in-demand skills that enable access to higher quality jobs, leading to improved livelihoods and catalysing competitive industries that drive economic growth for Malaysia, complementing the nation's digital economy development agenda and strengthening its Industrial Revolution 4.0 (IR 4.0) capabilities.

## Supporting Better Aged Care for Malaysians



- ▶ **The seed of FMP began in 2021 when we launched the Khazanah Impact Innovation Challenge (KIIC) to unearth entrepreneurs and start-ups with impactful solutions for Malaysia.**

Set against the backdrop of Malaysia's ageing demography, the inaugural edition of KIIC themed "Enhancing Ageing Services for Malaysians" focused on discovering and supporting start-ups with solutions to enhance ageing in place and improve the accessibility of aged care in the country. The 10-week challenge comprised multiple phases, with the 30 participating start-ups given the opportunity to network with industry experts and undergo scale-up interviews, providing them with insights and ideas to strengthen their business fundamentals as well as refine their go-to-market plans.

Following the challenge, six start-ups were awarded with an RM300,000 grant each to develop and roll-out their solutions. One of the successful start-ups was Care Concierge, a provider of aged care solutions including in-home care and assisted living facilities. Through the support during KIIC and further funding received from Gobi Dana Impak Ventures, Care Concierge aspires to scale up their operations by an additional 1,000 rooms in the next three years, thereby increasing access to high quality and comfortable living solutions for elderly Malaysians.



- ▶ Guided by years of expertise and supported by technology, Care Concierge provides a wide range of quality senior living care solutions for conditions that require medical procedures and therapies

## Disrupting Southeast Asia's Used Car Industry



► The CARSONE Certified Lab in Malaysia

► **We have supported local startups such as CARSONE, a home-grown company that has grown into Southeast Asia's largest integrated car e-commerce platform.**

With operations across Malaysia, Indonesia, Thailand, and Singapore, CARSONE aims to digitise the region's used car industry by reshaping and elevating the car transaction and ownership experience. Together with subsidiary brands such as iCar Asia, WapCar and CarTimes, CARSONE provides end-to-end solutions for consumers and used car dealers across the decision funnel, from car content consumption, car inspection, ownership transfer to financing and other ancillary services, bringing greater trust, transparency and choice to the customers.



► CARSONE PJ Automall: CARSONE's biggest indoor showroom in Malaysia

CARSONE has raised over USD600 million in funding since its inception in 2015, becoming Malaysia's first unicorn and transacting more than 260,000 cars to date. During this time, they have also launched the CARSONE Certified programme, which sets the industry standard for car inspection and refurbishment and has received recognition from the Ministry of Domestic Trade and Consumer Affairs (currently known as the Ministry of Domestic Trade and Cost of Living).

Echoing the importance of building a sustainable ecosystem, CARSONE has also established CARSONE Academy, which provides automotive reskilling and upskilling programmes to benefit their employees and the Malaysian student population as a whole. To date, more than 1,500 students have been provided with more than 6,000 hours of training under the academy, with many being given the opportunity to further their careers with CARSONE upon graduation.

## Special Highlights 2

## DRIVING FOOD SECURITY AND SELF-SUFFICIENCY

In line with our nation-building mandate, we invest in businesses that have the potential to address key issues or areas of unmet demand within the nation.



Conscious of the need for Malaysia to meet domestic demand for food products, we have identified, seeded and subsequently provided long-term support to three key agricultural players in the country.

Our contributions to these companies go beyond financial support which include the embedding of corporate governance standards. By providing strategic input on their growth journeys, we empower them to scale up their production volumes, adopt best-in-class practices and integrate sustainability within their businesses. Through our long-term approach, these portfolio companies have become regional champions in their industries, helping to reduce Malaysia's reliance on food imports.



## Guiding the Success of Malaysia's Home-Grown Dairy Champion



► Farm Fresh is one of the few dairy players in Malaysia that owns and operates its own farms

► **Farm Fresh Berhad (Farm Fresh) is a true Malaysian success story, rising from humble beginnings at local *pasar malam* (night markets) markets and grocery stores to becoming the nation's largest home-grown integrated dairy company, all while remaining true to its promise of delivering products that are free of preservatives, artificial colourings and flavourings.**

Since our initial investment in 2010, we have played an active role by assisting with the company's governance, recruitment, strategic planning and financial structuring. Aided by our involvement, Farm Fresh has evolved to becoming a fully integrated dairy company with a strong presence across the dairy value chain – from farm management and animal husbandry to milk processing and distribution which has enabled them to scale up the business effectively while still maintaining the level of quality and safety promise by virtue of having better oversight on their inputs and processes, with minimal reliance on external parties.

Beyond product benefits, Farm Fresh is a champion of a socially responsible business. Today, over 70% of their workforce hail from rural communities across Malaysia, including Orang Asli communities located in the vicinity of their farms and processing facilities. Amplifying their social impact, Farm Fresh has introduced a first-of-its-kind home dealer distribution network covering regions of the country that do not have a major grocery store or supermarket. Through this network, thousands of stockists, home dealers and agents – many of whom are women – sell Farm Fresh products within their communities, earning a decent margin and improving their livelihoods while expanding the company's reach in non-urban areas.

Farm Fresh places great emphasis on operating sustainably by creating value to stakeholders across the value chain, especially given that their landbanks are in close proximity to natural environments and local communities. Since 2014, they have progressively introduced regenerative agriculture practices across their Muadzam Shah, Pahang and University Putra Malaysia farms, contributing to the circular economy by utilising treated animal waste as a source for bedding, fertiliser and pasture irrigation. Aside from this, all of their farms have attained the globally-coveted Certified Humane® accreditation, a testament to their commitment to practices that put animal health and welfare first.

Capping a remarkable journey from selling its products at a small, bottom shelf of a retailer to being the largest home-grown dairy company, Farm Fresh's IPO was one of the largest in recent years on Bursa Malaysia, with shares oversubscribed by 18.74 times amongst the Malaysian public. Buoyed by the success of its IPO and unique value proposition, the company now aspires to further strengthen its local presence and accelerate its regional expansion across Asia-Pacific, paving the way for them to become a major player in the broader Asian dairy industry.

Blue Archipelago®  
Quality | Safety | Ecology



## Empowering Aquacultural and Horticultural Excellence



► Harvesting shrimp in BAB's aquaculture ponds



► Monoluxury's produce is grown by a soilless hydroponic system

► **Blue Archipelago Berhad (BAB) has become recognised as a touchstone of excellence in aquaculture quality, sustainability and social impact. Their impact is mirrored in the horticultural sector by Monoluxury Sdn Bhd (Monoluxury), a company that has leveraged best-in-class farming innovation to become a supermarket staple across Malaysia and Singapore under the brands of "Genting Garden" and "Lushious".**

A fully-owned subsidiary of Khazanah, BAB operates from their two farms in Kerpan, Kedah and Setiu, Terengganu, where they are one of the largest local employers, providing meaningful and long-term job opportunities for many within the low income bracket. BAB also strives to upskill their workforce through purpose-fit training modules, empowering team members to become skilled workers and secure better livelihoods for their families, thereby creating positive multipliers within their local communities.

Apart from meeting the nation's demand for quality shrimp products, BAB maintains an export presence under the brand "Pelagos", which is trusted in major Asian markets such as China and Japan. In upholding Malaysia's reputation for quality in seafood products and driving their competitiveness in their export markets, BAB holds multiple local and international accreditations which include Hazard Analysis Critical Control Point (HACCP), Best Aquaculture Practices (BAP) and Malaysian Good Agricultural Practices Scheme (MyGAP), certifying the standards they uphold in product safety, quality and sustainability.

Underscoring their firm commitment to sustainability, BAB ensures that water pumped back into the sea after use maintains water treatment standards that exceed national regulatory requirements. Furthermore, BAB is today the only aquaculture facility in Malaysia and ASEAN with a dedicated Industrial Effluent Treatment System (IETS), highlighting their industry leadership position in wastewater treatment.

The approach in having a world-class standard for quality is consistent with our investment in Monoluxury, one of the leading salad and herbs producers in Singapore and Malaysia. The company upholds world-class planting standards by minimising fertiliser usage, increasing adoption of automation, particularly for its greenhouses, and continuously investing in sustainable packaging. Monoluxury operates from Genting Highlands and Cameron Highlands, with a majority local workforce, of which 20% are from the Orang Asli community.



## Special Highlights 3

## SHAPING AN EQUITABLE ESG TRANSITION FOR CORPORATE MALAYSIA

*Advancing Malaysia* means driving the nation's leadership on issues that will define the world's shared future, to which end, sustainability and environmental management are key focus areas.



A key aspect of shaping this ESG transition for Corporate Malaysia is driven by Cenviro Sdn Bhd (Cenviro), Malaysia's leading circular waste management solutions provider, where we have been a majority shareholder since 2014.

Today, Cenviro has expertise in waste management across a wide range of waste categories, providing specialised services delivered through its network of subsidiaries, associate companies and joint ventures, which include:

### Kualiti Alam

Owner of the first and largest integrated waste management centre in Malaysia, located in Negeri Sembilan, which has the capacity to store, treat and dispose of more than 100,000 tonnes of scheduled waste daily

### Cenviro Recycling & Recovery Sdn Bhd (CRR)

Provides recycling and recovery services for scheduled waste, with license to recover resources from 14 Scheduled Waste Codes

### E-Idaman Sdn Bhd (EISB)

Provides integrated municipal solid waste management and public cleansing services

### Shan Poornam Sdn Bhd (SPSB)

Recycles a range of household and industrial e-waste and recovers precious metals to serve as raw materials for other industries



- Safety is a priority at Cenviro's sites, where emergency exercises are frequently carried out

Through its wide range of services, Cenviro has become a key advocate and driver of Malaysia's transition towards a sustainable future. Our involvement has played a critical role in this journey, enabling Cenviro to scale its operations, widen its waste management remit to new and growing categories of waste, and fully embrace ESG-friendly practices within its own business.

Instituting changes from the top down, we drove the formation of a forward-looking board, with a move towards increasing Cenviro's exposure to the growing and critically important field of waste recycling and recovery, which included a minority stake acquisition of SPSB in 2016.

Under our active stewardship, Cenviro has been focusing more on internal ESG practices. This paved the way for the launch of the company's five-year greenhouse gas (GHG) emissions reduction roadmap in 2021, under which they aim to reduce their GHG emissions intensity by 5% by 2025 (with 2020 as the baseline year) by improving usage efficiency of electricity, transportation and materials. With a GHG reduction of 1.34% in 2021, Cenviro is on track to achieve its target.



- Raising awareness through e-waste recycling campaigns with schools





- SK ecoplant, via its subsidiary Environmental Management Corporation, has developed an eco-friendly incinerator with AI capabilities to help improve efficiency and reduce emissions

Cenviro's business is intrinsically linked to responsible ESG practices, as it must ensure Malaysia's hazardous waste is treated appropriately. With Khazanah's support as an active shareholder, Cenviro is a circular economy leader within the country. Today Cenviro recycles approximately 2,000 tonnes of e-waste per year through SPSB, with a recovery rate of 99.7%. Meanwhile, EISB has localised waste recycling within local communities, launching Malaysia's first drive-through recycling centre and developing a cutting-edge recycling resource hub to efficiently recycle paper, plastics and e-waste from municipalities.

Today, Cenviro is embarking on its next phase of growth with an ambition to be a regional waste management champion.

In May 2022, Khazanah entered into a strategic partnership with South Korea's SK ecoplant Co. Ltd (SK ecoplant). This partnership aims to provide Cenviro access to leading waste management technologies to improve its operational performance, spearhead its regional expansion and enhance its ESG performance, in line with Cenviro's regional waste management ambitions.

Eco-friendly at its core, SK ecoplant's capabilities span various critical fields and industries including recycling, waste management and renewable energy. This partnership will empower Cenviro to further integrate sustainability within its mission and processes alike, enabling it to take a leadership role in *Advancing Malaysia* – and the region – towards a more sustainable future.

CHAPTER

# 6

## WITH SUSTAINABILITY AT THE HEART OF OUR CONSIDERATIONS



- 65 Our Approach to Sustainability
- 69 Sustainability Governance
- 70 Shareholder Expectations and Investment Stewardship
- 72 Khazanah's Affiliations

## OUR APPROACH TO SUSTAINABILITY

Recognising the importance of sustainability while taking into consideration our stakeholders and the investment community, we continuously engage and share sustainability best practices with our portfolio companies.

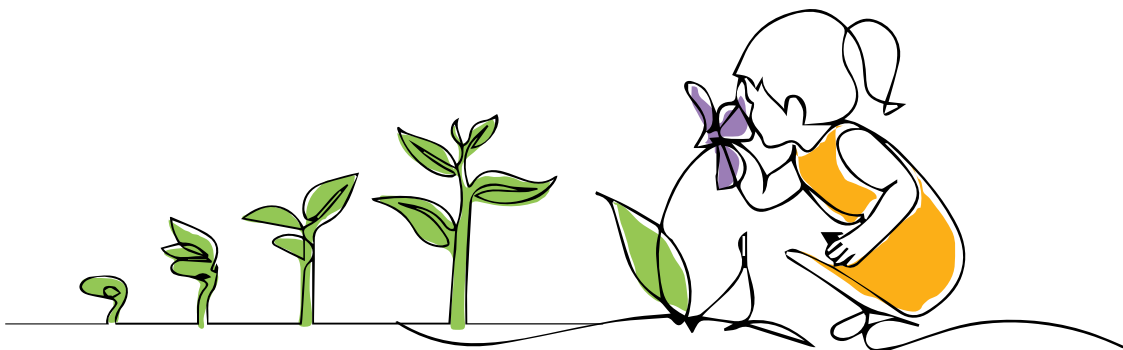
We undertook a portfolio-wide materiality assessment and formalised our Sustainability Framework in 2021 and 2022 respectively, outlining measurable targets that will guide our portfolio companies – as well as our organisation – towards creating positive long-term value across the ESG spectrum. By taking these actions, we are better positioned to engage effectively with our investee companies and our wider stakeholders on ESG issues.



► Dato' Feisal at the launch of the Khazanah Sustainability Framework and Targets in 2022



Discover the milestones we have achieved on our sustainability journey by reading **Our Progress** section on page 67 of this report.



We take a firm-wide approach to sustainability, covering how we behave as an investor as well as how we go about our day-to-day work. Our approach is designed to be holistic and focuses on issues which impact us and our portfolio companies most, from a business materiality point of view.

## Our Sustainability Approach



### Responsible Investor

We have made public commitments towards ensuring that ESG and responsible investor practices are integrated within our investment processes, including:

- Assessment of new investments
- Monitoring of existing investee companies
- Identifying value creation opportunities



### Sustainable Organisation

As an organisation, we strive to embed sustainability within our cultural and behavioural practices. To this end, actions we have taken include:

- Driving internal enablement by creating sustainability awareness and providing training to our people
- Establishing an internal network of sustainability champions to spearhead activities that build awareness and drive adoption of sustainable initiatives internally
- Holding ourselves accountable via reporting on our progress and maintaining transparency
- Contributing to bodies that aim to enhance sustainability adoption and practices in Malaysia







### Good Corporate Citizen

We believe that being a good corporate citizen not only drives business success but also plays a role in creating wider impact.

To this end, we continue to catalyse positive change in the environment and surrounding communities, towards creating a better future for the nation.

## Our Progress

Since launching the framework in June 2022, we have made the following progress against the targets we have identified within our framework.

	Targets	Our Progress
 <b>Environmental</b>	Net Zero emissions by 2050	<ul style="list-style-type: none"> <li>Committed to Net Zero emissions by 2050</li> <li>Developing a strategy and will begin the development of Climate Transition Pathways by end 2023</li> </ul>
	Carbon neutral operations by 2023	<ul style="list-style-type: none"> <li>Developed a strategy and options to reach carbon neutrality by 2023, with baseline data collected and currently undergoing verification</li> </ul>
 <b>Social</b>	Enhance Diversity, Equity and Inclusion (DEI) framework and programmes by 2023	<ul style="list-style-type: none"> <li>Developed a DEI framework that will be applied throughout the organisation</li> </ul> <p> Learn more about our <b>DEI framework</b> on page 88 of this report.</p>
	30% women in Board and Senior Management Team by 2025	<ul style="list-style-type: none"> <li>A member of the 30% Club as of 2 March 2023</li> <li>Women currently comprise 14% of our Board of Directors</li> <li>Women currently comprise 29% of our Senior Management Team</li> </ul>
	Measurable socio-economic impact targets by 2023	<ul style="list-style-type: none"> <li>Developed the SEMARAK framework as a tool to measure the socio-economic impact of our investments and initiatives</li> <li>SEMARAK framework has been applied across several investment opportunities and will continue to be refined moving forward</li> </ul>
 <b>Governance</b>	Enhance Board competencies (including sustainability) across portfolio companies by 2024	<ul style="list-style-type: none"> <li>Formalised the management process for the nomination of directors, which comprises selection, nomination and evaluation</li> </ul>
	Disclose general voting principles by 2022	<ul style="list-style-type: none"> <li>Publicly disclosed our general voting principles on our website</li> </ul>
	Include ESG-linked KPIs for key leadership positions for our portfolio companies by 2023	<ul style="list-style-type: none"> <li>100% of our portfolio companies have established ESG-linked KPIs for key leadership positions</li> </ul>

## Our Sustainability Enablers

We believe in driving sustainability through:

### » Sustainable Investments

Embedding sustainability into our investment decision-making processes

### » Enterprise Sustainability

Embedding sustainability into our day-to-day practices, including through contributions to society and communities

We continue to implement sustainability enablers across our organisation with the aim of building our internal capabilities and capacity to address sustainability issues. The sustainability enablers we have implemented include:

Offering training and development opportunities to all employees, both in-house and external

Enhancing our ESG data and analytics capabilities

Advocating sustainability matters with our stakeholders

Building a culture of sustainability through internal initiatives to manage and reduce emissions and waste



# SUSTAINABILITY GOVERNANCE

**Our sustainability governance structure provides the necessary leadership and accountability for our sustainability actions and initiatives.**

The governance structure entrusts ultimate responsibility for sustainability with our Board of Directors, which oversight is exercised through the Board Executive Committee (EXCO) and Audit & Risk Committee (ARC). At the management level, the Management Committee and the Investment Committee deliberate strategic direction and policy of enterprise sustainability initiatives and sustainable investments, and monitor achievements and progress on all fronts.

To translate our framework into actionable sustainability strategies, we established a Sustainability Panel that comprises representatives from our Central Sustainability Team (under our Strategy Division), Sustainable Investment (SI) Team (under our Investments Division) and representatives from other support divisions. In developing sustainability strategies, the Sustainability Panel considers the potential impact of such strategies on Khazanah. Meanwhile, project-specific representatives implementation on the ground, across their respective teams and divisions.

## Our Sustainability Governance Structure



# SHAREHOLDER EXPECTATIONS AND INVESTMENT STEWARDSHIP



**Our approach to investment stewardship is guided by our responsibility to safeguard and grow the nation's wealth for current and future generations.**

Achieving this goal dictates that we apply a long-term perspective to our investments and prioritise the creation of sustainable social and economic value for Malaysians. To this end, we adopt an active investor approach, seeking to influence outcomes via our portfolio companies through ongoing engagement, Board representation and voting at general meetings.



Scan to view the Shareholder Expectations and Investment Stewardship statement

## Our Shareholder Expectations

Investment stewardship at Khazanah is pillared on six specific shareholder expectations that apply to all companies in our portfolios.

- 1 **Companies must generate long-term value**
  - Investments should generate long-term sustainable returns as captured in the long-term Total Shareholder Returns (TSR)
  - Any focus on short-term targets should not jeopardise future value and TSR
  - Companies should consider social and environmental dimensions of value in addition to financial targets
  - Company strategy should be supported by capabilities and resources, with best practice internal policies, processes and controls

- 3 **The Chairperson should be a leader who sets the right culture**
  - The Chairperson should set a culture of performance, duty and integrity, and engender a sense of custodianship amongst directors
  - The Chairperson should act as the conduit for stakeholders to provide feedback, including through performance reviews of the Board and management
  - The Chairperson should be independent, failing which there should be a Senior Independent Director to provide the necessary counterbalance

- 2 **The Board of Directors should hold ultimate responsibility for corporate strategy, monitoring and oversight**
  - The Board must communicate a clear vision – encompassing sustainability considerations – and translate this vision into the company's strategy
  - The company should have a capable management team led by a competent CEO who is appointed by following a rigorous and transparent process
  - The company should have an unconflicted board that is supported by relevant committees, and its effectiveness should be evaluated regularly to ensure the appropriate mix of skills, backgrounds and experience

- 4 **The right management team must be selected and incentivised to be aligned with the company's success**
  - Hiring must be rigorous and transparent, with market-based talent review and sourcing policies that reflect the complexity and demands of the positions in question
  - Compensation and benefits should be linked to the delivery of sustainable strategies and performance
  - Incentive schemes should be implemented as long as incentives are tied to achievement, and there should be built-in consequences for negative outcomes



5

**Shareholder rights must be protected**

- Shareholders should be treated equitably, with adequate protection for the capital they provide
- Shareholders should have the fundamental right to vote, especially on matters impacting them, and to seek clarification where appropriate
- The company should follow a “one share one vote” policy to avoid disproportionate control amongst certain shareholders
- Khazanah shall engage regularly with portfolio companies to communicate expectations and collaborate for best outcomes

6

**Companies should adopt sustainability considerations to future-proof their business**

- Khazanah shall actively engage with portfolio companies to provide support on their sustainability journeys, including pertaining to their responsible ESG transition
- Sustainable business practices should be incorporated throughout the value chain, and a commitment to Net Zero GHG emissions by 2050 should be adopted
- Diversity at the Board, management and workforce levels should be maintained to drive resilience, creativity and agility, with at least 30% women representation at the Board level
- The dignity and rights of workers should be honoured at all times
- Best practices in corporate governance should be maintained, with management KPIs linked to ESG targets set at the corporate level

**Our Sustainable Investment Expectations**

Sustainability has been embedded as a foundational consideration in our investment stewardship approach. Our aim is to holistically drive sustainability across the dimensions of financial returns, strategies and impact, as depicted below:



Deliver **long-term sustainable returns**



**Just transition** must be built in to ensure sustainable outcomes are more equitable



Strive for **agility and growth** amidst shifts in industry structure and the impact of global megatrends

## KHAZANAH'S AFFILIATIONS

To improve our organisational practices, we continually broaden our understanding of sustainability through engagements with other organisations and partners. In pursuit of this goal, we are actively involved as a member or signatory of the following initiatives:

### United Nations Principles for Responsible Investment (UNPRI)



As a signatory of the UNPRI since 2017, we commit to adopting and maintaining best practices related to responsible investments. To this end, we have embedded the UNPRI's six principles within our investment analysis, decision-making and management processes, thereby steering our investments towards companies that have developed a robust approach to sustainability.

- ▶ **We will incorporate ESG issues into investment analysis and decision-making processes**
- ▶ **We will be active owners and incorporate ESG issues into our ownership policies and practices**
- ▶ **We will seek appropriate disclosure on ESG issues by the entities in which we invest**
- ▶ **We will promote acceptance and implementation of the Principles within the investment industry**
- ▶ **We will work together to enhance our effectiveness in implementing the Principles**
- ▶ **We will each report on our activities and progress towards implementing the Principles**

## Institutional Investor Council Malaysia (IIC)



Khazanah is a member of the IIC and a signatory of the Malaysian Code for Institutional Investors 2022 (MCII 2022), whereby we support and comply with the code. We are largely in line with its seven principles, as outlined below, and the Stewardship Spotlight, as outlined in our Shareholder Expectations and Investment Stewardship (SEIS) document.

### 1 ▶ **Institutional investors should disclose the policies on their stewardship responsibilities and review the effectiveness of their stewardship activities**

Our Framework of Integrity, Governance and Risk Management (FIGR) provides a clear responsibility, authority and governance structure for Khazanah and guides all our investments activities and business conduct. The FIGR is periodically reviewed and was last updated in 2021. We are also supported by our Investment Policy (IP) statement, our newly enhanced Sustainable Investment (SI) Policy, and our newly developed SEIS document. We are continuously improving our process of reviewing the effectiveness of our stewardship activities.

### 2 ▶ **Institutional investors should monitor their investee companies**

Our investment portfolios are actively monitored and managed by our Investments teams in accordance with our Management and Monitoring Manual. This includes formulating a strategy to create sustainable value, which is the basis for performance monitoring.

### 3 ▶ **Institutional investors should engage with investee companies as appropriate and collaborate with investors to enhance engagement outcomes**

Our engagement framework outlines how we monitor investee companies through frequent engagements with the Board, management team and nominees, and we continuously collaborate based on our syndication process with other shareholders, investors, and partners via both formal and informal platforms. Our IIC membership is a key collaboration platform for us.

### 4 ▶ **Institutional investors should adopt a policy on managing conflicts of interest which should be publicly disclosed**

We have robust policies and processes to manage conflicts, which include our Staff Code of Conduct Handbook and the Supplier Code of Business Ethics. Both documents are publicly available through our website. We also implement an 'Information Barrier' policy to effectively manage insider information.

5

- ▶ **Institutional investors should incorporate corporate governance and sustainability considerations, including climate-related matters into their decision-making process while seeking to deliver sustainable returns in the long-term interest of their beneficiaries or clients**

We continue to actively monitor the governance aspect of our investee companies through a diligent management and monitoring process. Our recently enhanced SI policy, newly launched Sustainability Framework and newly developed ESG FIGR will guide us in our approach to deliver sustainable value, including via our investee companies.

6

- ▶ **Institutional investors should publicly disclose their corporate governance policy and voting guidelines**

Our FIGR outlines how we manage risks and instil a strong culture of corporate governance and risk management in Khazanah, whilst our SEIS document outlines our investment stewardship principles and our newly revised Voting Guidelines that govern our voting at general meetings of listed companies. These documents are available on our website.

7

- ▶ **Institutional investors should collaborate where appropriate to respond to corporate governance and sustainability concerns or risks. The collective voice and views of institutional investors are important levers in shaping behaviour and promoting good corporate governance, in particular on emerging issues such as sustainability reporting and investing**

We continuously collaborate with key stakeholders of our investee companies based on our engagement framework. Formal and informal syndication with other shareholders, investors, and partners ensures a collaborative approach and collective voice in addressing our concerns, both publicly and privately, depending on its nature. Examples include our IIC membership and the inaugural GLIC Integrity Event (GIE), which was jointly held by several GLICs.

## International Forum of Sovereign Wealth Funds (IFSWF)



As a member of the IFSWF, we endorse the Santiago Principles, striving to embody transparency, good governance, accountability and prudence in our investment practices. Our membership also provides us with an avenue to engage in meaningful dialogue towards driving better investment practices across the global sovereign wealth fund landscape.

## CEO Action Network (CAN)



As a member of CAN, our Managing Director works directly with other corporate leaders in Malaysia to develop cohesive and impactful approaches to sustainability, capacity building and other key issues.

## 30% Club



Khazanah is a Corporate Advocate of the 30% Club Malaysian Chapter that supports the achievement of a minimum of 30% women's participation at all senior decision-making tables across Malaysia, including Boards and the C-suite. The Club also aims to activate corporate leaders to be visible in adopting Diversity, Equity and Inclusion (DEI) best practices in their organisations and engaging wider stakeholders with market influence.

Since becoming a Corporate Advocate to the Club, Khazanah's champion, Dato' Feisal has participated as a speaker on 30% Club Malaysia webinar on 7 March 2023, entitled Embrace Equity held during the International Women's Week.

## Integrity and Anti-Corruption at Khazanah

We have long been an advocate of integrity and anti-corruption within our organisation and our investee companies. Khazanah further pushed the envelope in 2022 with the creation of the inaugural GLIC Integrity Event (GIE), where we collaborated with fellow Government-Linked Investment Companies (GLICs) to strengthen the national anti-corruption agenda by linking our respective networks.

The GIE was jointly organised with:

- Kumpulan Wang Persaraan (Diperbadankan) (KWAP)
- Kumpulan Wang Simpanan Pekerja (KWSP)
- Lembaga Tabung Angkatan Tentera (LTAT)
- Permodalan Nasional Berhad (PNB)

The closed-door event was attended by approximately 150 integrity and governance representatives from 56 investee companies of the five partnering GLICs, and featured sessions that addressed specific issues of concern to these practitioners.



► Representatives of the GLICs, and various guest speakers, at the GIE



► Suhana Dewi Selamat, our Head of Governance, Risk and Compliance, delivering the closing address at GIE

# WHILE BUILDING CAPACITY, VIBRANT COMMUNITIES & A WINNING TEAM



78	Delivering Societal Value
87	Our People
90	Khazanah as a Learning Organisation
96	Khazanah's Digital Transformation

## DELIVERING SOCIETAL VALUE



- Projek Ganda Dana (Tilapia fish farm) in Kampung Bambangan, Tambunan, Sabah – a beneficiary of Good Shepherd Services (one of Yayasan Hasanah's partners) which aims to enable women to be entrepreneurial by utilising available resources to improve their household income

We continue to deliver societal value through efforts which benefit various communities in Malaysia. These impactful initiatives are targeted towards priority socio-economic outcomes – advancing communities, building capacity and future-proofing the nation.

Our societal value creation initiatives are mainly executed by our key execution arms, namely Yayasan Hasanah, Yayasan Khazanah, Khazanah Research Institute, Think City Sdn Bhd and Taman Tugu Project Development Sdn Bhd. Additionally, we undertake direct efforts in selected areas such as Galeri Khazanah and the Khazanah Residency Programme.

With the aim of strengthening our future contributions to society under the pillar of Building Capacity and Vibrant Communities, we establish the Societal Value Monitoring & Alignment (SMA) unit in February 2023 to enable greater alignment between our purpose and the execution of our societal value initiatives, empowering us to make a bigger impact.



YAYASAN  
HASANAH  
A Division of Khazanah Nasional

## YAYASAN HASANAH



- The launch of The Hasanah Report 2022, themed *Igniting Possibilities: Semarak Potensi Kita*

- **Yayasan Hasanah (Hasanah), a foundation of Khazanah Nasional Berhad, is catalysing social change in Malaysia through its grants in five core areas: Education, Community Development, Arts & Public Spaces, Environment and Knowledge.**

“

**In 2022, Hasanah supported 132 new social impact projects and worked with 111 social impact partners while managing RM222.3 million in funding.”**

These milestones meant that Hasanah has cumulatively impacted more than 2.4 million people in Malaysia since its inception in 2015, *Advancing Malaysia* one person at a time across every layer of society.

Reflecting our belief that empowered individuals are the heart of the progressive society, Hasanah's



Scan to explore  
The Hasanah Report 2022



Or visit [thr2022.online](https://thr2022.online)

achievements spotlight the power of human potential and how tapping into it can ultimately lead to greater innovation, creativity and progress for the nation.

### Collaboration with Ministry of Finance

In 2022, Hasanah together with the Ministry of Finance, launched the Hasanah Special Grant 2022 (HSG2022), an amplification of its existing grants programme that enables the support of more partners across societal and environmental causes. From addressing learning loss in schools to boosting income for micro-entrepreneurs under Program Perumahan Rakyat (PPR), safeguarding heritage textile motifs to protecting our Malayan tigers by empowering the Orang Asal indigenous community, HSG2022 aims to ignite new possibilities by tapping into Malaysia's rich well of human potential.

HSG2022



- RIMA empowers indigenous communities to be forest patrollers and protect the Malayan Tiger population in the central forest spine (From left to right: forest patrollers Ardi Kembong, Sufian Raman, Fahmi Jali, Talib Mat Razi and Safian Latif)

## HSG2022



- ▶ Through the Pepper Labs – Dapur Digital programme, cloud kitchen micro-entrepreneurs like (back row, left to right) Juraiah Ahmad, Farida Yusoff, Farah Asmani, (front row left to right) Noriza Ahmad, Rohana Ismail (Chairwoman) and Intan Zarina saw a boost in their incomes

## HSG2022



- ▶ Umar Firas of SK Jelempok, Perlis, was part of a programme by UNIMAP – Wesser and the State Education Department of Perlis to address learning loss due to the pandemic – assisting 2,300 students across all 74 primary schools in the state

## ArtsFAS 2022



- ▶ Low Mee Li and Orange of OS/Beautiful Gate, two of the performers taking part in the ILHAM concert led by OKU Sentral, supported by ArtsFAS and Ministry of Finance

## Arts for All Seasons

Hasanah's Arts for All Seasons (ArtsFAS) has grown to be the largest grant programme for arts, heritage and culture in Malaysia.

2022 was a record-breaking year for the grant, with the awarding of a total of RM4.15 million in programme funding and economic opportunity. Jointly with the Ministry of Finance, ArtsFAS brought to life 107 shows and performances around Malaysia, supporting the livelihoods of 3,332 local artists and performers in the process.

## Hasanah Social Enterprise Fund

In another breakthrough achievement, Hasanah and the Ministry of Finance jointly debuted the Hasanah Social Enterprise Fund 2022 (HSEF2022), in which RM4.64 million was approved to 32 Social Enterprises, scaling up their capability and capacity. HSEF2022 marks the first time that Hasanah is awarding 100% of its organisational development fund to social enterprises.

The inaugural fund has enabled partners to grow their organisations further and enhance their overall impact, with funding going towards hiring talent and investing into new machineries and tools for their businesses, thus driving their long-term sustainability.

By providing partners with training, mentoring, and access to resources, Hasanah empowers changemakers to be better equipped to deliver scalable, successful programs that result in greater social and environmental impact for the communities they serve across Malaysia. Moreover, by strengthening the structural capacity of their partners, Hasanah is building a more sustainable social enterprise ecosystem – a step forward in professionalising Malaysia's social impact scene and attracting more talent into the sector.

## Partnerships Beyond Everyday Grants



Reintroduced as GLIC/GLC Demi Rakyat dan Negara (GDRN) in March 2022, GDRN is a coalition of GLICs and GLCs that aims to deliver coordinated social impact on a large scale, and encompasses three impact areas: Jalinan Ilmu, Jalinan Sejahtera and Jalinan Kemanusiaan.

In 2022, the 13 GDRN members contributed RM38.7 million to humanitarian initiatives, benefitting 38,442 families, 56,630 individuals and 30 institutions. Yayasan Hasanah and Yayasan TM currently serve as the Co-Secretariat, coordinating these efforts and overseeing GDRN's growing role in supporting the nation and its people.



► Hasanah works with on-ground disaster relief partners to expedite aid in areas affected by flash floods

In 2022, Hasanah also allocated RM2.19 million for its humanitarian disaster relief efforts, providing aid such as food baskets, post-flood hygiene kits, maternity and childcare support packs, medication, school uniforms and repair works.



## YAYASAN KHAZANAH

- **Supporting our goal of enhancing Malaysia's global competitiveness, Yayasan Khazanah (YK) identifies, supports and nurtures top local talents with the potential to assume leadership positions in the corporate or government sectors.**

Through the full scholarships that YK provides, talents have been provided with the opportunity to study in leading universities across the United States, the United Kingdom, Australia, China and Malaysia. YK also provides talents with financial support to pursue other avenues of growth such as student exchange programmes, international conferences and self-development programmes, while facilitating guidance and mentorship through a network of learning coaches and corporate leaders.

Upon returning from their university studies, scholars are bonded to affiliated organisations across Malaysia — including GLCs, GLICs and government agencies — helping to drive the nation's development agenda in settings where they can make a telling impact. At this stage and throughout their career, they remain part of a virtual alumni network, through which they can expand their professional network and access insights that will support their continued development.

Under the Bestari Study Grant Programme, YK collaborates with the Ministry of Education (MOE) and Majlis Amanah Rakyat (MARA) in providing selected secondary school students with monthly stipends.

In 2022, YK sponsored:

- 1 Number of scholarships awarded in **2022: 115**

45 Global

65 Watan

5 Lestari

- 2 Number of Bestari Study Grants awarded in **2022: 200**



For more information on Yayasan Khazanah, visit

[www.yayasankhazanah.com.my](http://www.yayasankhazanah.com.my)



- 2022 New Award Recipients: Khazanah Global, Khazanah Watan and Khazanah Global (Postgraduate Studies)



- 2022 Khazanah Watan Scholarship recipients (from right to left) Chyfica Binti Mohamed Zamri, Doctor of Business Administration, Universiti Teknologi Mara, and Yeo Jia Yee, Faith, Master of English Language and Literature Studies, Universiti Sains Malaysia



- 2022 Khazanah Watan Scholarship recipient Athikeshani a/p Harikrishnan, Bachelor of Law, Universiti Malaya (pictured with her mother)



## TAMAN TUGU



► The Taman Tugu forest trail is highly enjoyable for groups of all ages including for families and team-building activities

► **With the aim of creating a vital green lung for Kuala Lumpur, we collaborated with a range of private and public sector entities to develop Taman Tugu, a 66-acre park in the heart of the city that is free to access for all. Taman Tugu is one of our largest non-profit corporate social responsibility initiatives.**

The park was established in 2018 under Amanah Warisan Negara (AWAN), a national public trust to own, manage and protect Taman Tugu as well as other potential heritage assets across Malaysia.

In 2022, Taman Tugu held a Merdeka sing-along session at its newly-launched open air green space, Taman Tugu Lawn, which contains various visitor facilities and has a covered open air space called The Patio. An additional 1km of forest trail was also added and opened during the Merdeka season, bringing the park's total trail length to 6km.

In the past year, Taman Tugu was successful in securing sponsorships from a range of corporate entities including CIMB Islamic, CTC Global, Standard Chartered Global Business Services, Canon, Diamond Technique and CGC. Taman Tugu also added Taman Tugu Adoption Plots as an additional element to the Adopt Taman Tugu Park Elements Programme, under which Uniqlo Malaysia adopted two plots and Deutsche Bank adopted one plot. Extending its partnership with Uniqlo Malaysia, the Uniqlo – Taman Tugu Plant Giveaway and the Uniqlo – Taman Tugu Plant & Hunt are additional engagement programmes made available to public and kids to learn and increase their awareness of sustainability.

“

**As of 31 March 2023, more than 700,000 people have visited the park. With an additional 1km of trails completed and various educational programmes and engagement activities launched during the past year, we anticipate that Taman Tugu will continue to expand its reach amongst Malaysians and tourists to the country in the future.”**



For more information on Taman Tugu, visit [www.tamantugu.my](http://www.tamantugu.my)



@friendsoftamantugu

thinkCITY

THINK CITY



- ▶ George Town Conservation and Development Corporation (GTCD), Think City and the Aga Khan Trust for Culture celebrate the completion of the new seawall and public promenade along the historic Esplanade. The Esplanade is the seaside promenade at the heart of George Town's UNESCO World Heritage Site.

- ▶ **A fully-owned subsidiary of Khazanah, Think City develops and implements innovative solutions that make cities more people-friendly, liveable, resilient and sustainable. Formed in 2009 to contribute to the urban regeneration of George Town, Penang, Think City is now present in cities across Malaysia, delivering impactful projects that create more dynamic urban spaces with a focus on four main areas of impact: Placemaking, Resilience, Strategy & Analytics and Culture-based Economic Development.**

Under the auspices of the Ministry of Finance, Think City rolled out the Northern Region Archaeotourism Network in 2022 across Perak, Kedah, Penang and Perlis. The programme aims to leverage the region's unique natural, cultural and archaeological attractions to stimulate culture-based tourism, create employment opportunities and drive greater economic resilience. RM10 million was allocated for the first phase of the multi-

year effort, with 56 projects, partnerships and management initiatives since approved, creating RM6.7 million worth of co-investment.

In partnership with UN-Habitat and various local and international partners, Think City secured USD 10 million from the Adaptation Fund to implement the Penang Nature-Based Climate Adaptation Programme (PNBCAP), a comprehensive approach to address the environmental and social impact of climate change in Penang. The programme was subsequently featured at the C40 Cities Summit, where BBC StoryWorks produced an episode of '*Cooling Down Penang*' for Think City.

Also in Penang, Think City collaborated with the Penang Island City Council (MBPP) and EIT Climate-KIC to develop the Atlas of Climate Resilient Trees (ACResT), an online and open-collaborative platform that facilitates the discovery and documentation of climate resilient tree species, assisting city planners and landscapers in placing trees within Penang's urban environment. Meanwhile, Think City also completed the seawall and public promenade along the Esplanade of George Town, an initiative led in tandem with the Penang State Government and MBPP to rejuvenate this area of historical value.

In other highlights of a busy year, Think City partnered with the Johor Bahru City Council to enhance the functionality and cultural heritage conservation of Coronation Avenue, one of the city's most historically and culturally-rich streets, while commencing a partnership with PNB Merdeka Ventures to undertake various projects in the up-and-coming Merdeka 118 district in Kuala Lumpur.



For more information on Think City, visit [www.thinkcity.com.my](http://www.thinkcity.com.my)

KHAZANAH  
RESEARCH  
INSTITUTE

## KHAZANAH RESEARCH INSTITUTE



- ▶ Dato' Feisal with the Chairman of KRI, Tan Sri Nor Mohamed Yakkop, at the launch of *The Paddy and Rice Industry of Sabah and Sarawak: Status and Potential* publication on 31 January 2023

- ▶ **Khazanah Research Institute (KRI) carries out research on pressing issues facing the nation with the objective of recommending public policies that sustain and improve the socio-economic well-being of Malaysians.**

In 2022, KRI published 24 articles, working and discussion papers and reports, focusing on national priorities including food security, agriculture, housing and cities, jobs and unemployment, climate change, social protection and digital transformation, among others.

Based on these research focus areas, KRI continues to actively engage with relevant ministries across the Government to provide strong policy support across these issues and more.



For more information on KRI, visit  
[www.krinstitute.org](http://www.krinstitute.org)

MYSTEP

MALAYSIA SHORT TERM  
EMPLOYMENT PROGRAMME  
(MySTEP)

- ▶ One of the focus areas of Khazanah-MySTEP in 2022 was on childcare services, to which we appointed a Programme Partner who specialises in professional childcare training and certification

- ▶ **We support the Malaysia Short Term Employment Programme (MySTEP) by the Government of Malaysia, which provides training and on-the-job placement to Malaysians aged 18 and above through a wide range of industry partners. With cognisance of the shifting demands of the job market, the programme focuses on instilling relevant knowledge, future-ready skills and the right mindset for Malaysians to achieve long-term career growth, placing particular emphasis on addressing the issue of unemployment amongst university graduates.**

In 2022, Khazanah through our Programme Partners and related companies provided training and placement to a total of 11,566 programme participants, assisting them in their transition to employment.



For more information on MySTEP, visit  
[mystep.mof.gov.my](http://mystep.mof.gov.my)



- ▶ HRH Sultan Nazrin Muizzuddin Shah, The Sultan of Perak Darul Ridzuan, officiated the opening of our virtual art gallery, Galeri Khazanah and its accompanying mini exhibition

▶ **As part of our mission to preserve Malaysia's rich social and cultural heritage, we launched Galeri Khazanah in August 2022.**

A fully virtual art gallery, Galeri Khazanah showcases perspectives on the nation through the lens of noteworthy local and international artists, striving to conserve artworks of historical value that have been acquired by Khazanah since our inception and inculcate enduring appreciation of Malaysia's rich cultural heritage.

Graced by his Royal Highness, Sultan Nazrin Muizzuddin Shah, The Sultan of Perak Darul Ridzuan, the launch of Galeri Khazanah provided a platform to create awareness of its inaugural exhibition – *Time Together: Exploring Art Through Khazanah Nasional Berhad's Collection*.

Featuring over 50 artworks by senior, established and young Malaysian artists including Latiff Mohidin, M. Zain Idris, Ahmad Khalid Yusof, Dato' Chuah Thean Teng and Kok Yew Puah,

the exhibition was curated by Sarah Abu Bakar. It contains meaningful cultural pieces such as drawings, paintings, photographs, sculptures and crafts, as well as historical objects that narrate the arc of Malaysia's unique history.

Moving forward, we hope to not only celebrate our nation's cultural treasures but to ensure that future generations inherit the artistic skillsets that have so enriched Malaysia's history.



- ▶ Mandalay paper quilling art, one of the many art activities for children and arts & crafts enthusiasts at Galeri Khazanah's mini exhibition



- ▶ Galeri Khazanah's second virtual exhibition, *The Color of Life*, highlights 65 artworks by 40 modern and contemporary artists, celebrating the splendours of the universe conveyed through the power of colour.



For more information on Galeri Khazanah, visit  
[galeri.khazanah.com.my](http://galeri.khazanah.com.my)



## OUR PEOPLE

Our people are the foundation upon which we create value. By encouraging collaboration and openness while providing avenues for meaningful learning and development, we drive high performance standards across our workforce, positioning us to deliver greater value for the nation.



To bring out the best in our people, we have forged a culture that is founded on three Core Values:



### We hold ourselves **ACCOUNTABLE**

Delivering results in an ethical manner



### We **RESPECT** different viewpoints

Deriving value from diverse ideas and opinions



### We **SUPPORT** one another

Being mindful of the priorities and circumstances of others

In 2022, we made strong progress on our ongoing Khazanah Culture Transformation (KTX), refreshing our Core Values while also focusing our transformation efforts within two core areas – Communication and Assessment & Application.

Through various informal platforms – including staff dialogues, Relax & Refresh (R&R) sessions and our KITAgather breakfast sessions – our leaders

promoted and reinforced our refreshed culture while also cultivating a 'Safe to Speak' environment that encourages their team members to voice any concerns they have. Further to these initiatives, our employees were provided with coaching culture programmes and learning programmes covering Digital and Technology, both of which are crucial to our transformation. These efforts were underpinned by the formalisation of our Core Values narratives and Zero Tolerance Conduct, providing a strong basis for the transformation to be accelerated.

To assess our employees' feedback on our transformation journey, we conducted an organisation-wide employee engagement survey, KITAVoice, which showed that they find their work to be purposeful and meaningful. Against the backdrop of our digital transformation, the survey also indicated that our employees believe they have strong support in coping with the new ways of working required of them.

In 2022, we also started applying our refreshed Core Values within our existing processes, using the values as a basis to enhance leadership competencies and to improve our new hire assessment framework.

## Our Commitment to Diversity, Equity and Inclusion (DEI)

Our DEI framework was developed by considering multiple factors, with a primary focus on incorporating input from internal stakeholders gathered through various engagement initiatives conducted over a period of time. The framework aspires to embed DEI principles into Khazanah’s culture and employees, while taking into consideration local laws and cultural practices.

Three strategies will be deployed to drive DEI initiatives in Khazanah:

- 1 **Awareness** encourages every employee to understand and comprehend DEI concepts.
- 2 **Engagement** focuses on DEI-focused activities involving stakeholders internally and beyond the organisation.
- 3 **Governance** entails establishing and implementing DEI considerations into our daily operations.

Our ultimate objective is for every Khazanah employee to embrace a DEI mindset and consciously apply it to their behaviors. As an organisation, we hope that this will lead to positive impacts on employee performance and overall business outcomes.

### The DEI framework



\* All strategies will be supplemented by relevant initiatives

In 2023, our primary focus is on cultivating internal awareness and understanding through an interactive DEI workshop. Recognising that our employees have varying levels of familiarity with DEI, the workshop aims to bridge the knowledge gap and establish a shared understanding of DEI, enabling the organisation to progress together. As an organisation, we are dedicated to carrying out continuous internal engagements and conducting a comprehensive review of internal processes to ensure fairness and inclusivity for all.

Looking at the past year as a whole, we were encouraged to note that our employees participated more frequently in engagement and learning activities in spite of the flexible working arrangements we provided. Moving forward, this high participation rate will enable us to strengthen their leadership skills and performance towards living our Core Values and, ultimately, *Advancing Malaysia* together.

### Khazanah Careline

In line with our Core Values, we strive to support our employees during trying times. To this end, the Khazanah Careline offers support that they and their families can access 24 hours a day and seven days a week. The hotline is complemented by KITAsihat, an online app that provides wide-ranging support across physical and mental health and well-being topics.

### Berbudi Bersama



Inspired by the simple power of doing good, Berbudu Bersama is an internal initiative that encourages our employees to reach out to their local communities, support meaningful causes and help those in need.



► KVN volunteers at a Berbudu Bersama initiative during *Ramadhan*

### The Khazanah Volunteer Network (KVN)



Supporting Berbudu Bersama and taking its mission further, the KVN provides an avenue for employees and their families to make a greater commitment by volunteering for a social or environmental cause. The network is open to our employees as well as the employees of our related companies.

In 2022, our volunteers contributed to various causes across community development, arts & culture and festive celebrations. As a highlight, 62 volunteers contributed during the mini physical exhibition of Galeri Khazanah, where they worked together to curate an insightful programme that included artist talks, activities for students and guided tours. Volunteers also supported the *buka puasa* event held by Khazanah at Farm Fresh, UPM for children from Asrama Anak-Anak Yatim Darul Taqwa as well as activities hosted by Taman Tugu for World Environment Day, among others.



► *Buka puasa* event at Farm Fresh, Serdang



► Celebrating Raya with the underprivileged at Taman Tugu



► World Environment Day at Taman Tugu

# KHAZANAH AS A LEARNING ORGANISATION



## KHAZANAH MEGATRENDS FORUM (KMF)

Reflecting our drive to remain at the leading-edge of innovative thought, KMF brings together prominent leaders from business, government, academia and society to discuss trends and issues that will shape our collective future.

Held annually since 2007, KMF evolves on a yearly basis to reflect issues pertinent to the world at large. Themed *Development and its Complexities: Steering Our Way Through a Perfect Storm*, KMF2022 explored the complexities of driving economic development in a world that has been completely rocked across a variety of dimensions while looking at the unique opportunities for growth and advancement that this 'perfect storm' presents.

As the first hybrid edition of this flagship event, KMF2022 welcomed over 1,000 physical and 700 virtual invited guests from both local and international organisations, academic and socio-political communities. Attendees uncovered perspectives on our changing world across four key dimensions: Macro and Markets, Firms and Transformation, Growth and Development, and People and Leadership.

In the process, they heard from influential thought leaders including economist Professor Ha-Joon Chang; technopreneur Patrick Cao; NASA technologist Florence Tan; physician and parasitologist Professor Sanjeev Krishna; community activist Bill Walczak; Tan Sri Shamsiah Mohd Yunus, the Governor of Bank Negara Malaysia; and Dato' Abdul Rahman Ahmad, the Group CEO of CIMB Group Holdings Berhad.



**KMF2022 welcomed over 1,000 physical and 700 virtual invited guests from both local and international organisations, academic and socio-political communities."**



- ▶ A panel discussion under the People and Leadership section of KMF2022 featuring Dato' Abdul Rahman Ahmad, the Group CEO of CIMB Holdings Berhad and moderated by Nurazeyan Khalis, Director, Investments at Khazanah



- ▶ The keynote address of KMF2022, delivered by Professor Ha-Joon Chang, Professor of Economics at SOAS, University of London and moderated by Datuk Hisham Hamdan, Executive Director and Head, Public Markets at Khazanah

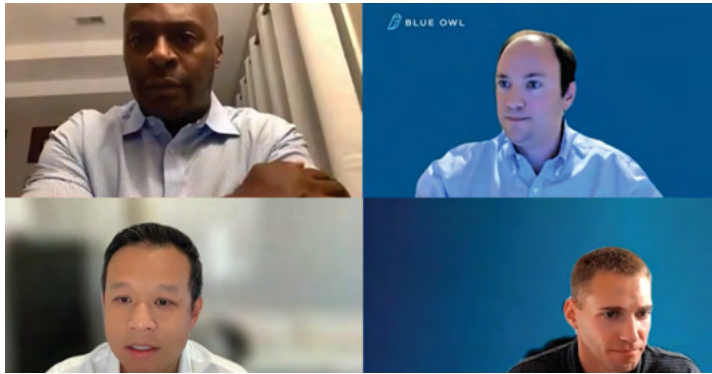


For more information KMF, visit  
[www.kmf.com.my](http://www.kmf.com.my)

## KHAZANAH KNOWLEDGE EXCHANGE (KKE) & TEA TALK SERIES

Connecting our employees to game-changing insights throughout the year, KKE and our Exchange (KKE) and Tea Talk Series feature a diverse range of speakers – including internal teams and leaders where they discuss important questions and issues.

In 2022, we held a total of 38 KKE and Tea Talk sessions, each delivered in an informal and collegiate setting that encourages a two-way dialogue. Highlights included:



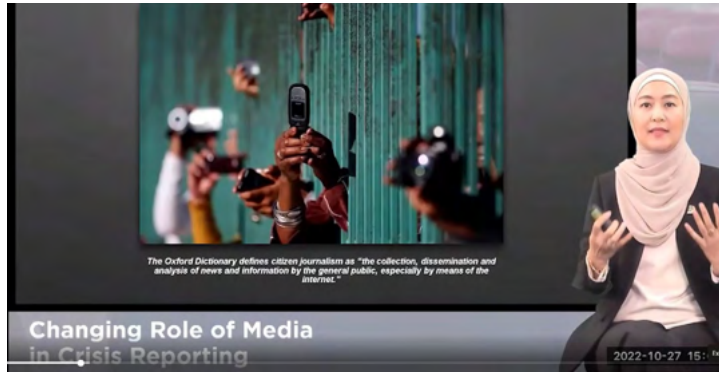
- KKE on *Data Analytics Series Learning from the Experts on Private Market*, moderated by Bryan Lim, Khazanah's Executive Director, Head, Dana Impak and Head, Healthcare



- KKE on *Data Analytics Series Learning from the Experts* discussion, moderated by Tengku Azmil Zahrudin, then Chief Investment Officer at Khazanah



- *The Impact Series Tea Talk* on Koko Loko: Do Good Eat Chocolate by social entrepreneur Armand Idrizam



- *The K-Residency Series Tea Talk* on The Changing Role of Media in Crisis Reporting by Khazanah Residency Programme media fellow 2022, Khairunnisak Dzun Nurin from Malaysia Airlines

## KHAZANAH GRADUATE TRAINEE PROGRAMME (KGTP)

With the aim of developing the nation's next generation of leaders, KGTP is a challenging 12-month programme that exposes top graduates to a wide range of sectors and areas, empowering accelerated growth in a fast-paced, dynamic environment.

Top performing graduates are offered the chance to continue their careers as an Associate with Khazanah, giving them a unique opportunity to apply their talents towards driving the nation's continued advancement.



► KGTP 2022 cohort Induction Day



For more information on KGTP, visit

[www.khazanah.com.my/careers/khazanah-graduate-trainee-programmes-kgtp/](http://www.khazanah.com.my/careers/khazanah-graduate-trainee-programmes-kgtp/)

### Recruits absorbed as permanent in 2021

**16**

absorbed from the **GTP - Investments 2021** programme as an Associate

**6**

absorbed from the **GTP - Khazanah 2021** programme as an Associate

### 2022 KGTP Cohort

**21**

recruited for **GTP - Investments**

**11**

recruited for **GTP - Khazanah**

### TOTAL RECRUITED UP TO YEAR 2022

**GTP - Investments: 219**

**GTP - Khazanah: 40**

## KHAZANAH RESOURCE CENTRE

Comprising an up-to-date business library and online information services, the Khazanah Resource Centre connects our employees to databases, information sources and news updates that enable them to deliver value across our core and non-core business functions.

## KHAZANAH LEADERSHIP DEVELOPMENT PROGRAMME (KLDP)

We developed KLDP to provide mid-level managers with the insights, inspiration and impetus to take their careers further.

Driven through lectures, coaching, simulation and action-learning components, KLDP develops the strategic and leadership skills of participating employees within a structured and intensive programme structure, preparing them to thrive amidst the challenges and opportunities that lie ahead.

## KHAZANAH SCHOLARSHIP PROGRAMME

With the aim of empowering the development of our employees and maintaining a pipeline of talent for future leadership positions, the Khazanah Scholarship Programme (previously known as YK4U) provides high-potential employees with financial support to pursue their postgraduate studies.



► Muhammad Najib, who is currently pursuing his Sloan Fellows MBA at MIT Sloan School of Management in Massachusetts, USA



► Immersion visit and sharing by Sekolah Buku Jalan Chow Kit, with a KLDP cohort

The programme is divided into two tracks:

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**Track 1 (Emerging Talent)** – a two-year scholarship for exceptional junior staff

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**Track 2 (Mid-Career)** – a one-year scholarship for mid-level to senior staff with identified leadership potential

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In 2022, one employee was sponsored under the Emerging Talent track, and two employees under the Mid-Career track, completing Masters degrees at MIT Sloan School of Management, King's College London and University of Chicago Harris School of Public Policy. This brings the total number of employees supported under the programme since its inception in 2014, to 58.

## STAFF DEVELOPMENT BENEFIT (SDB)

Supporting the continuous development of our workforce, the SDB provides financial assistance to employees who wish to enhance their knowledge, skills and competencies in fields that fall outside the formal training we provide.

Specifically, SDB supports part-time study of undergraduate or post-graduate courses and professional certification courses, for example, Chartered Financial Analyst (CFA), Chartered Institute of Management Accountants (CIMA) and Association of Chartered Certified Accountants (ACCA), with an emphasis on courses in job-related fields. To date, 138 employees have benefitted from the programme.

## KHAZANAH RESIDENCY PROGRAMME (KRP)



In line with our strategy of *Advancing Malaysia*, KRP provides high-performing professionals with an avenue to elevate their learning and development in globally respected institutions, empowering them to make a greater contribution to the nation's development.

KRP consists of three separate programmes – the Khazanah Public Service Residency, the Khazanah Media Fellowship and the Khazanah National Associate Artist Residency Programme – facilitating opportunities for professionals in public service, journalism and the arts respectively.



Follow our KRP programmes via

<https://www.khazanah.com.my/our-community/khazanah-residency-programme/>



@khazanahresidency

### The Khazanah Public Service Residency

The Khazanah Public Service Residency was held in 2018 and 2019, hosting a total of four participants from the Ministry of Transport and the Ministry of Energy, Science, Technology, Environment & Climate Change across the two years. Participants benefitted from a pre-programme engagement and applied learning through the Australia and New Zealand School of Government's Executive Fellows, as well as an action learning project assisted by the Razak School of Government (RSOG) and assigned mentor-coaches.

This culminated in each participant delivering a presentation to a set of panellists from Khazanah, identified ministries and agencies, and interested stakeholders.

Beyond deepening their knowledge in the evolving field of governance, the residency offered participants the opportunity to improve their leadership skills and expand their professional network, thereby strengthening their credentials to become impactful contributors to Malaysia's governance.



## Khazanah Wolfson Press Fellowship

Through the Khazanah Wolfson Press Fellowship, two Malaysian journalists and corporate communication professionals from Khazanah or Khazanah-linked companies are provided with a 10-week media fellowship in Wolfson College, the University of Cambridge, every year.

Through the fellowship, participants gain an invaluable opportunity to take a step back from the day-to-day demands of their job and immerse themselves in a specific area of interest within the fields of media and communication, with potential modules of study including climate change, media ecology, media ombudsmen, media and the internet, and global reporting.

Equally of value is the rich culture of academic debate that participants find themselves in, with students and academicians from around the world creating a vibrant environment that encourages assumptions to be challenged and knowledge deepened. This empowers them to become more

effective professionals in their field and make a greater contribution to the national discourse in Malaysia upon their return.

In total, we have sponsored 16 journalists and 8 corporate communications professionals since the fellowship's launch in 2013.



- The recipients of the Wolfson Press Fellowship 2023. From left: Shaiful Amrin Abdul Karim (Tenaga Nasional Berhad), Zhai Yun (Nat) Tan (The Edge Malaysia) and Ganeshwaran Kana, (Star Media Group Berhad)



Scan to view Khazanah Wolfson Press Fellowship 2023 video

## Khazanah National Associate Artist Residency Programme (KAAR)

Launched in 2017, KAAR connects up to two Malaysian artists per year with a life-changing experience, exposing them to the dynamic international art scene and elevating their craft to new levels.

Across a 12-week programme, participants are provided with studio accommodation, comprehensive artist support and professional development, with modules offered by Acme Studio in London. Within an inspiring international environment, they benefit from fresh and inspiring perspectives, the freedom to take creative risks without the pressure of commercial demands, and the chance to showcase their works in reputable exhibitions. These experiences empower them to grow in confidence and become thought leaders in their field.

Upon their return, participants are entrusted to impart the practical knowledge they have gained to the next generation of artists, thereby enriching the local art scene and encouraging their fellow artists to weave ever more compelling narratives of the nation's rich social and cultural heritage.

In 2022, we sponsored two artists under KAAR: Izat Arif and Yeoh Choo Kuan.



- Yeoh Choo Kuan at ACME studio, London, working on an experimental technique using a shoji screen divider

# KHAZANAH'S DIGITAL TRANSFORMATION

We are undergoing an organisation-wide digital transformation – called NexGen – that will enable us to fully unleash our capabilities in *Advancing Malaysia*.

NexGen is geared towards nurturing a culture of innovation and agility, enhancing our data and digital applications, and upskilling our workforce, with the overarching goal of digitising our processes to enable better business outcomes.



► A Digital Lunch 'N' Learn session held to upskill Khazanah employees



► Chief Technology Officer Circle held on 18 August 2022 with 12 Government-Linked Companies

The NexGen strategy comprises various programmes across three core pillars, which are detailed below:

## Pillar 1

**Architecture**

**Modernise technology architecture by implementing new digital platforms and building capabilities to continuously improve the quality of our decisions towards generating better business outcomes with accurate data.**

## Pillar 2

**Culture**

**Accelerate awareness to adopt digital tools, be equipped with future skills, and aim to be agile in improving teamwork through collaboration.**

## Pillar 3

**Enablement**

**Increases governance efficiency and monitoring structure with the shift to empower each of us to take control of our work through technology.**

We made strong progress on the rollout of NexGen in 2022, implementing a wide range of initiatives to digitise key functions and activities across our operations. Key achievements during the past year include:

- 1 Implementing a cloud-based corporate relationship management platform to centrally manage our external stakeholders, uncover insights into our relationships and improve collaboration across teams
- 2 Implementing robust data analytics solutions to drive data-driven decision makings such as an advanced search capability web application for research documents and a centralised data analytics solution for the nominee director candidates
- 3 Leveraging digital tools for our social impact initiatives by deploying a virtual gallery for a more immersive experience at Galeri Khazanah
- 4 Launching our Digital Academy – featuring modules such as Agile Ways of Working, Data Analytics, Cybersecurity, and Global Digital Trends – to better prepare us for the future of work
- 5 Conducting several digital knowledge-sharing initiatives to drive experience-sharing, networking and the application of digital knowledge within daily work processes
- 6 Undertaking university outreach programmes, with speakers sharing their digital transformation experiences with students from various public universities
- 7 Ensuring our digital assets are protected and safe against cyber threats
- 8 Leveraging a low code platform to build digital applications for rapid development and deployment of business needs
- 9 Setting up a centralised ticketing and service capabilities system to streamline technical support by efficiently managing and resolving issues, improving service delivery and satisfaction to the business



► University Outreach at Universiti Teknologi Mara (UiTM) Puncak Alam Campus

**2022,  
has seen us stay on course**

**We stay true to our purpose,  
guided by the strength of our  
leadership, driven by a singular  
focus, to optimise performance and  
deliver value for all with sustainability  
at the heart of our considerations while  
building capacity, vibrant communities and  
a winning team as we continue to forge ahead  
in our journey**



# FORGING AHEAD

**As we forge ahead in a rapidly evolving environment, we remain steadfast in contributing to national development and ensuring a sustainable future, towards *Advancing Malaysia*.**

To this end, our focus lies in undertaking investments through various deployment programmes, value creation plans as well as monetisation opportunities at the appropriate valuation, towards delivering sustainable economic returns.

While growing our Investment Portfolio, we continue building upon our developmental mandate which includes Dana Impak (our impact fund) execution to deliver socio-economic impact for the nation.

With a mandate that extends beyond financial returns, we will also remain committed to impacting Malaysian society by Building Capacity and Vibrant Communities alongside our affiliated entities.

In parallel, and as a good corporate citizen, we will continue to drive sustainability by embedding ESG considerations within our investment processes and building a sustainable organisation through our cultural and behavioural practices.

As a whole, our efforts will continue to focus on:

1

**Value creation efforts** on the Malaysian assets we are invested in

2

**Execute Dana Impak projects**, with the application of **SEMARAK**, an impact assessment tool as guidance

3

**Continue deployment of investments globally**, while maintaining a disciplined portfolio rebalancing approach

4

**Execute the Sustainability Framework**, while incorporating principles of Just Transition

5

Deliver societal value through **Building Capacity and Vibrant Communities** for the benefit of Malaysians





KHAZANAH  
NASIONAL

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