

SUSTAINABILITY REVIEW

SOCIAL

The Group's social agenda takes into consideration the human impact of our operations. As an employer of choice, we constantly examine how our business can positively impact our employees' development, wellbeing and safety, promote diversity, champion human rights and enrich the communities in which we operate.

As our employees are the heart of the company, we have made a strong commitment to nurture their professional growth and development, and to ensure that we provide them with a workplace that is healthy, safe and secure. We also promote diversity at all levels of the Group, and champion the protection of human rights, ensuring that our people are treated with dignity, respect and fairness.

Malaysia Airports also engages with the communities that we serve. We develop and execute community-centric programmes that promote the well-being of these communities, focusing on those who are underserved and those in need. In times of humanitarian crises, Malaysia Airports steps forward to alleviate the hardship of those in need of a helping hand.



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OUR APPROACH AND PROGRESS IN 2023

Community Engagement #MYAirportCares

In 2023, Malaysia Airports invested RM429,927.56 in its community enrichment programmes under the umbrella #MYAirportCARES reaching out to 3,343 beneficiaries throughout Malaysia. There were numerous heartwarming programmes which saw our employees together with other members of the airport community coming together to benefit the communities we serve.

MYAirportCARES School Airport Tour

This programme aims to inspire young aviation enthusiasts through engaging airport tours. In 2023, the programme enabled 1,848 students from 40 primary and secondary schools to visit our airports and learn first-hand about airport operations. A total of 21 airports around Malaysia opened their doors to these budding aviation enthusiasts, with members of the airport community conducting behind-the-scene tours at various airside and landside locations.

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High Fliers

The High Fliers programme nurtures cohorts of our employees' children who are secondary school students and aims to enhance their leadership potential communication skills, teamwork as well as critical and creative thinking. In 2023, we introduced a Mandarin language module to the current cohort of 29 students to expand their communication skills. The students also attended a smart learning workshop to hone their leadership capabilities and nurture academic excellence. In addition, Malaysia Airports provides the students with a 'back-to-school' allowance for them to prepare for the new school year.

Education aid

Identifying B40 students in the vicinity of KUL and KCH, we contributed school uniforms and back-to-school supplies to enable 300 students to start the new school year in good spirits. We also collaborated with MyKasih Foundation to providing funding for a further 300 needy students through the use of MyKasih student smartcards which can be used to purchase food and drinks at school canteens, as well as books and stationery at the school bookstores. In addition, in conjunction with the CAPA Asia Aviation Summit & Sustainability Awards 2023 hosted by Malaysia Airports, a donation of smart TVs and sports equipment was made to the SK (Asli) Bukit Bangkong, a primary school in the vicinity of KUL.

Festive cheer

At the MYAirportCARES Ceria Aidilfitri dan Majlis Berbuka, Malaysia Airports celebrated with an estimate 700 invited guests among whom were mosque congregations. Donations to the needy were also made to bring festive cheer to their families.

Humanitarian Relief

To alleviate the suffering of communities devastated by humanitarian crises, Malaysia Airports stepped up to contribute towards the humanitarian relief efforts.

Earthquake in southeast Türkiye

Following the devastating earthquake in southeast Türkiye in February 2023, SAW was used as a rescue and logistics hub for rescue personnel and relief efforts, as well as a crisis management centre. Our colleagues at the airport provided all necessary support and assistance including providing food and drink for those involved in the relief efforts. In addition, Malaysia Airports together with SAW and our employees made a donation for humanitarian relief of over EUR5.0 million to the Government of Türkiye, the Disaster and Emergency Management Authority of Türkiye (AFAD) and Turk Kızılay (Turkish Red Crescent).

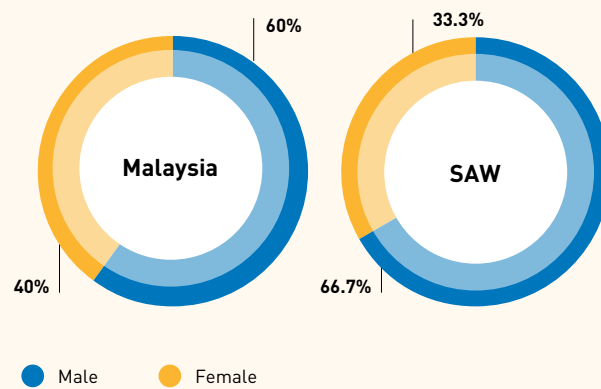
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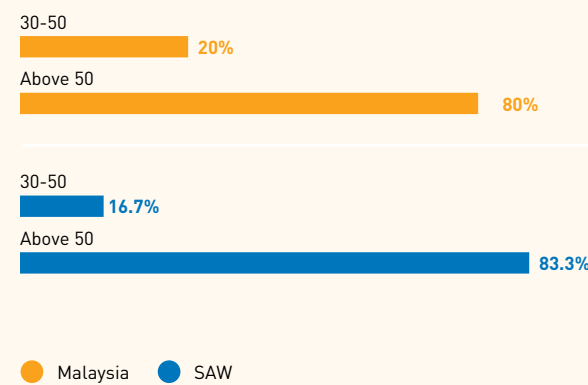
Diversity

Our reporting on diversity throughout Malaysia Airports at Board, Management and employee levels is characterised primarily by gender and age. We serve a diverse group of stakeholders, as such, it is important that we have a diverse workforce that can engage effectively with our stakeholders on a range of issues. As an equal opportunity employer, we are committed to ensuring that there is no discrimination against gender, age, religion and physical disabilities.

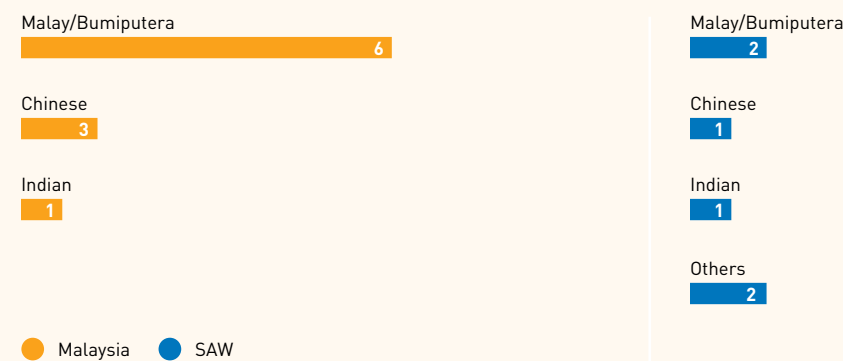
Board Members by Gender



Board Members by Age



Board Members by Ethnicity

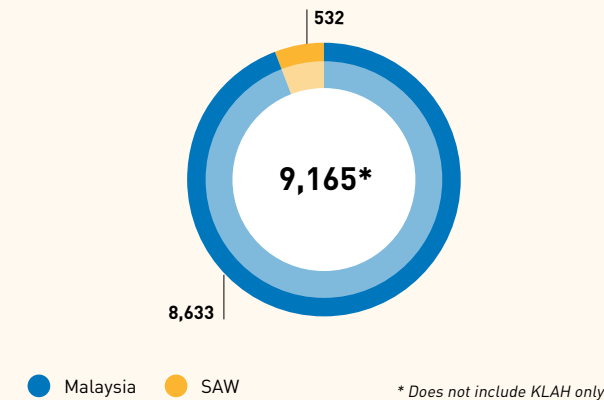


Note: The data of Board Member is as of April 2024.

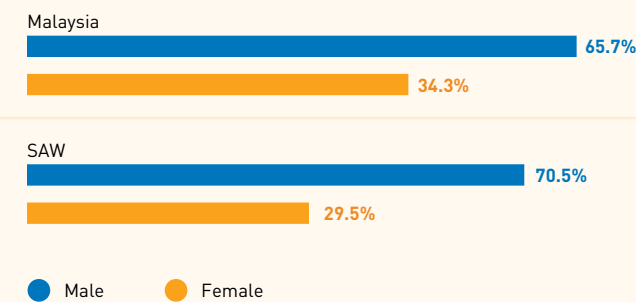
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Employee Diversity

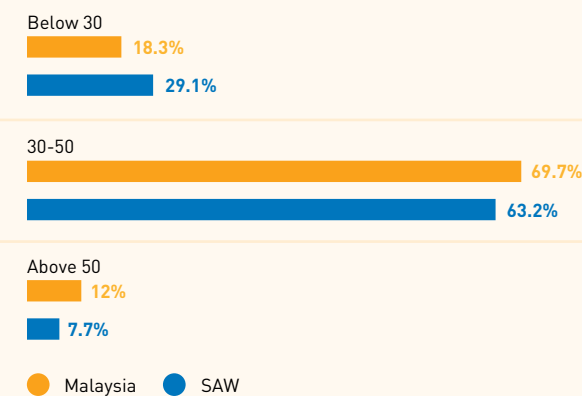
Employees by Region



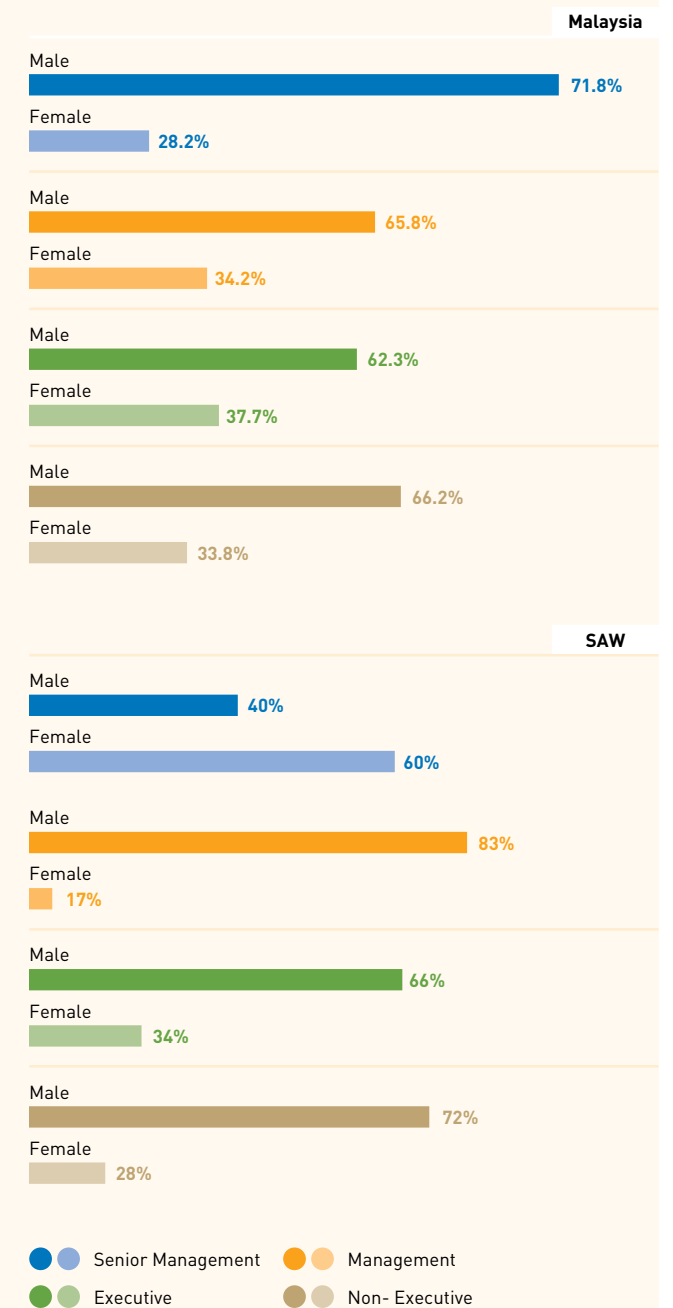
Employees by Region and Gender



Employees by Age Group



Percentage of Employees per Employee Category by Gender



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Health and Safety

As the safety of our staff is a key consideration for Malaysia Airports, we make it compulsory for all employees to complete occupational safety and health training modules which cover key topics such as understanding OSH policies, Noise Awareness, Chemical Management Awareness and Indoor Air Quality.

The Group's Occupational Health and Safety (OSH) Department also organises activities to get our employees involved and interested in health and safety. We also conduct safety briefings for all employees located at its headquarters to remind business units of the importance of full compliance with applicable international and national statutory and regulatory requirements. This is crucial to keep the workplace free from hazards to prevent injury, ill health and ensure safety to all customers, vendors and public. The following action was taken in 2023 to reinforce the importance of health and safety and prevent workplace accidents.

Training

In addition to mandatory online training, the OSH department conducts safety briefings, safety, health and environmental induction sessions and OSH knowledge sharing sessions. These sessions include specific areas such as OSH Technical training for all airports and subsidiaries, HIRADC (Identify Hazard, Risk Assessment and Determining of Control), chemical management, safety working at height, fire prevention and control, First Aid, CPR and AED training, and Airside Safety Briefings.

Communication

We regularly broadcast OSH alerts across the Group to increase awareness among staff. Focus areas include information on communicable diseases such as Influenza, COVID-19, Ergonomics, incident statistics and lessons learned, as well as safety and health tips and guidelines.

OSH audits

We conducted OSH compliance audits, workplace inspections and enforcement action to identify and address safety issues. OSH Committee meetings and workplace inspections are conducted on a quarterly basis with representatives from various divisions to update on OSH performance, gather feedback on OSH-related issues and discuss applicable solutions and best practices. We also conducted OHSMS refresher training for internal auditors and trainee auditors.

Getting our employees involved

We conducted Toolbox Talks for employees, organised Health Carnivals to encourage our employees to lead healthy lifestyles and organised a Safety and Health Day 2023 to raise awareness about the importance of occupational safety and health through various programmes and seminars.

Safety, Health and Environment (SHE) committee engagement

The OSH department worked closely with the SHE Committees to promote safety and health at workplace, incident prevention and OSH compliance. Four Safety, Health, and Environment (SHE) regional meetings were held in the year with all airport managers and the SHE Secretary of all airports to update on OSH performance and discuss issues relating to OSH compliance.

Engagement with authorities

We also engage regularly the relevant authorities to prevent workplace accidents and curb COVID-19 infections such as the Ministry of Health, Department of Occupational Safety, and continuously monitor legal and other requirements to ensure the Group's compliance.

Regular **safety briefings, safety, health and environmental induction sessions**

OSH alerts are broadcasted regularly across the Group

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In terms of occupational accident indicators, for operations in Malaysia, there were no fatalities in 2023. The incident rate however rose to 1.01 in 2023 from 0.45 in 2022. The frequency rate also showed an increase from 0.18 in 2022 to 0.40 in 2023. The severity rate also rose from 5.1 in 2022 to 7.31 in 2023. In order to prevent workplace accidents, following action have been taken:

- Ongoing OSH compliance audits and enforcement.
- Publishment of OSH alerts to increase awareness among staff. Focus areas are:
- Information on communicable disease i.e Influenza, COVID-19 etc.
- Incident statistics and lessons learned.
- Safety and health tips and guidelines.
- Mandatory online training, safety briefing and specific OSH knowledge sharing sessions.
- Conducted knowledge sharing sessions regarding HIRADC (Identify Hazard, Risk Assessment and Determining of control), Chemical Management, First Aid management, incident investigation and prevention etc.
- Conducted 4 sessions Safety, Health, and Environment (SHE) regional meeting on 23 & 24 Feb 2023 with all Airports managers and Airports SHE Secretary to update OSH performance and gather any issue related to OSH compliance.
- Conducted OSH Committee meetings and workplace inspection on Quarterly basis with representatives from various divisions. To update OSH performance, gather any issues related to OSH and find the best solution.
- Worked closely with all the airports SHE Committees in promoting safety and health at workplace, incident preventions and OSH compliances.
- Engagement with respective authorities in preventing workplace accidents and COVID-19 infection i.e KKM, DOSH, MKN, JTK etc.

- Conducted OHSMS refresher training for internal auditors and trainee auditors.
- Conducted various safety and health awareness training i.e : safety working at height, fire prevention and control, safety, health and environmental induction, Basic Occupational First Aid, CPR, & AED training, Use 3 point contact for step ladder training, Airside Safety Briefing.
- Conducted Toolbox Talk for employees.
- Organised Health Carnival to emphasised healthy lifestyle.
- Conducting physical OSH Technical training for all airports and subsidiaries.
- Organised Safety and Health Day to raise awareness about the importance of occupational safety and health. Various programmes and seminars during OSH Day 2023.
- Continuously monitor legal and other requirements compliance.



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For operations in Türkiye, there were also no fatalities at SAW in 2023. The incident rate rose from 7.0 in 2022 to 11.0 in 2023. The frequency rate also increased from 0.054 in 2022 to 0.075 in 2023 while the severity rate rose from 2.72 in 2022 to 3.43 in 2023. In view of this, the following actions have been taken to reduce the incident rate:

Workplace training programmes

One of the key programmes was the 'Working at Heights' training for employees which increases their awareness of the dangers and risks of working at heights. The programme also trains them on safe work procedures and equipment use as well as the use and maintenance of personal protective equipment.

Vocational training and certification

We enrol our employees in structured training programmes which offer vocational qualification and certification. Requiring employees to obtain vocational qualification certificates ensures that they have the necessary knowledge and skills for their work, and this is a significant step in reducing the incident rate, creating a safe working environment and reducing the risk of accidents in workplace.

Strict follow-up actions

We have also conducted site observations to identify hazardous and risky situations. Reports on the identified actions together with solutions are discussed with the relevant units. Strict follow-up reviews are conducted to eliminate non-conformity and ensure compliance.

We will continue to emphasise health and safety in the workplace in our commitment to ensure the safety of our employees.

‘Working at Heights’ training for employees

Employees obtain vocational qualification certificates

Strict follow-up reviews are conducted to ensure compliance

Learning and Development

Employee learning and development is an important aspect of our social goals in line with the Group’s policy to create an inspiring workplace for employees and nurture their professional and personal growth. It is also a critical aspect of our Group’s strategic focus. In 2023, for operations in Malaysia, learning and development was a central focus, with the average training hours rising by 45.7% YoY to 51 hours per employee, compared to 35 hours per employee in 2022. The Group’s investment for training for employees in Malaysia rose 69% YoY to RM3.9 million in 2023, compared to RM2.3 million in 2022.

At SAW, the average training hours per employee was 3.8 hours.

Learning and development programmes in 2023 focused on two key areas, namely developing leaders and improving competencies.

Developing leaders

Two programmes, MARVEL (Malaysia Airports Visionary and Effective Leadership) for executives and BEST (Building Empowered Supervisory Teams) for non-executive employees were the Group’s signature leadership programmes. The programmes aim to enhance their leadership skills and competencies.

The MARVEL programme for executives is a eight months modular programme consisting of four modules with coaching sessions. On the other hand, BEST for non-executive employees is a two-day comprehensive module aimed at equipping supervisors with the necessary skills to effectively manage their teams. Since 2022, we have successfully completed five cohorts of MARVEL and three cohorts of BEST. This programme is conducted annually to continue developing and nurturing leaders within the Malaysia Airports.

Employee is given the opportunity to explore external training opportunities of their interest, such as seminars or conferences, to enhance their leadership skills and stay updated on the latest global business trends. This allows senior leaders to continue their professional development and stay at the forefront of industry best practices.

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Improving competencies

Among the notable programmes which cover a wide range of competencies throughout the Group are:

Collaboration with Universiti Teknologi Mara

This programme enables employees to pursue a part time degree in Accounting. The five-year course began in 2021 and the cohort will graduate in 2025. The course fees are sponsored by Malaysia Airports and participants are required to fulfil a five-year bond. This unique initiative, endorsed and approved by management, is designed to equip non-executive staff in the Finance Division with the necessary skills and knowledge to qualify for higher positions within the division in the future.

ISG-MAHB Cross Fertilisation Programme

This short-term and long-term talent exchange programme for our employees in Malaysia and Türkiye enables them to gain new cross-cultural reference points, enhance leadership skills and improve functional skills while living and working abroad.

Malaysia Airports also provides assistance to employees who are nearing retirement age to facilitate continued employability following retirement. The Group’s pre-retirement programme assists employees in preparing for their retirement by providing them with the necessary support and resources to plan for a smooth transition into retirement. It also empowers employees to make informed decisions regarding their financial security, health and overall wellbeing during their retirement years.

Human Rights

The protection of human rights is fundamental to Malaysia Airports’ operations. In the area of employment, the Group ensures compliance with relevant legislation and the relevant International Labour Organization (ILO) conventions as applicable to corporations. The table below maps out Malaysia Airports’ compliance with relevant legislation in Malaysia and international best practice.

No.	ILO Conventions	Malaysian Employment Law	Malaysia Airports’ Compliance
1	C029 - Forced Labour Convention, 1930 (No. 29)	Employment Act 1955 Sabah Labour Ordinance Sarawak Labour Ordinance	The Group complies with all provisions of the relevant employment legislation and subsidiary legislation made thereunder.
2	C098 - Right to Organise and Collective Bargaining Convention, 1949 W(No. 98)	Industrial Relations Act 1967	The Group recognises the right of employees to collective bargaining. Collective Agreements in place with three unions – KESMA, KEPEMAB and KEPMAS.
3	C100 - Equal Remuneration Convention, 1951 (No. 100)	Employment Act 1955 Sabah Labour Ordinance Sarawak Labour Ordinance Minimum Wages Order 2022	The Group complies with all provisions of the relevant employment legislation and subsidiary legislation made thereunder.
4	C138 - Minimum Age Convention, 1973 (No. 138)	Children and Young Persons (Employment) Act 1966	The Group stands guided by the provisions of the Act. Under the Group’s recruitment guidelines and practices, we do not hire young persons as stated by the Act.

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No.	ILO Conventions	Malaysian Employment Law	Malaysia Airports' Compliance
5	C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)	Children and Young Persons (Employment) Act 1966	As above for no. 4.
6	C187 - Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)	Occupational Safety and Health Act 1994	In addition to complying with the legislation, the Group's Safety and Health Policy reflects the provisions of the convention.
7	C095 - Protection of Wages Convention, 1949 (No. 95)	Employment Act 1955 Minimum Wages Order 2022	The Group stands guided by the Minimum Wages Order 2022, and under the Group's compensation and benefits policies, the minimum wage is RM1,500 as prescribed by the Order.
8	C119 - Guarding of Machinery Convention, 1963 (No. 119)	Factories and Machinery Act 1967	In addition to complying with the legislation, the Group's Safety and Health Policy reflects the provisions of the convention.
9	C123 - Minimum Age (Underground Work) Convention, 1965 (No. 123)	Children and Young Persons (Employment) Act 1966	The Group stands guided by the provisions of the Act. Under the Group's recruitment guidelines and practices, we do not hire young persons as stated in the Act.
10	C131 - Minimum Wage Fixing Convention, 1970 (No. 131)	Employment Act 1955 Minimum Wages Order 2022	The Group stands guided by the Minimum Wages Order 2022, and under the Group's compensation and benefits policies, the minimum wage is RM1,500 as prescribed by the Order.
11	C081 - Labour Inspection Convention, 1947 (No. 81)	Not applicable (obligations of governments)	Not applicable
12	C088 - Employment Service Convention, 1948 (No. 88)		
13	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)		
14	MLC, 2006 - Maritime Labour Convention, 2006 (MLC, 2006)	Not applicable to Malaysia Airports' business	Not applicable

In 2023, the Group received two complaints pertaining to human rights violations namely complaints of sexual harassment. Out of the two cases, one has been withdrawn and is considered closed. The other case was investigated in accordance with the Group's internal procedures which is confirmed valid and has been effectively closed.

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Collective Bargaining

Malaysia Airports recognises the right of employees to collective bargaining. Approximately 83% of the employees in Malaysia are covered by collective bargaining agreements with three unions – KESMA, KEPEMAB and KEPMAS. In 2023, the Group entered into fresh collective agreements with the three unions for the period from 2024 to 2026.

Standards and Certification

Malaysia Airports aims to certify its key businesses in accordance with applicable standards to incorporate leading industry best practices in its operations. This promotes delivery of services of a consistent high quality while embedding occupational health and safety considerations in business decision-making.

The ISO 9001: 2015 Quality Management Systems covers the Group headquarters, the entire airport network in Malaysia, the retail sale of duty free and non-dutiable goods, the facilities management business and its agriculture arm. The ISO 45001:2018 Occupational Health & Safety Management Systems covers Malaysia Airports' headquarters, the entire network of airports in Malaysia together with its facilities management business.

Standards	Certified Businesses
ISO 9001: 2015 Quality Management Systems	Malaysia Airports Holdings Berhad Malaysia Airports (Sepang) Sdn Bhd Malaysia Airports Sdn Bhd, Malaysia Airports (Niaga) Sdn Bhd Urusan Teknologi Wawasan Sdn Bhd MAB Agriculture-Horticulture Sdn Bhd
ISO 45001:2018 Occupational Health & Safety Management Systems	Malaysia Airports Holdings Berhad, Malaysia Airports (Sepang) Sdn Bhd Malaysia Airports Sdn Bhd Urusan Teknologi Wawasan Sdn Bhd