



aXiom of the Month

"We have the power to make this the best generation of mankind in the history of the world...or to make it the last."

- former U.S. President John F. Kennedy

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Celebrating **10** Years of FUELING HOPE!

It has been ten years since we established Petron Foundation as our company's corporate social responsibility (CSR) arm, and look at how far we have gone and accomplished.

What started as an annual Christmas gift-giving and a college educational assistance have now turned into a send-a-child-to-school program that is deemed one of the most comprehensive of its kind. *Tulong Aral ng Petron*, as well as other CSR programs, has also become a way of life for at least 80% of our workforce.

From mere corporate philanthropy, we turned compassion into passion and transformed lives in the process. We now have touched and given hope for a brighter future to some 5,000 scholars in Metro Manila and Mindanao. We have produced 565 outstanding students, 73 of whom have been first-honor students since 2003. Not only are these reasons to celebrate, but they also make us feel proud.

After ten years, we can say we have finally graduated – from being a gift-giver to a hope-giver. We are not just a leader in our industry; we also lead others in doing good.

Petron believes we are in a position to make a great difference by planting the seeds of hope in places where they will thrive – in our schools, in the hearts and minds of our Tulong Aral scholars, in their parents and teachers, in our employees, and in our partners. Join us as we continue our CSR journey in the decades to come.

Nicasio I. Alcantara
Chairman & CEO

Khalid D. Al-Faddagh
President

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Petron Foundation turns TEN

Petron chairman Nicasio I. Alcantara described it as a momentous occasion. And with around a hundred guests that included the first-honor students of Tulong Aral ng Petron and their parents, Petron Foundation's 10th year anniversary became more than the usual cocktail night.

On July 5, the Assembly Hall of Every Nation Leadership Institute in Bonifacio Global City turned into a fitting celebration of hope.

Books and other children's brickabats adorned the tables while mimes formed a rainbow with colored gloves as the music of Louis Armstrong's "What A Wonderful World" played on. Menchu Lauchengco's rendition of "Somewhere Over the Rainbow" and prima ballerina Lisa Macuja twirling created a dreamy scene that brought back the age of innocence.



Ms. Lisa Macuja-Elizalde, the country's *prima ballerina*, dramatizes the promise of hope through a brilliant ballet performance.

But the grand finale of the Petron Night was when teen songbird Cris Villonco belted out the Tulong Aral theme song while over a hundred Tulong Aral scholars took to the stage and sang to their hearts content. Just the sound of children's laughter and singing was enough to conjure images of angels in heaven. Also present during the celebration were parents of Tulong Aral scholars who adoringly clapped at every instance their children performed onstage.



With Petron's partners looking on, Chairman Nicasio Alcantara hands over to 7-year old Petron scholar Jhanna Sali a pot to symbolize the bright future that she and thousands of children can look forward to at the end of the rainbow called "Fuel Hope".

As a symbolic gesture of Petron's gratitude, Mr. Alcantara passed on a "pot of gold" to Petron Foundation's partners, namely: the Departments of Energy, represented by Secretary Raphael Lotilla; Social Welfare and Development, represented by Undersecretary Alice Bala; Education, represented by Dr. Teresa Domalanta, NCR Regional Director; and others in the private and non-profit organizations.

In his welcome speech, Mr. Alcantara said: "Ten years into making Petron Foundation

the vehicle for our corporate social responsibility, we have turned compassion into passion and we are transforming lives in the process. Tonight is a fitting celebration to mark this milestone."



Taking CSR to heart: The Petron Way

"Use whatever weapons of mass kindness in our arsenal... so that we can provide solutions that will not only welcome every child into schools, but provide them with the education that will enhance their skills and global competitiveness."

Marilou G. Erni, executive director of Petron Foundation, urged the country's business leaders to champion the social agenda for education as she unveiled the CSR roadmap, "Towards Making Education a National Priority" at the July 5 luncheon plenary of the recently held CSR Expo 2006.

As in the past three years, Petron was again one of the major sponsors of the three-day Expo, organized by the League of Corporate Foundations (LCF) and held July 5 to 7. This year's theme, "Taking CSR to Heart," is for companies practicing CSR to change the mindsets and practices in their organizations, and embody what the company stands for socially.

Apart from Ms. Erni, who chaired the Expo, Petron Corporation Chairman Nicasio I. Alcantara joined Mirant Philippines Chairman/President and CEO Jose P. Leviste, Jr. and Ayala Corporation President & COO Fernando Zobel de Ayala in a distinguished panel of industry captains as they responded to the challenges in social development poised by The World Bank Country Director Joachim Von Amsberg and the call for support to the CSR Roadmap presented by Ms. Erni.

"Our experience with CSR in Petron has taught us that getting the organization to rally behind a good cause is by itself easy to accomplish. But finding the cause that can make a lasting impact in society is the bigger challenge," said Mr. Alcantara during the

first day luncheon plenary on CEO Challenges to Sustainable CSR held as part of the joint meeting of the management Association of the Philippines and Makati Business Club, in partnership with the LCF. He further went on to stress that Petron's efforts in education spring from the belief that the long-term health of the Philippine economy critically depends upon reducing mass poverty, which in turn depends on improving the access of poor children - which is to say, the majority of the country's children - to a good education.

"Despite our best efforts, we have no illusion that these alone can make a significant dent on the problem. But rather than despair, we choose to take us our goal and inspiration, the fact that **there is always more that we can do,**" pointed out Mr. Alcantara.

Also showing the way at the Expo was Susan T. Jo, Petron's Treasury Officer, who passionately spoke about her life-changing experiences as an active employee volunteer. "Though my effort may not at all create a splash but a mere ripple, I know deep in my heart that through teaching and other volunteerism projects, I am able to touch the lives of my marginalized brethren," Ms. Jo said.



A chorus of hope. Chairman Nicasio I. Alcantara responds to the CSR Roadmap, presented by LCF CSR Expo Chair and PFI Executive Director Marilou G. Erni; Treasury's Susan T. Jo advocating employee volunteerism



Petron Leads Business Consortium in Rebuilding Southern Leyte

In April, Petron President and CEO Khalid D. Al-Faddagh spoke during a CEO forum with the media as a precursor to the Expo. Along with chief executives of LCF member companies, he spoke about making strategic and substantial investments to social development programs, specifically on education.



"CSR is everybody's business." President & CEO Khalid D. Al-Faddagh promotes the integration of CSR into the business during the pre-Expo CEO Forum.

Sharing the company's experiences in running its Tulong Aral ng Petron program, Mr. Al-Faddagh said: "As a CEO, I believe that doing good should not be confined to our foundations. CSR should be everybody's business. We

cannot shirk from our responsibility to help create a better society."

Aside from sponsoring and mounting an exhibit at the Expo, Petron also took CSR to the heart of the Petron organization by inviting Anne-Maree Huxley, a marketing, communications and sponsorship specialist who has successfully developed and implemented some of Australia's most successful and celebrated campaigns. Ms. Huxley presented the business case for CSR at a special two-hour session for Petron senior management, including the members of the Petron CSR team (composed of managers from different strategic business units).

Letting the good news out at the CSR Expo. (Photos at the opposite page) Petron executives in a meeting of minds with CSR experts from Australia; Petron's attractive exhibits decorate the halls of Every Nation Leadership Institute and Market! Market! (manned by employee volunteers); Tulong Aral outstanding scholars share the moment of joy with popular young singer Cris Villonco during the culmination of Petron Foundation's Fellowship Night.

Cynics once thought this patch of land will eventually be buried in memory, just like the tragedies that befell other parts of the country.

Soon, they will be proven wrong. Before the year ends, a hundred colorful houses, a multi-purpose hall, a day-care center, a Mabuhay House and a basketball court will rise in Liloan, a town in Southern Leyte that serves as relocation site for families who lost their loved ones during the February mudslides.

The thought of hope springing again from this hallowed ground made the turnover ceremony last June 2 both emotional and remarkable. Sixteen companies and organizations - including foreign governments - joined hands and formed a consortium that will enable the village to rise from the ashes of one of the country's biggest natural disasters.



Building a community, rebuilding hope. Petron Chairman Nicasio Alcantara (3rd from left, foreground) leads partners in constructing the Tulong Kapwa-GK Energy Village with (from left) Department of Energy Secretary Raphael Lotilla, National Transmission Corporation President & CEO Dr. Alan Ortiz, Mirant Philippines Foundation Executive Director Roberto Calingo, Gawad Kalinga Executive Director Antonio Meloto and Southern Leyte Governor Rosette Lerias (partly hidden)

Petron Corporation spearheaded the turnover of the first batch of houses to beneficiaries in Barangay Fatima in Liloan. Dubbed Tulong Kapwa GK-Energy Village, the community is being built on 3.5 hectares of land. Gawad Kalinga (GK) was tapped to oversee the rebuilding efforts, apart from providing programs on livelihood, health and nutrition, child and youth development, and values formation to beneficiaries. The Southern Leyte provincial government and the Liloan municipal government provided the land and site development.

In his remarks during the ceremony, Petron Chairman Nicasio I. Alcantara lauded the public-private partnership visibly present in the project. From just providing short-term relief assistance, the consortium sustained their help by establishing a long-term program.

"The Tulong Kapwa-GK Energy Village represents the wholehearted response of both business, government and civil society to make collective action work in turning tragedy into triumph," Mr. Alcantara said.

The first-of-its-kind partnership was organized by the Department of Energy and managed by Petron Foundation, together with the Philippine National Oil Company-Energy Development Corporation. Other members of the consortium of donors were: CalEnergy International Ltd., China National

Offshore Oil Company, ING Bank, Kepco Philippines, Manila Economic and Cultural Office, Taipei Economic and Cultural Office (TECO), Marubeni Corporation, Mirant Philippines, National Power Corporation, National Transmission Corporation, Nido Petroleum Philippines Pty. Ltd., Philippine Business for Social Progress, Philippine Electricity Market Corporation, Salcon Power Corporation, and San Roque Power Corporation.

TECO is building the Taiwan School of San Francisco in Southern Leyte. No other than Taiwan Representative to the Philippines Dr. Hsin-Hsing Wu led the groundbreaking

ceremonies for the school in the neighboring town of San Francisco.

Aside from helping coordinate the building of the schools, Petron is also providing classroom fixtures and support programs for children and members of the Parent-Teachers-Community Association.

Also present at the ceremonies were Energy Secretary Raphael PM Lotilla, Southern Leyte Governor Rosette Y. Lerias, Petron executives, and other top officials of the consortium of companies.

A bountiful YIELD in summer

While their peers were mall-hopping, tinkering with their RCs, or glued to their Xbox, 125 third-year students of the Muntinlupa Business High School (MBHS) were cleaning car windshields, checking tires, reading pump meters, serving food to customers, and manning the cashiers at Petron's fuel stations and store locators.

The third-year students comprised Petron's first batch of trainees under its Youth In Entrepreneurship and Leadership Program (YIELD), an intensive 240-hour on-the-job training program and the latest among Petron Foundation's many programs geared towards helping Filipinos overcome poverty through education. YIELD is conducted in partnership with MBHS, the Department of Education, the Technical Education and Skills Development Authority (TESDA), and Petron Dealers Association.

Under YIELD, every MBHS student was assigned to one of four Petron stations on C-5, Dasmariñas Makati, Filinvest and Petron Express Center (PEC) 2 in Laguna where he/she acquired hands-on experience in forecourt operations, food service operations, and back-office management. The on-the-job training was the last step in a seven month-long partnership that began in October 2005 when Petron approached MBHS to integrate skills-based subjects into the formal school curriculum.

"Its goal is to give students an edge, make them employable and able to hold part-time jobs or manage small businesses right after high school, as soon as possible, even while they're earning a college degree," says Rene Delfino, MBHS assistant principal and one of the developers of the Petron curriculum.



Cream of the crop. Jayron B. Sollestre receives the recognition as Most Outstanding Trainee in Forecourt Operations from TESDA's Office of Training Institutions Executive Director Teodoro E. Sanico, Petron Vice President for Marketing Jose K. Campos, Jr., and DepEd Regional Director for NCR Dr. Teresita G. Domalanta.



With a wave and a smile. With the Petron Fuel Hope-decked tank truck as backdrop, the pioneering batch of YIELD happily pose for posterity after their graduation, held at the Petron C-5 Diego Silang. This group of youth is blazing the trail for other high school students to undertake this unique entrepreneurship and leadership development program that aims to create the next generation of Filipino business leaders and wealth creators.

And so it did. Rose Benganos, one of the students assigned to forecourt operations in PEC 2, says: "YIELD taught me to get along with people, persevere and become more confident. Despite the summer heat, the weariness, and the sometimes unpleasant attitudes of some customers, we were taught to persevere and love our work."

At the graduation ceremonies last May 31 at the Petron C-5 Diego Silang station in Taguig City, Marilou G. Erni, Petron Foundation executive director, also presented a set of competency standards and competency-based curricula for Entrepreneurship and Forecourt Operations to its partners. Pending the TESDA Board's approval, the curricula could be used by any organization in the country to implement YIELD.

Dr. Teresita G. Domalanta, DepED NCR Regional Director, referred to Petron as "a company of hope." She said the company showed "utmost concern and recognition of the youth's gifts, skills and talents, and for being one with (the government) in the belief that our country can find strength in the Filipino youth."

In addressing the graduating youth, Petron Vice President for Marketing Jose K. Campos, Jr. lauded them for their achievements, while at the same time asking them to heed two lessons from this experience: 1) always value the dignity of work and, 2) never lose sight of the importance of education. "For the present, we hope that this program serves also to teach you to cherish the gift of education. We would like to instill in you the importance of finishing high school and going off to college to earn a degree. Strive always to add to your learning, to be better persons, to develop confidence and self-respect. And then you will be ready to enjoy the world of opportunities that will be open to you." He concluded his remarks with the promise that Petron is here, together with our partners, to help make these happen.

Sharing new standards in Accounting

PFI joined hands with Petron's Finance Division last June in supporting the seminar on International Financial Reporting Standards for business educators

The two-day session was intended to help educational institutions be current on the adoption of the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) as the global standards for accounting.

A total of 25 deans and professors from colleges and universities in Metro Manila, Cavite and Laguna attended the seminar, conducted by Wilson P. Tan, Partners, Financial & Commodity Risk Consulting



SGV & Co.'s Wilson P. Tan, conducts the IFRS seminar to business educators.

and Cyril Jasmin B. Valencia, Director, Accounting Standards Group, both from SGV & Co., and Petron Corporation Area Finance Head for Controllers Department Dennis S. Janson. *(with a report from Susan T. Jo)*

Volunteers and partners share the gift of education...

With its first year of partnership with World Vision Development Foundation, Petron undertook its distribution of school supplies to the 3,642 Tulong Aral scholars for the school year 2006-2007.

From June 14 to 27, Petron volunteers joined the WV staff, DSWD social workers and Tulong Aral parents in distributing the school supplies consisting of shoes, trolley bag, notebooks, socks, umbrella, and uniforms to the Tulong Aral scholars in the area. The distribution was conducted in Pateros, Taguig, Navotas, Caloocan, Pasay, Malabon, Las Pinas, Quezon City, Mandaluyong, Paranaque, Valenzuela and Manila.



Tulong Aral scholars in Mandaluyong receive their school supplies from DSWD Asec Alicia R. Bala and Petron Controllers Manager Dettie de Claro.

New corporate partner Credit Suisse, led by its Director Ms. Chiqui A. Huang, fielded a team of employee volunteers to the activity. Credit Suisse recently provided an educational grant to PFI to support 100 Tulong Aral ng Petron scholars.

Outside of Metro Manila, distribution was also done in Mindanao,

such as Zamboanga, Tagoloan, Davao, and Sarangani, where we have our 1,230 TA scholars in the Petron schools.



Partners like World Vision Development Foundation (above left) and Credit Suisse (above right) enable Petron to take collective action in effectively implementing Tulong Aral ng Petron.

...while teachers become reading advocates and change agents

More teachers in public elementary schools will soon acquire the training they need to promote the love and habit of reading among their students.

This is after Petron Foundation and Sa Aklat Sisikat (SAS) Foundation signed a Memorandum of Agreement last June that will sustain Petron Programang Kaakbay, which turns teachers into staunch reading advocates and change agents in their schools. The program provides highly motivated teachers additional in-depth training and support.

Over the next three years, the program will directly benefit 500 school teachers and 29,940 students from an estimated 290 schools in Luzon and Visayas. This will also positively impact on an additional 435,000 students and 8,700 teachers who will receive echo training.



Renewing partnerships. (From L-R) Petron Chairman Nicasio Alcantara, SAS President Margarita Delgado, SAS Board Member Neni Sta. Romana-Cruz, SAS Executive Director Amy Vijayanagar and Petron VP for Legal and External Affairs Jose Jesus Laurel

Summer (Camp) comes to a close

It was another exciting summer for 195 children of Petron employees who took part in the sixth Petron Kids' Summer Camp and the PBR Summer Camp held simultaneously over the months of April and May.



Well attended by parents and guests, the closing program last May 31 began with laudable performances from the Summer Camp participants. The two-hour program was filled with musical numbers and culminated with an abridged version of the stage play "Wizard of Oz," superbly enacted by the summer campers to the delight of the audience.



A total of 120 kids joined the Petron Kids' Summer Camp while 75 took part in the PBR Summer Camp.

Nasipit depot promotes education

Reading program goes to Agusan del Norte

The town of Talisay in Nasipit, Agusan del Norte became the latest beneficiary of the Sa Aklat Sisikat Reading Program launched at Talisay Elementary School (TES) last July 6.

In attendance during the ceremony were Nasipit Mayor Enrico Corvera, Talisay barangay chairman Dem Suico, representatives from the Department of Education's regional office, administrators of nearby schools, officers and members of the Parent-Teachers Association, and grade 4 students of TES.

Petron Nasipit Depot Superintendent Silverio L. Gaviola turned over reading materials together with SAS Foundation project monitor Ravelth Castro to TES principal Teresita Mantilla and DepED district supervisor Dr. Freddie Canoy during the ceremony.

Mayor Corvera led guests in thanking SAS Foundation and Petron for bringing the reading program to Talisay. Petron also recently turned a brand-new three-classroom Petron School in the town.



Petron Nasipit Depot Superintendent Silverio L. Gaviola, Nasipit SAS Foundation project monitor Ravelth Castro, DepEd district supervisor Dr. Freddie Canoy, TES principal Teresita Mantilla, and Nasipit Mayor Enrico Corvera during the symbolic turnover of SAS reading materials.