



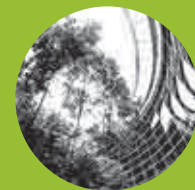
MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)

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SUSTAINABILITY REPORT 2012

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2012 Sustainability report



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ABOUT THE REPORT

This is the fourth Malaysia Airports Holdings Berhad (henceforth, 'Malaysia Airports') Annual Sustainability Report. This report parallels and complements our 2012 Annual Report.

This report is written in accordance to the Global Reporting Initiative (GRI) G3.1 Guidelines and GRI's Airport Operators Sector Supplement (AOSS). The content of this report has been verified by an independent external agency to ensure accuracy and reliability of this report. The third party verification institution has assured that the report conforms to the "C+" application level of the G3.1 and AOSS guidelines. In order to avoid duplication of information, some requirements of GRI are reported in our 2012 Annual Report as indicated in our GRI Index on Page 29.

This report also reflects Malaysia Airports' activities in relations to ISO9001, OHSAS18001 and ISO14001 standards where applicable. The Malaysian Ringgit (RM) is used as the standard currency for this report.

This report covers Malaysia Airports and the Malaysian airports within its corporate structure as reflected in the holding company's consolidated financial statements. Airports refer to stations whereby Malaysia Airports holds a major stake in and/or has direct managerial control over. Data on airports where Malaysia Airports has stakes outside Malaysia have been excluded from further discussion in this report. Coverage on the holding company's subsidiaries is also not exhaustive in this report.

This report covers Malaysia Airports' performances throughout January to November 2012 (and up to December 2012 only where data is available at time of assurance audit). All information in this report parallels our Annual Report for the corresponding year. Targets stated in this report are guided by milestones provided in our Business Direction document ('Runway to Success,' published in 2010).





Malaysia Airports is a signatory of the Aviation Industry Commitment to Action on Climate Change (2008), a multi stakeholder industry declaration to create a pathway to carbon neutral growth and a carbon free future. Malaysia Airports also contributes as a working group member to the National Green Technology and Climate Change Council (GTCCC) in the Transportation Sector.

In 2012, Malaysia Airports also participated in a stakeholder consultation workshop for the formulation of the National Carbon (GHG) Disclosure Program. Malaysia Airports holds membership in various Airport Council International (ACI) world and regional committees, including the World Environment Standing Committee (WESC).

Malaysia Airports' fifth Sustainability Report will be due in parallel with our 2013 Annual Report. This report and our previous reports are available via PDF and can be downloaded from Malaysia Airports' corporate website at <http://www.malaysiaairports.com.my>

Point of contact for queries and feedback with regards to this report:

MAJIDAH HASHIM

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CHAIRMAN AND MANAGING DIRECTOR'S JOINT ADDRESS

Dear Stakeholders,
It is our pleasure to present
**Malaysia Airports' 2012
Annual Sustainability Report.**

Having been in the aviation industry for twenty years, Malaysia Airports is testimony that evolution in business strategy is necessary to remain ahead of our competition. Our years of experience have seen us transform the face of airports in Malaysia from functional point-to-point gateways, to exciting travel destinations capable of generating memorable experiences in its own right. Though faced with many challenges over the years, our airports lend to us a great sense of pride, and this is something that radiates strongly not only among our direct employees, but also with anyone who has had any management and operational relationship with us.

There is more to Malaysia Airports than being one of the world's largest airport management company. We are also entrepreneurs, employers, techno-literate consumers, passengers and members of our community. It is therefore our aspiration to establish an organisation which is not only profitable, but in the greater scheme of things, creates long-term value to all our stakeholders. This is where our concern for sustainability is taken to heart.

This sustainability report demonstrates Malaysia Airports' commitment to balancing our accountability for our financial and non-financial performance in the year 2012. In corresponding to our company's Vision and Mission, five material issues were internally developed. These issues represent not only the interest of our stakeholders in the areas of marketplace, workplace, environment and community, but also lend a focus on quality and innovation – areas which Malaysia Airports are passionate and proud of.



THANK YOU SO MUCH

The table on Page 6 describes how sustainability issues are positioned to support Malaysia Airports' Vision and Mission. Key sustainability issues are further elaborated in ten headings (coloured blue) to describe our performance in 2012. This report has been structured as per this table.

In year 2012, Malaysia Airports' focus has been in fortifying our position in the aviation industry. While our financial performance will demonstrate our revenues generated in the reporting period, we believe that it is equally fundamental that we position ourselves as a formidable competitor in the aviation business in the long run. Planning with sustainability in mind ensures that our business continues to yield the best value for our shareholders, regardless of the current economic climate. In order for an organisation to stay in business, it must continually evolve with the highest standards of service in mind. Malaysia Airports believes in keeping abreast with the latest in technology, but also in nurturing in-house talent.

Upholding ethics, integrity and human rights is essential as Malaysia Airports establishes itself as a credible and exemplary employer both locally and internationally. As a provider of services, we believe that every one of our employee, is an ambassador of our company. More than that however, as the gatekeeper of the major gateways into Malaysia, our employees are also ambassadors of our country. It is therefore our duty to create a warm, friendly and hospitable impression of Malaysia to each and everyone we encounter.



BIDDING FAREWELL TO

TAN SRI DATUK DR. ARIS OTHMAN

Malaysia Airports bid farewell to Y.Bhg. Tan Sri Datuk Dr. Aris Othman whose last day as Chairman of Malaysia Airports was on 6 June 2012.

Tan Sri Aris has been with Malaysia Airports since 7 June 2003 and during his tenure, his vast experience in finance, banking and economics has guided and inspired Malaysia Airports to achieve greater heights. Known for his high regard for discipline and integrity, under his stewardship the Board of Malaysia Airports has been recognised by Minority Shareholder Watchdog Group (MSWG) and National Awards for Management Accounting (NAfMA) for its high standards in Corporate Governance and Best Practices in Management Accounting.



COMPANY NAME

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-w)

CORE BUSINESS

Managing & operating Malaysia's 39 airports as well as providing airport-related services



OUR AIRPORTS IN MALAYSIA

- KL International Airport (KLIA/KUL)
- Penang International Airport (PEN)
- Langkawi International Airport (LGK)
- Kuching International Airport (KCH)
- Kota Kinabalu International Airport (BKI)



International

- Bintulu Airport (BTU)
- Labuan Airport (LBU)
- Lahad Datu Airport (LDU)
- Limbang Airport (LMN)
- Melaka Airport (MKZ)
- Miri Airport (MYY)
- Sandakan Airport (SDK)
- Sibu Airport (SBW)
- Sultan Abdul Aziz Shah Airport (SZB)
- Sultan Abdul Halim Airport (AOR)
- Sultan Ahmad Shah Airport (KUA)
- Sultan Azlan Shah Airport (IPH)
- Sultan Ismail Petra Airport (KBR)
- Sultan Mahmud Airport (TGG)
- Tawau Airport (TWU)
- Mulu Airport (MZV)
- Pangkor STOL port (PKG)
- Redang STOL port (RDN)
- Tioman STOL port (TOD)
- Lawas STOL port (LWY)
- Marudi STOL port (MUR)
- Mukah STOL port (MKM)
- Kapit STOL port (KPI)
- Belaga STOL port (BLG)
- Bario STOL port (BBN)
- Long Seridan STOL port (ODN)
- Long Lellang STOL port (LGL)
- Long Semado STOL port (LSM)
- Bakelalan STOL port (BKM)
- Long Akah STOL port (LKH)
- Kudat STOL port (KUD)
- Long Pasia STOL port (GSA)
- Long Banga STOL port (LBP)
- Semporna STOL port (SMM)



Domestic

Throughout 2012, Malaysia Airports has worked hard in encouraging healthy lifestyles for our employees of all levels. Sports events in particular, not only motivates our staff to exercise, but also promotes teamwork and camaraderie. In prioritising wellbeing of our employees, we hope to reduce turnover and retain a great pool of highly trained personnel who are experts in their chosen profession.

We believe that taking responsibility for the environment is necessary to ensure the continued growth of our company. In this affect, Malaysia Airports is committed to making our airports leaner and greener, in earning our license to grow. In our continued effort to spread awareness on environmental consciousness among our employees and community, we have embedded initiatives to reduce our consumption of resources i.e. water and energy into the operations of all our airports.

Dealing on an international stage, the eyes of the world are on us. The eyes of the passengers who pass through our airports on a daily basis. The eyes of consumers who browse through our retail offerings. The eyes of the various vendors, suppliers, contractors and business partners who associate themselves with us. The eyes of our employees and colleagues who work with us. The eyes of our friends. The eyes of our families.

We feel a sense of responsibility to each and every one of you and thank you for embarking on this journey with us.

TAN SRI DATO' DR. WAN ABDUL AZIZ
Chairman

TAN SRI BASHIR AHMAD
Managing Director

PRACTICING SENSIBLE ECONOMICS

At Malaysia Airports, we believe that practicing sensible economics means that we run a profitable business with strong long term growth potential. By continuously seeking to grow our profitability, especially from the non-aeronautical segments of our business, we are not only able to sustain a healthy financial bottom line, but also uphold our responsibility to cater to the aviation needs of our local communities. This is achieved through cross subsidising the community based airports under our management with our more profitable airports. Sustaining these airports is important to us as it provides local communities to critical accessibility to education, medicine and other supplies, especially at hard to reach areas.

Adhering to the spirit entrusted upon Malaysia Airports in our Operating Agreement, we are also committed to a revenue sharing mechanism with the Malaysia Government. As such, growing our revenue base simultaneously contributes positively to the country's financial wellbeing, and reflects positively on Malaysia Airports as a concession holder over the long term.

Our airline partners are a vital component of our business. Understanding that the sustainability of their business has a direct impact upon ours, Malaysia Airports believes that it is strategically fundamental to offer the best value to them for a win-win business symbiosis. In this breath, Malaysia Airports provides a low cost base for airline operations through competitive aeronautical charges.



ENHANCING COMPETITIVENESS

With 20 years of aviation experience in our portfolio, Malaysia Airports has developed a keen and analytical sense for anticipating future aviation trends. We were among the first players in the Asian market to anticipate the huge potential for low cost travel, resulting in the world's first dedicated low cost carrier terminal in the mid 2000s, which served as the base for AirAsia's growth.

Today, we are taking another leap in spearheading growth in this sector by constructing klia2. Set to be the world's largest purpose built terminal for low cost carriers (LCCs), the terminal will not only boast the very latest in technology and design, but will also cater to the many variants in low cost carrier models that is typically seen today. Understanding that travellers on low cost carriers are increasingly discerning, klia2 is also designed to offer attractive and high quality shopping propositions with a larger space dedicated for commercial use.

We are also constructing a third runway at KLIA/klia2, which is ahead of its competition, many other major hub airports in the region are now beginning to plan for.

We also believe in paying special attention and time to airline marketing as well as working closely with the Ministry of Tourism and its agencies to "market" destinations within the country. On this note, we also provide attractive incentives to airlines to spur growth in passenger traffic as well as to initiate new routes and increased frequencies. The incentive programme we have in place serves as a "sweetener" to attract airlines, over and above providing a low cost base for airline operations.

PROPORTION OF SPENDING ON LOCALLY-BASED SUPPLIERS

Up to November 2012, approximately **98.7%** of our procurement activities are spent on locally-based suppliers. **1.3%** has been awarded to foreign suppliers for:

- Buying or maintaining special equipments such as friction tester, airfield ground lighting, x-ray machine etc.
- Advertising
- License – Radio/software

* Malaysia Airports does not have any policy or practices for spending on locally-based suppliers. Nevertheless, a majority of our procurement activities are restricted to locally-based suppliers only.

MALAYSIA AIRPORTS PRESENTS

THE FINAL BATCH OF AWARDS TO SUCCESSFUL TENDERERS FOR klia2

On 6th November 2012, Malaysia Airports presented the final batch of awards to successful tenderers for various retail, food & beverage and service outlets encompassing different areas throughout the terminal. Over 1,600 interested parties attended tender briefing sessions conducted by Malaysia Airports.

The tender briefings were conducted in phases with 133 different opportunities made available. Phase 1 was conducted in December 2011, Phase 2 in end February/early March 2012, Phase 3 in April 2012 and Phase 4 in May 2012. The first, second and third phases involved 27, 39 and 37 tenders, respectively. The fourth phase proved to be most exciting with 30 tenders comprising individual lots as well as packaged deals. All in all, 161 outlets had been tendered for the first day of operations at klia2.

The awards to local entrepreneurs encompass over 90% of awards at klia2 and 33% of the successful tenderers are completely new to the local airport commercial environment. An overview of brands awarded at klia2 can be found at <http://www.klia2retail.com.my/>



THE FIRST SKYBRIDGE IN ASIA AT klia2 COMPLETED

On 2nd November 2012, the nation's aviation industry welcomes another landmark today as the klia2 Skybridge, the first in Asia and only the third in the world, was completed after the last piece of its structure was installed.

Spanning 300 metres with 60 metres of walkalators, the Skybridge will connect the passenger terminal building to the satellite building, allowing passengers to travel between these two points in just over five minutes. The contractor responsible for constructing this iconic metal structure that weighs about 3,050 metric tonnes is UEMC-Bina Puri.

MALAYSIA AIRPORTS TO SET UP ITS OWN AIRPORT HOTEL BRAND

In tandem with our re-branding exercise, Malaysia Airports is proud to announce that all three of its hotels will assume the new brand name of 'Sama-Sama'. Meaning "togetherness" and "you're welcome" in Malay, the new brand will see the airport hotels offer an environment in which differences reside together – be they cultural, lingual or ethnic, similar to that in Malaysia.

Malaysia Airports' vision is to position the Airport Hotel services and brand as a specialised product and to expand the offerings to the overseas airport market. Sama-Sama shall commence operations come 1 January 2013.

MALAYSIA AIRPORTS FRAUD POLICY

Malaysia Airports view cases of fraud seriously and maintains a zero tolerance attitude towards fraud. Our new Fraud Policy issued by our Human Resource Division applies to any fraud, or suspected fraud, involving:

- Employees as well as consultants;
- Vendors and contractors;
- External agencies doing business with the Company's employees; and/or
- Any other parties with a business relationship with the Company.

UPHOLDING ETHICS AND INTEGRITY

It is vital for Malaysia Airports to uphold high levels of ethics and integrity in all businesses interactions and decision in order to retain public's trust on how we conduct our business. We strongly believe that fairness should be upheld in all business dealings with customers, vendors, consultants, contractors, agencies, airlines, passengers and the public at large.

Malaysia Airports has put in place policies which provide avenues for employees to channel their concerns with regards to ethical business practices and integrity. Our Whistle-Blowing Programme was established in 2007, and covers Malaysia Airports employees and external parties which have business dealings with our company. The programme provides a safe and acceptable channel for employees and external parties to raise their concerns so that it can be addressed in an independent and unbiased manner.

In addition, we have also introduced the competition law compliance manual that deals with the dos and don'ts with regards to competition in doing business. This year, we have also published our company's revised Employee Handbook which contains our new Code of Ethics & Conduct, Disciplinary Guidelines, Sexual Harassment Policy, Fraud Policy and Integrity Pledge. More with regards to this can be found on page 14.

In 2012, Malaysia Airports did not receive any legal actions for anti-competitive behaviour, anti-trust and monopoly practices. None of business units were analysed for risks related to fraud.

ACTIONS ARE TAKEN IN THE INCIDENT OF FRAUD

If an incident of fraud is discovered, it will be investigated and actions taken through the normal HR process (disciplinary actions after domestic inquiry and etc). Actions may also be taken under the Whistle Blowing (WB) programme in accordance to the WB policy and procedure.

EMPLOYEES TRAINED ON MALAYSIA AIRPORTS' FRAUD POLICIES AND PROCEDURES

In 2012, Malaysia Airports conducted a Risk Management Conference highlighting fraud as one of its components. This conference was attended by 242 employees including members of the Board. Moving forward we plan to establish a Fraud Risk Management framework beginning 2013 – 2015 as part of the company's effort to address the risk of fraud.



SECURITY PERSONNEL TRAINED IN MALAYSIA AIRPORTS' POLICIES OR PROCEDURES REGARDING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS

Taking into account that we serve passengers from various backgrounds, religion, culture, education etc, 100% of our security personnel are trained on how to deal with passengers especially during passenger and baggage screening at the AVSEC Basic Training Course.

Our security personnel have also been trained in Malaysia Airports' Courtesy & Care Program which is specially designed for front line staff. The program contains the following modules:

- Malaysia Airports Vision, Mission & Aspiration
- Airport Service Quality (ASQ)
- Identifying and Understanding Our Customers!
- You as a Professional Front
- 'Courtesies & Care Practices' for Malaysia Airports Front lines
- Welcoming The New Culture

CREATING AN INSPIRING WORKPLACE

Being in the service industry, we are well aware that our people are our greatest resource. Our employee base is comprised of a widely diverse range of backgrounds, suitably reflecting Malaysia's colourful cultural identity. We believe that playing upon each other's strengths creates an exciting environment to develop one's career and makes Malaysia Airports a great place to work.

Besides a salary scheme which is competitively benchmarked against other Government-Linked Companies (GLCs) in Malaysia, Malaysia Airports also offers a range of other benefits to permanent employees such as a comprehensive health benefits which is extended to our immediate family members, vehicle and home loans, additional contributions to our employees' Employee Provident Fund (EPF) and a range of work related allowances. Aside from this, Malaysia Airports also organises a number of events and activities throughout the year to encourage our staff to lead healthy lifestyles physically, mentally and spiritually. These events and activities include sports festivals, teambuilding events, awareness seminars and religious talks.

In year 2012, return to work and retention rates after parental leave for both men and women in Malaysia Airports are 100 percent.



Freedom of Association and Collective bargaining is practiced at Malaysia Airports whereby the right to join are be given recognition. The Trade Union Body has been a part of the company's policy since the inception of Malaysia Airports. This is proven by the recognition of three unions and an executive association here.

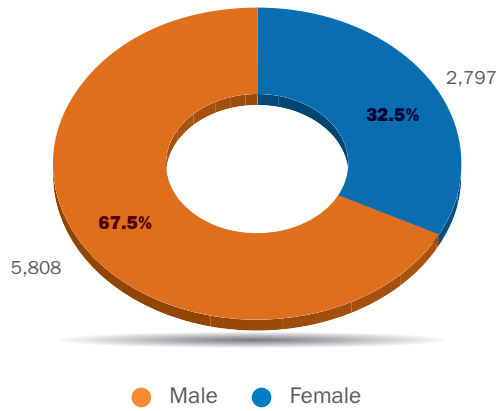
Sexual Harassment has now been made law under Employment Act 1955 in 2012 in Malaysia. Malaysia Airports has implemented a Sexual Harassment Policy in July 2012. 70 percent of our staff has undergone human rights training for our Sexual Harassment Policy. We aim to complete this training to all our staff by the first quarter of 2013. Sexual Harassment Policy training for all staff at KLIA and all our international airports has been fully completed. Total hours of this training per employee are between 1 – 2 hours. Throughout the year, less than 10 cases were raised, dealt with and resolved according to the law and policy. All cases were resolved through a formal grievance mechanism (as we are bound under the law).

POLICY ON ACCEPTANCE AND GIVING OF GIFTS

In the effort to uphold Corporate Governance and Transparency in our business conduct, the Management has made it a policy that Malaysia Airports employees shall not solicit and accept any gifts from current or potential vendors, agents and business partners whether directly or indirectly in the position that may influence any decision making process.

Malaysia Airports' employees are also not allowed to offer or accept any gift of cash, cash equivalents, personal service or others that may put the employees in a position of conflict, intended or provided in the hope of gaining any advantage or that may affect the Company's reputation. However, gift merchandise, corporate gifts or products of reasonable value can be accepted by employees subject to it being declared in writing to the respective Head of Department and Risk Management Unit.

TOTAL WORKFORCE BY GENDER



TOTAL WORKFORCE BY GENDER AND EMPLOYEE CATEGORY

Employee Category	Male	Female	Total
Management (26-33)	70	31	101
Management (24-25)	112	59	171
Executive (19-23)	433	262	695
Non-Executive (08-16)	5,193	2,445	7,638
Total	5,808	2,797	8,605

TOTAL WORKFORCE BY REGION

Region	Male	Female	Total
East Malaysia	1,184	466	1,650
West Malaysia	4,624	2,331	6,955
Total	5,808	2,797	8,605

COMPOSITION OF GOVERNANCE BODY BY GENDER

Governance Body	Male	Female	Total
Main Board	8	2	10
Exco Committee	5	2	7
Management Committee	18	9	27

88.76%

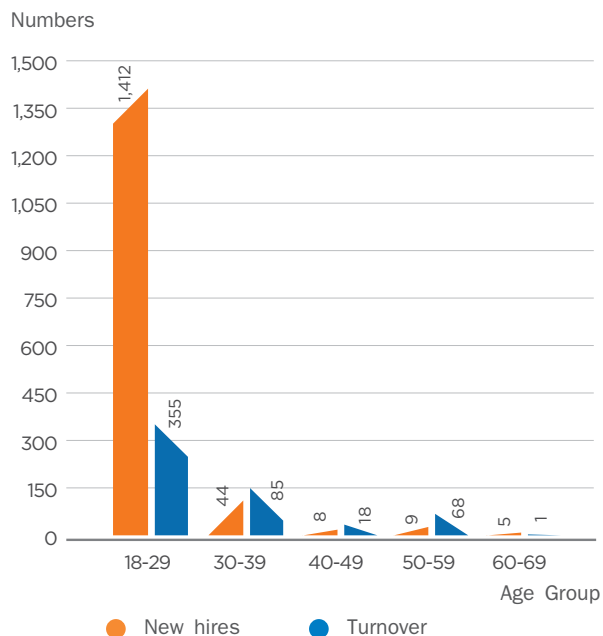
(7,638)

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

COMPOSITION OF GOVERNANCE BODY BY AGE GROUP

Governance Body/Age Group	18-29	30-39	40-49	50-59	60-69	Total
Main Board	–	–	2	4	4	10
Exco Committee	–	1	2	2	2	7
Management Committee	–	4	10	11	2	27

TOTAL NUMBER OF NEW HIRES AND TURNOVER BY AGE GROUP



NEW HIRES AND TURNOVER BY GENDER

Gender	New Hires	Turnover
Male	942	320
Female	536	207
Total	1,478	527

NEW HIRES AND TURNOVER BY REGION

Region	New Hires	Turnover
East Malaysia	30	67
West Malaysia	1,448	460
Total	1,478	527

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY GENDER

Employee Category	Male	Female
Management (Grade 27 – 32)	100%	100%
Management (Grade 24 – 26)	100%	100%
Executive (Grade 20 – 23)	100%	100%
Non-Executive (Grade 07 – 16)	100%	100%

A GREAT PLACE TO WORK

In order to ensure a harmonious workplace, Malaysia Airports has put in place a number of mechanisms to uphold the highest standards of human rights.

The re-exploration of our Disciplinary Guidelines comes from the need to have a common standard and practice across all to ensure compliance to Malaysian Labour Laws. At the same time, these new guidelines also function to promote industrial harmony, simultaneously advocating transparency, accountability and responsible Corporate Governance. We believe that employees should be empowered with knowledge of their rights.

The Guidelines comprises of rules that govern employees' conduct in the workplace. It emphasises on the principle of professionalism, discipline and good conduct to ensure a harmonious and conducive work environment. The Guidelines covers all employees in Malaysia Airports and its group of companies. Any non-conformance of these guidelines will attract disciplinary action.

In compliance with Malaysian Labour Laws, Malaysia Airports does not employ any underage personnel, or tolerate any forced or compulsory labour.

The Malaysia Airports Reward and Recognition program was established in 2011 with the objective of enhancing the existing reward and recognition programme/system for all employees. This program involved members from a cross functional background working together as a team to generate ideas to achieve this objective.

AVERAGE HOURS OF EMPLOYEE TRAINING BY CATEGORY AND GENDER

Employee Category	Male (Hours)	Female (Hours)
Management (Grade 27 – 32)	24.50	15.94
Management (Grade 24 – 26)	29.18	35.49
Executive (Grade 20 – 23)	36.26	39.70
Non-Executive (Grade 07 – 16)	20.69	25.61

PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING TO SUPPORT CONTINUED EMPLOYABILITY OF EMPLOYEES

Chargeman Certification Program

Malaysia Airport Career Development Program:
(In collaboration with Universiti Teknologi Mara (UiTM))

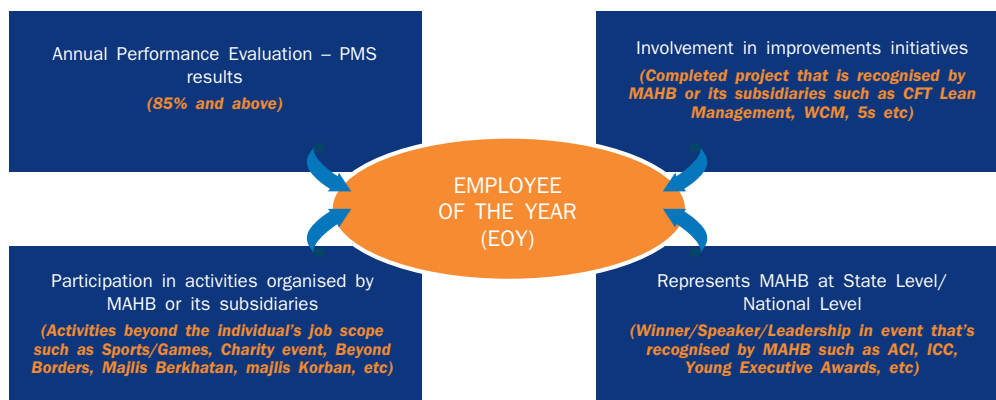
- Executive Diploma in Airport Management
- Corporate Diploma in Airport Management

Airport Management Professional Accreditation Program (AMPAP) (In collaboration with Airports Council International (ACI))

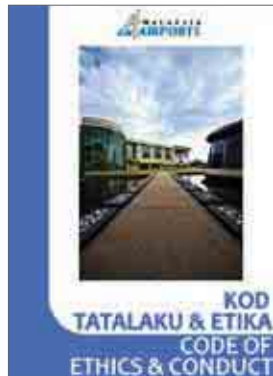
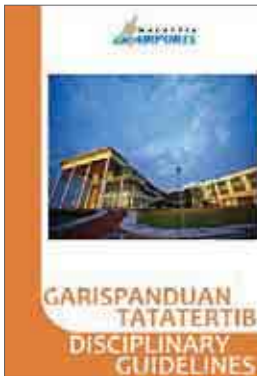
Chartered Institute of Management Accountants (CIMA)

Certified Internal Auditor (CIA)

SAP for all modules



“Employee of the Year” is one of many initiatives planned under the Reward & Recognition program in 2012. The main objective of this initiative is to recognise outstanding employees who have shown exemplary individual achievement and contribution towards the company. This initiative also aims to recognise employees’ excellence in their field of work and who have gone beyond their scope of duty.



WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKERS HEALTH AND SAFETY COMMITTEES

Approximately 5% of total workforce involved as Chairman, Secretary and Members of Safety and Health Committee. Level(s) at which the committee(s) typically operates: All airports, subsidiaries and corporate office.

MALAYSIA AIRPORTS NEW DISCIPLINARY GUIDELINES & CODE OF ETHICS & CONDUCT

The following policies were approved by management effective 1 June 2012:

- Disciplinary Guidelines
- Code of Conduct & Ethics
- Sexual Harassment Policy
- Fraud Policy
- Integrity Pledge

Our updated **Code of Ethics & Conduct** outlines and governs the conduct of employees in the workplace and the business ethics for Malaysia Airports and its group of companies. Contents of the document are follows:

- Business ethics and adherence to laws
- Corruption, Fraud and Breach of Trust
- Company Secrecy
- Controlled information and internal exchange of information
- Making Company statements and inter-office relationships
- Activities involving politics and terrorism
- Alcohol and substance abuse
- Gifts and Entertainment
- Dress Code
- Intellectual Property

AIRPORTS WITH OHSAS 18001: 2007 CERTIFICATION (SIRIM QAS INTERNATIONAL SDN BHD)

KLIA	PEN	BTU	TGG
KCH	LGK	AOR	LBU
BKI	MYY		

RATE OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM AND NUMBER OF WORK RELATED FATALITIES BY REGION & GENDER*

Number of:	Region		Gender	
	East Malaysia	West Malaysia	Male	Female
Injury**	2	3	3	2
Occupational diseases	Nil	Nil	Nil	Nil
Lost days	Nil	Nil	Nil	Nil
Absenteeism	No data	No data	No data	No data
Number of work related fatalities	Nil	Nil	Nil	Nil

* System of rules applied in recording and reporting accident statistics: Occupational Safety and Health Act 1994 (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Diseases Regulation 2004)

** Injuries sustained in East Malaysia: 1 minor electrocution & 1 trapped in lift (no injury), West Malaysia: 2 falls & 1 hand trapped (minor injury)

PROGRAMS RELATED TO ASSISTING WORKFORCE MEMBERS, THEIR FAMILIES AND THE COMMUNITY REGARDING SERIOUS DISEASES

Program recipients	Education/ Training		Counselling		Prevention/Control		Treatment	
	Yes	No	Yes	No	Yes	No	Yes	No
Workers	√		√		√		√	
Workers' families		√		√		√	√	
Community		√	√		√			√

Workers:

Education/Training: Please see page 16

Counselling: During events of health alerts, our employees are advised on necessary safety precautions

Prevention/Risk Control: Workplace safety is monitored by our SHE Department

Treatment: Employees are entitled to free medical treatment and hospitalisation

Workers' Families:

Treatment: Medical treatment and hospitalisation coverage is extended to the immediate family of our employees

Community:

Counselling: During events of health alerts, our airport users are advised on necessary safety precautions

Prevention/Risk Control: During events of health alerts, Malaysia Airports works together with the Ministry of Health to screen our airport users for relevant health conditions in order to prevent and control infections

A FOCUS ON HEALTH

As part of Malaysia Airports' ongoing effort to support and promote healthy lifestyle among its employees, several initiatives had been undertaken to enhance health awareness as well as to create a healthy workplace with better employee productivity and performance.

A number of initiatives were undertaken by our Safety, Health and Environment (SHE) Department to promote a healthy workplace lifestyle. Various health campaigns were conducted at our airports and our corporate office, including talks on stress management and workplace ergonomics. These talks also taught our staff on serious occupational diseases such as Carpel Tunnel Syndrome, Slip Discs, and steps that they could take in order to prevent them. Three Health Days were also carried out at KLIA, KCH and BKI.

A medical cost analysis was also carried out to identify the nature of medical expenditure, especially on diseases related to unhealthy lifestyle and work hazards. Subsequent to this, SHE Department has also beefed up control and monitoring of work hazards. SHE is also responsible for Noise Monitoring, Chemical Health Risk Assessment, Indoor Air Quality, Ergonomic Workplace Assessment and other corporate performance requirements. SHE also works closely with SOCSO and DOSH to monitor health related incident within the industry.



LAUNCH OF OUR CORPORATE OFFICE GYM



The Malaysia Airports Corporate Office gym was launched on 24 April 2012 and has received overwhelming positive response from employees. The purpose of the gym is to provide a controlled facility for employees to exercise and keep fit. Malaysia Airports has also assigned personal trainers to assist in ensuring that employees get the most out of their workout and the gym remains a safe environment.

OUR FOOTBALL PREMIER LEAGUE



Our own football premier league was formed in 2012 as a selection process to find players for the Malaysia Airports Football Club. An overwhelming turnout resulted in two months worth of aggressive competition leading up to an exciting finals match between AVSEC FC and UTW FC. Supporters from both sides were treated to an intense evening of skills and action, with UTW FC eventually conceding 2-0 in favour of AVSEC FC.

THE BI-ANNUAL MALAYSIA AIRPORTS SPORTS CARNIVAL (KESUMA)



The bi-annual Malaysia Airports Sports Carnival (KESUMA) was held this year at Universiti Sains Islam Malaysia (USIM). Bringing together 819 athletes representing 12 contingents over 16 sporting events, the purpose of the carnival is to instil positivity among our staff. This includes nurturing a good competitive spirit, social harmony, respect, teamwork and understanding the importance of physical and mental health. We believe that this motivation helps our workforce contribute valuable idea to advance our company.

ENVIRONMENTAL CONSCIOUSNESS

Being environmentally conscious is important to the values held by Malaysia Airports. We believe that it is pertinent that our employees and our community understands Malaysia Airports' impacts onto the environment and how we can contribute positively to a better and greener workplace in the long run.

On 1st February 2012, Malaysia Airports launched its inaugural "Green Day" programme, a two-pronged employee engagement programme which aims to stimulate environmental awareness and also to enhance camaraderie among its staff. A host of exciting activities were lined up for the event which includes a Walkathon, a Green Treasure Hunt, fish release into our Corporate Office pond and an exhibition featuring green ideas. Staff also participated in planting trees exercise, where 500 trees from five different species planted.

GREEN DAY 2012



MANAGING RESOURCES

KLIA has been certified EarthCheck Platinum after being certified Gold for five years in a row. EarthCheck is an internationally recognised environmental management and certification program designed for the travel and tourism industry. This is a positive sign that recognises KLIA's commitment in ensuring efficient management of energy consumption, water usage, waste recycling and proper handling of chemical products.

Similar to energy management, our engineering team has looked into identification of areas and opportunities for "low and no-cost" initiatives to manage our consumption of water. Periodic maintenance and repairs were carried out to minimise leakage and wastage. Further from the holistic water supply management feasibility study carried out in 2011, the Excellence Centre of Planning & Development Division is looking into plans of working with an external partner in looking into further areas of improvement in KLIA such as non-revenue water and a larger-scale rainwater harvesting.

We do not use any aircraft pavement de-icing/anti-icing fluids as none of our airports in Malaysia experience cold weather seasons.



The objectives of this Green Day are in-line with Management's commitment towards carbon-neutral growth and the Company's aspiration to create environmentally friendly airports. The enthusiastic participation from all staff is a testimony of our commitment and support towards environmental initiatives. It is a positive sign towards increasing staff engagement through an event where everyone shares a common goal of conserving and nurturing the environment.

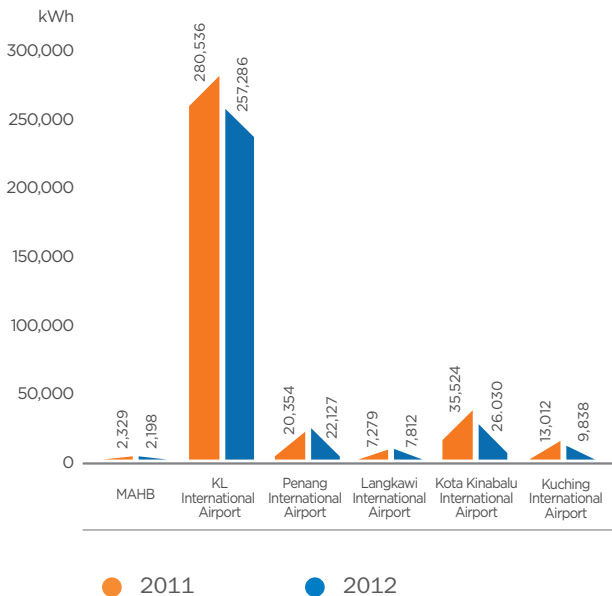


Tan Sri Datuk Dr. Aris Othman

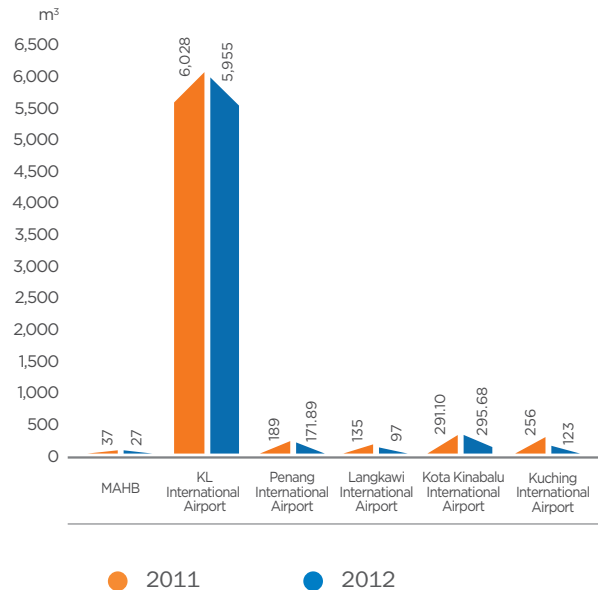
ENVIRONMENTAL INITIATIVES AT ALL/ OTHER AIRPORTS

- Similar to what is being carried out at the corporate office, the Energy Management Unit has implemented energy assessment and audit to all the airports nationwide (excluding STOLs).
- Airports with best energy management strategy will also be highlighted and their action plans will be communicated as part of the energy awareness campaign.
- To ensure compliance towards the Environmental Quality (Clean Air) Regulations 1978 Sub-regulations 36 & 38 and Section 23 (Environment Quality Act 1974) Restriction of Noise Pollution where the team conducted air emission monitoring, noise monitoring and prepared relevant for submission and approval of DOE.
- The approval has been obtained from the Department of Environment (DOE) for Alor Star, Penang, Melaka, Miri and Labuan and the team is working towards getting the other targeted airports certified by early 2013.
- The Environment Unit, SHE has also conducted Environment Aspect Impact (EIA) assessment with all international airports to demonstrate compliance with Environmental Quality Act 1974 and the ISO 14001: 2004 standards.

ENERGY



WATER



MALAYSIA AIRPORTS CORPORATE OFFICE

ITEM	2011	2012
ENERGY	2,328,610.68 kWh	2,198,013.2 kWh
WATER	37,253.00 m ³	26,659 m ³ (Jan – Oct)

KL INTERNATIONAL AIRPORT

ITEM	2011	2012
ENERGY	280,535,757.00 kWh	257,286,328 kWh (Jan – Nov)
WATER	6,027,538.00 m ³	5,954,754 m ³ (Jan – Nov)

PENANG INTERNATIONAL AIRPORT

ITEM	2011	2012
ENERGY	20,354,281.00 kWh	22,127,250 kWh
WATER	189,087 m ³	171,893.87 m ³ (Jan – Oct)

LANGKAWI INTERNATIONAL AIRPORT

ITEM	2011	2012
ENERGY	7,279,445.00 kWh	7,812,052 kWh
WATER	134,900 m ³	96,889 m ³ (Jan – Nov)

KOTA KINABALU INTERNATIONAL AIRPORT

ITEM	2011	2012
ENERGY	35,523,786.00 kWh	26,030,320.00 kWh (Jan – Sept)
WATER*	291,096.00 m ³	295,678.33 m ³ (Jan – Oct)

* Water consumption was based on conversion from actual bill paid in RM divided with RM0.90 per m³

KUCHING INTERNATIONAL AIRPORT

ITEM	2011	2012
ENERGY	13,011,687.50 kWh	9,837,783.00 kWh (Jan – Sept)
WATER	256,398 m ³	123,185 m ³ (Jan – Oct)

TOWARDS A **LOW CARBON FUTURE**

Malaysia Airports is a signatory of the Aviation Industry Commitment to Action on Climate Change which was declared in April 2008 during the Third Aviation & Environment Summit in Geneva. Other signatories of the document include Airports Council International (ACI), International Air Transport Association (IATA) and other industry groups. The document calls upon effort made towards a pathway to carbon-neutral growth and a collective aspiration towards a carbon-free future.



This commitment is strengthened further by a national commitment made by our Prime Minister, Datuk Seri Najib Tun Razak, in 2009 to reduce our carbon intensity per GDP by 40 percent by 2020 compared to 2005 levels.

With an industry and national target on our shoulders, Malaysia Airports has been working towards balancing the growth of our business while reducing our carbon footprint. Various energy saving and carbon reducing initiatives were carried out at all our airports over the past few years with a focus on emissions and effluence management. As cost was a major factor, carbon footprinting exercises were not carried out onto our airports (aside from KLIA in 2009).

As a member of the World Environment Standing Committee (WESC) under ACI, Malaysia Airports voted for the development of an airport specific carbon calculator which is accessible to all airports. The Airport Carbon Emissions Reporting Tool (ACERT) was created in early 2012 and was released to member airports to be tested. Twelve of our airports participated in the test with varying results. All these results (with and without errors) were submitted to ACI. Taking into account our contribution to the development of calculator, ACERT was launch at the ACI World General Assembly in 2012. Malaysia Airports plans to roll out this tool to be deployed at all our airports in the coming year, this for the first time, enabling us to gauge the total size of our organisation's carbon footprint for the first time.

2012 ENVIRONMENTAL INITIATIVES AT KLIA

Effective control of lighting and air-conditioning in the terminal.

Switching off a significant percentage of lights and air-conditioning at Contact Pier Building and Satellite Building from 0030 hrs – 0500 hrs.

Enhancement on the application of building management system, sensors, natural lighting and other features embedded in KLIA's operation.

Moving forward the company is looking at retrofitting selected lighting systems in KLIA that are due for scheduled replacement with a more energy efficient lighting systems.

The team under the Excellence Centre of Planning & Development Division is also working closely with internal parties and external partners towards deployment of solar PV systems at KLIA in-line with Malaysia's green agenda to accelerate the growth and utilisation of green technology in the country.

2012 ENVIRONMENTAL INITIATIVES AT MALAYSIA AIRPORTS CORPORATE OFFICE

The Energy Management Unit (EMU) under the Engineering Division continues the momentum from the previous years with a successful launch and implementation of our Energy Policy. The objectives of this policy are to improve energy consumption efficiency, reduce utility cost, optimise capital expenditure for energy efficiency and strive to become a world-class energy management in aviation industry.

Malaysia Airports launched an energy audit exercise whereby the Energy Management Unit conducted an energy audit at corporate office. A complete assessment of Air-Conditioned Mechanical Ventilation System (ACMV) was carried out and recommendation on maintenance schedule and procedure was derived from the exercise. A rescheduling of operating hour for ACMV system which allows further savings on energy at corporate office was proposed.

Effective control of energy usage of kWh/m² for 2012 has reduced consumption by approximately 6% in comparison with the previous year.

MALAYSIA AIRPORTS MASB THAT PARTICIPATED IN THE ACERT BETA TEST

PEN	KUA	SBW	LGK
KBR	MKZ	KCH	AOR
LBU	SZB	TWU	BTU

AIRPORTS WITH EMS 14001:2004 CERTIFICATION

KLIA	PEN	BTU	TGG
KCH	LGK	AOR	LBU
BKI	MYY		

COMMUNITY FRIENDLY ORGANISATION

Malaysia Airports believes in initiatives that cares for the society and reaches out to the local communities through implementation of activities and programmes conducted by the company. We are committed to creating an operations environment where communities from all walks of life would be able to reap benefits that in turn generate value for our organisation.

This is achieved through engagement activities with our surrounding communities, especially among youths. Malaysia Airports conducts many programs to support education as part of our commitment to social responsibility. Our award-winning Beyond Borders program reaches out to the grassroots of our community in providing primary school students with English Language classes, motivational programs and environmental awareness. Our iStyle fashion competition cultivates not only a sense of creativity among university students, but also exposes them to the retail end of airport business.

KEY SOCIAL CONTRIBUTIONS

Malaysia Airports supports various community activities in the community including school activities, sports activities, non-governmental associations (NGOs), orphanages and homes. During the month of Ramadhan, Malaysia Airports also contributed to Tahfiz Centers.

In 2012, Malaysia Airports also built a mosque (Surau Mulu) in Mulu, Sarawak for the community and airport staff.

In order to maximise our contributions to our immediate community, Malaysia Airports collaborates with Lembaga Zakat Selangor. Our zakat contribution not only goes to benefiting the schools that we have adopted in our Beyond Borders program, but also to various orphanages and mosques within our community for education and expenses purposes. A portion of our zakat redistribution was also channelled towards our own employees who have qualified for it.

These are just some examples of how Malaysia Airports enhances our commitment towards society at large.

ZAKAT DISTRIBUTION

Malaysia Airports in collaboration with Lembaga Zakat Selangor has distributed part of the company's tithe or 'zakat' amounting to RM125,600 to 12 of its adopted schools around Malaysia.

The 12 adopted schools are from Malaysia Airports' Beyond Borders programme. The 12 schools are:-

- SK Mengabang Telipot, Kuala Terengganu
- SK Parang Puting, Kota Bharu
- SK Batu Tiga, Kuantan
- SK Titi Gajah, Alor Setar
- SK Sungai Batu, Teluk Kumbar
- SK Sungai Raya, Ipoh
- SK Olak Lempit, Banting
- SK Labu Ulu Batu 8, Seremban
- SK Seri Cheras, Cheras
- SK Semabok, Semabok
- SK Temenggong Datuk Muip, Miri
- SK Wakuba, Tawau

A total of 628 students from these 12 adopted schools were identified as underprivileged under Asnaf categories as their parents' earnings were less than RM1000 monthly. Each of the students received RM200. The zakat was distributed in stages, from June to August 2012 by the respective Malaysia Airports' Airport Managers in the respective states.



KLIA AWARDS 2011

Malaysia Airports lined up 18 awards to honour airlines and service partners with exceptional performance at KL International Airport (KLIA) for the year 2011.

KLIA Awards winners are chosen based on their 2011 feat in sectors such as passenger movement, growth factor, sales performance, international recognition as well as their service performance. The awardees receive a custom-made trophy bearing their winning categories. For full list of award recipients, kindly refer to our corporate website at www.malaysiaairports.com.my.

2011

MEDIA HUNT 2012

Malaysia Airports celebrated the 10th anniversary of its Media Explore Hunt by hosting an event that challenges 50 teams comprising members of various media organisations today, to prove their mental and physical toughness to win the grand prize of RM7,000.

Tan Sri Bashir Ahmad, Managing Director Of Malaysia Airports said, "This event is our way to thank the media for your continuous support and good relationship that we shared and enjoyed through these years. It is my sincerest hope that this positive support and relationship will continue to flourish for many years to come."

2012

EDUCATION: OUR BEYOND BORDERS PROGRAM

By boosting the enthusiasm and confident level of students, as well as their academic performance, Malaysia Airports believes in helping students become qualified and skilled employees for the company in the future. In 2012, we conducted many exciting activities at our adopted schools, aimed to enhance academic and non-academic components of the national curriculum.

At the beginning of the year, Malaysia Airports' Beyond Borders team coordinated a workshop for Beyond Borders schools' teachers to discuss and brainstorm on the activities that will be carried out throughout the year. We invited a few speakers and motivators who are well experienced and knowledgeable in the education industry to talk during the workshop. The speakers were representatives from the Ministry of Education, Headmaster of SK Ulu Lubai (Sekolah Berprestasi Tinggi 2011) and also a motivator. The speakers also shared some tips in becoming an inspirational teacher in order to be a role model for the Beyond Borders' students.

Malaysia Airports conducts workshops on enhancing the academic performance of students. These workshops are:

- English Creative Writing Workshop (Year 6 students)
- Additional Tuition Classes – English, Mathematics, Science (Year 6 students)
- UPSR Clinic (Year 6 students)
- Motivational Talk – Crossing the Border (Year 6 students)



The English Creative Writing Workshop provides coaching in English writing for Year 6 students. This is where we received tremendous number of employees volunteering in this programme as trainers and facilitators to support the children during the workshop. We also conducted 'Crossing the Border', a motivational talk programme for year 6 students to share some tips and experience in terms of academic, social and emotional aspects for them to be prepared before entering secondary school.

We received over 74.55 percent of increment in number of employees who volunteered in Beyond Borders programme in Year 2012 (110 volunteers) compared to Year 2010 (28 volunteers). This programme benefits employees in terms of providing precious experience and creating noble hearts. It is our aspiration that this programme will benefit the surrounding community in terms of developing their academic and confidence level.

CORPORATE RESPONSIBILITY (CR) VOLUNTEERING GUIDELINE AND CR VOLUNTEER SYSTEM

Volunteering is an integral part of Malaysia Airports' society and has significant benefits both to the community and to individuals. Malaysia Airports believe that the contribution of volunteers is crucial to the development and strengthening of our communities.

Corporate Communications and Transformation Management Office (TMO) has come up with the Corporate Responsibility (CR) Volunteering Guideline and CR Volunteer System; an online system to capture CR activities/participation of volunteers in Malaysia Airports. The purpose of the CR Volunteering Activity Guideline is to:

- Create awareness and encourage Malaysia Airports workforce to volunteer;
- Enhance the quality of volunteering; and
- Improve our understanding of the benefits that volunteering brings to our community, workforce, marketplace and environment.

BEYOND BORDERS



"The students' proficiency in English language has shown encouraging improvement. This year, the adopted schools have shown a tremendous improvement by achieving an average percentage of 75% passes in English subject for year 2012 compared to only 52% when we first started the programme in 2010."

Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah,
Chairman of Malaysia Airports

MEMORABLE AIRPORT EXPERIENCES

We believe that ensuring memorable experiences makes our airports attractive destinations for passengers to fly through. Word-of-mouth advertising literally speaks for itself as happy and satisfied passengers typically share positive experiences with their friends and family hence creating a better image and reputation for our airports.

To Malaysia Airports, memorable airport experiences are an indicator that the company is on the right track in providing service excellence to the passengers. This is also in line with key objectives in our 5-year Business Direction – Runway to Success, specifically Service Excellence, where we aim to maintain top quality service levels, benchmarked against the best airports worldwide.



ARTS IN KLIA

KLIA and Balai Seni Visual Negara presented “Arts in KLIA”, a new mini art exhibition at KLIA featuring selected artwork from independent artists in Malaysia.

From the 16th April 2012, the first phase of “Arts in KLIA” exhibition took place every day from 2pm till 9pm for three months. At any one time there will be four artists showcasing their talent and artwork at the two exhibition sites located at the Satellite Building in KLIA.

The artists participating in this exhibition are established independent artists selected by Balai Seni Lukis Negara. They represent different methods and concepts of arts such as oil paintings, watercolours, caricatures, naive art and photographs capturing Malaysian landscapes. Each of the featured pieces is a reflection of the amazing artist work found only in this region. The artist line-up includes local talents such as Ali Akbar Othman, Ismail Itam, Peter Lagan Balang, Olyhairy Othman, Fadzlan Rizan Juhani, Nurgajir Noor, Faizal Samat and Fauziah Yahaya.

EXCERPT FROM *CONVERGENCE* - OUR IN HOUSE AIRPORT MAGAZINE

“It’s a beautiful airport, but what I like most about KLIA is that the goods sold here are all of great quality and value.” – Harleen Kaur (India)

“Prices are good and the people are friendly here. In fact, KLIA’s shopping experience can be compared with some of the world’s best airports such as Beijing’s T3.” – Nick Zhang and Elizabeth Jiang (China)

“We think that the design of the airport is very well-done – it’s huge, spacious and of international standards! There should be more local stores, however, in addition to the European brands that you can find here.” – Quincy Kline and Bettina Petzold (Germany)

“I have only been waiting 5 or 10 minutes for my baggage, so not too long. The service here has been nice, quite fast indeed.” – Gerard (Netherlands)

“The service is very good. I don’t speak English very well but the retail assistants helped me to find what I needed.” – Sandip Arasa (India)

“I like the options available and I didn’t have to wait too long to come to the airport.” – Cedric Jean Lechot (Switzerland)

“The airport personnel are helpful. They make it easy for you to find your way around the place.” – Fiona Ley (Australia)

“The customer service at this airport is very nice and the staff are helpful even though I’m just transiting.” – Joris van WaGeniGen (Holland)

“We initially had trouble locating the Information Desk. Luckily, the friendly airport staff pointed us in the right direction. KLIA is truly an airport with a personal touch.” – Chamila and Nisura Jayawardena (Sri Lanka)

“As a frequent business traveller, the renovation of the Plaza Premium Lounge is impressive and another reason that KLIA is on par with some of the best airports in the world. It provides space to work and to relax.” – Chan (Malaysia)

“The experience is what makes an airport, and KLIA certainly offers the best experience for families and couples alike. In addition to the comforts and spaciousness of it all, the staff here are very friendly and helpful.” – Johari and family (Malaysia)

“It’s fairly easy to find our way around, as the directional signage was plentiful and informative. We haven’t been lost yet!” – Rachel, Wal and Jenny Karwath (Australia)

“The signs are sufficient and easy to follow. In fact, the KLIA staff we encountered are some of the friendliest we have ever met.” – Matthew Russell & Nick Formichella (Australia)

PRIORITISING SERVICE EXCELLENCE

Recognising that quality is key in the service industry, great importance is given to service excellence at our airports. We have made service quality of service as one of the many Key Performance Indicators (KPIs) in our Corporate Scorecard, and this is tracked and reported at regular intervals.

We measure our service quality levels through the ACI Airport Service Quality (ASQ) and Airport Customer Satisfaction Performance Programme (ACSPP) benchmarks.

The Airport Service Quality (ASQ) programme, as implemented by ACI, is a structured survey based feedback gathering mechanism of 34 elements which are touch-points related to airport services and products. These surveys are completed by passengers. The responses are then statistically analysed to derive at overall satisfactions scores. Various improvement initiatives are driven from the outcome of these surveys.

AIRPORT SERVICE QUALITY RANKING

Categories/ Year	2010	2011	2012		
	-	-	Q1	Q2	Q3
Overall ASQ rank worldwide	14	19	9	7	17
Overall ASQ rank in the 25-40mppa category	5	4	3	3	3

ASQ NOTABLE ACHIEVEMENTS FOR 2012

Mini Art Exhibition & Live Artist Demo at Satellite. Through this initiative to enhance airport ambience, independent artists showcase their talents and artwork to passengers at the Satellite building. This is one of the initiatives that are being implemented through a win-win partnership approach with our partners, in this case Balai Seni Visual Negara.

Multiple festive celebrations throughout the year at KLIA through festive decoration and activities such as cultural dance performance, traditional games and giveaways. KLIA also organised activities within the terminal to celebrate international events such as the London Olympics, Formula 1 Racing and the 2012 UEFA European Football Championship.

KLIA Service Quality Conference 2012 – a platform for the KLIA community to share their achievements and success stories in terms of service excellence

New children playgrounds responding to the requests made by the passengers.

Launching of a common Guideline for Customer Service Handbook as a tool for all KLIA front liners.



KLIA'S CONTINUES PURSUIT OF SERVICE EXCELLENCE

In its relentless effort to enhance its customer service, Malaysia Airports launched three initiatives aimed at boosting KLIA's service excellence. These initiatives were launched by YB Dato' Sri Kong Cho Ha, Minister of Transport witnessed by Dato' Abdul Hamid Mohd Ali, Chief Operating Officer of Malaysia Airports.

OUR CUSTOMER INFORMATION CENTRE

Our new Customer Information Centre (CIC) provides airport users information and updates on Malaysia Airports' business, the various facilities, services offered at the airport, and commercial offerings. Beyond KLIA, CIC provides information on Malaysia Airports' historical background, milestones and achievements, list of airports we manage and operate, as well as our expansion plans such as the new low-cost carrier terminal-klia2.

SKYMAP

Our new Skymap is KLIA's next generation enhanced flight information display system aimed at offering passengers and airport users crisp, clear and concise information on arriving and departing flights. The Skymap is comprised of a state-of-the-art tracking system that tabulates accurate Estimated Time of Arrival (ETA) from different airlines to display flight arrivals, in real time or predictive format with consideration for multiple legs and stopovers. This is the first-of-its-kind flight information display system which also incorporates real-time global weather patterns, local time, weather and temperature at major or selected cities around the world.

LOST & FOUND CENTRE

In line with Malaysia Airports' continuous effort to bring an enhanced service level and efficient operation standard, KLIA is upgrading its Lost and Found service system for tracking lost items. Hence, Malaysia Airports launched a one-stop Lost and Found Centre to further enhance passenger experience and comfort at the airport. The centre provides hassle free services for the genuine owners to collect the found items.

CHAMPIONING INNOVATION



Innovation is essential in order to remain competitive in this ever-changing aviation industry. The aspects of innovation which are of concern to us are improvement of quality, creation of new market segments, extension of the product/service range, reduction of manpower costs, improvement in the internal processes, reduction of goods consumptions, reduction of environmental damage, improvement in spare parts replacement, reduction in energy consumption and conformance to regulatory requirements.



As such every division in Malaysia Airports holds innovation as one of its main drivers to positioning themselves in the company.

Innovation is important as it translates to additional revenue generation and cost savings. As such, Malaysia Airports has designed a Continuous Improvement Management Scorecard in order to facilitate and monitor the progress and quality of innovation initiatives in the organisation.

AIRPORTS WITH QMS 9001: 2008 CERTIFICATION (Sirim QAS International Sdn Bhd)			
KLIA	MZV	PEN	KBR
KCH	LMN	LGK	KUA
SBW	LBU	AOR	TOD
BTU	LDU	IPH	SZB
MYY	SDK	TGG	MKZ
BKI	TWU	RDN	



PARTICIPATION IN THE NATIONAL INNOVATION CREATIVE CIRCLE CONVENTION (NICC)

Upon winning the Gold Award in our second participation of the Innovative and Creative Circle (ICC) Central Region Convention 2012, the Malaysian Productivity Council (MPC) selected Malaysia Airports' Team One BHS and Team BHS Boomerang to participate in the National Innovation Creative Circle Convention (NICC) and the International Convention for Quality Control Circle (ICQCC) respectively.

Malaysia Airports teams went on to achieve the highest accolades in both these events with Team One BHS receiving a 3 Star Award and team BHS Boomerang receiving a 3 Golden Stars Award.

GRI INDEX

GRI	Description	Reported	References/Page
1.1	Statement from the most senior decision-maker of the organisation.	●	4
2.1	Name of the organisation.	●	1
2.2	Primary brands, products and/or services.	●	Reported in AR
2.3	Operational structure of the organisation.	●	Reported in AR
2.4	Location of organisation's headquarters.	●	Reported in AR
2.5	Number of countries where the organisation operates.	●	Reported in AR
2.6	Nature of ownership and legal form.	●	Reported in AR
2.7	Markets served.	●	Reported in AR
2.8	Scale of the reporting organisation.	●	Reported in AR
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	Reported in AR
2.10	Awards received in the reporting period.	●	Reported in AR
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	1
3.2	Date of most recent previous report (if any).	●	2
3.3	Reporting cycle (annual, biennial, etc).	●	2
3.4	Contact point for questions regarding the report or its contents.	●	3
3.5	Process for defining report content.	●	2
3.6	Boundary of the reports.	●	2
3.7	Limitations on the scope or boundary of the report.	●	2
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities.	●	2
3.9	Data measurement techniques and the bases of calculations.	●	2
3.10	Effect of any re-statements of information provided in earlier reports.	●	2
3.11	Significant changes from previous reporting periods.	●	2
3.12	Table identifying the location of the Standard Disclosures in the report.	●	1
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	2
4.1	Governance structure of the organisation.	●	Reported in AR
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	Reported in AR
4.3	Number and gender of members of the highest governance body.	●	Reported in AR
4.4	Mechanisms to provide recommendations or direction to the highest governance body.	●	Reported in AR



GRI INDEX

GRI	Description	Reported	References/Page
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives and the organisation's performance.	●	Reported in AR
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	Reported in AR
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees.	●	Reported in AR
4.8	Internally developed statements of mission or values, codes of conduct and principles.	●	Reported in AR
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance.	●	Reported in AR
4.10	Processes for evaluating the highest governance body's own performance.	●	Reported in AR
4.12	Externally developed economic, environmental and social charters, principles or other initiatives.	●	3
EC6	Policy, practices and proportion of spending on locally-based suppliers.	●	7
A01	Total number of passengers annually.	●	Reported in AR
A02	Annual total number of aircraft movements.	●	Reported in AR
A03	Total amount of cargo tonnage.	●	Reported in AR
EC8	Development and impact of infrastructure investments and services provided for public benefit.	●	7
EC9	Understanding and describing significant indirect economic impacts.	●	7
EN3	Direct energy consumption by primary energy source.	◎	19
EN6	Initiatives to provide energy-efficient or renewable energy based products and services.	●	17
EN8	Total water withdrawal by source.	◎	19
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	◎	18
A06	Aircraft and pavement de-icing/anti-icing fluid used and treated by m ³ and/or tonnes.	●	17
LA1	Total workforce by employment type, employment contract and region, broken down by gender.	●	11
LA2	Total number and rate of new employee hires and employee turnover.	●	12
LA15	Return to work and retention rates after parental leave, by gender.	●	10
LA4	Percentage of employees covered by collective bargaining agreements.	●	11
LA6	Workforce represented in formal joint management – worker health and safety committees.	●	14
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities by region and by gender.	●	15
LA8	Education, training, prevention, and risk control programs regarding serious diseases.	●	15

GRI INDEX

GRI	Description	Reported	References/Page
LA10	Average hours of training per year per employee by gender and by employee category.	●	13
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	13
LA12	Percentage of employees receiving regular performance and career development reviews by gender.	●	12
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	●	11
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	10
HR4	Total number of incidents of discrimination and corrective actions taken.	●	10
HR6	Operations identified as having significant risk for incidents of child labour.	●	13
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour.	●	13
HR8	Security personnel trained in the organisation's human rights policies or procedures.	●	9
HR11	Number of grievances related to human rights filed, addressed and resolved.	●	10
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures.	●	9
S04	Actions taken in response to incidents of corruptions.	●	9
S05	Public policy positions.	●	Reported in AR
S07	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	●	9
PR5	Practices related to customer satisfaction.	●	27

AR Annual Report

● Fully Reported

◎ Partially Reported



SUSTAINABILITY POLICY

Malaysia Airports Holdings Berhad's core business is the management and operation of Malaysia's international, domestic and rural services airports. We aspire to create sustained stakeholder value as a world class airport business operator. Our stakeholders are our people, our community, our customers, our environment, our investors, our regulators and our country.

We are proud of our airports and are committed to creating sustainable world class aviation gateways as a symbol of national pride.

Malaysia Airports is committed to achieving environmental and social sustainability in operating its business. Through doing so, we aim to create Sustainable Development in all aspects of our business.

In upholding our commitment to sustainability, Malaysia Airports will:

- Integrate sustainability as a consideration in all planning and development decisions, including management, communication, procurement and operation, as well as support sustainable practices in our business marketplace.
- Operate in a healthy, safe, secure and efficient manner. Sustainability is central to the way we think, the way we conduct ourselves, and the approach we perform our day to day business.
- Nurture the professional and personal growth of our People through constructive social development projects, positive team-building activities and skill-enhancing training and education programmes.
- Develop and effectively implement an Environmental Action Plan for all our airports, as well as commit to measuring and monitoring sustainability practices to the extent possible.
- Rehabilitate the social, natural and economic environment affected by our activities and continuously look for opportunities to improve our global environmental performance.
- Honour our commitment to creating a pathway towards carbon-neutral growth and aspire for a carbon-free future, as signatory to the Aviation Industry Commitment to Action on Climate Change (Geneva, April 2008).
- Take a leadership role in sustainability initiatives that strengthen the social well-being and community relationships with our stakeholders and the country we serve.
- Celebrate our local art, culture and heritage, and promote the use of locally and sustainably sourced products, services and labour.

Successful implementation of this policy will enhance Malaysia Airports' reputation, customer loyalty, passenger experience and create long term value for our stakeholders and our country. We believe in working closely with all stakeholders to enhance the sustainability of Malaysia as a place to live and work, to trade and to host local and international tourists.

Independent Verification Statement

Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Malaysia Airports Holding Berhad (hereafter referred to as MAHB) to perform an independent verification of its 2012 Sustainability Report. The main objective of the verification process is to provide MAHB and its stakeholders with an independent opinion of the accuracy of the information presented in the report. This was confirmed through checking and verifying claims made in the report. The verification audit by SIRIM QAS International covered all sustainability-related activities which had been included in the MAHB Sustainability Report 2012.

The information in the Sustainability Report is the responsibility of the management of MAHB. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the MAHB Sustainability Report 2012.

Verification team:

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aminah Ang - Team Leader
- 2) Mr. Hafriazhar Mohd Mokhtar- Team member

Methodology

The verification process was carried out by SIRIM QAS International in January 2013. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report;



MS ISO/IEC 17021 : 2006 QS 02121006 CB 01
MS ISO/IEC 17021 : 2006 QS 11123503 CB 02
MS ISO/IEC QUAD 88 : 2001 PC 05102004 CB 01
MS ISO/IEC 17021 : 2009 CQH 06122108 CB 01
MS ISO/IEC 17021 : 2009 HACP 08102016 CB 01
TC/ITS 22003 : 2007 FSAI 23122006 CB 01
MS ISO/IEC 17021 : 2005 FMS 19122009 CB 02



MS ISO/IEC 17009
CALIBRATION (TESTING)
SAMM NO. 081 SAMM NO. 086
SAMM NO. 087 SAMM NO. 218
SAMM NO. 231 SAMM NO. 246
SAMM NO. 266 SAMM NO. 269
SAMM NO. 277



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- Reviewing of internal and external documentation and displays such as awards, reports, media publications, newsletters, etc.;
- Interviewing of key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims;
- Evaluating the adequacy of the Sustainability Report of MAHB and its overall presentation against the GRI G3.1 requirements including the Airport Operators Sector Supplement (AOSS).

During the verification process, issues were raised and clarifications were sought from the management of MAHB relating to the accuracy of some of the data and statements contained in the report. The report was reviewed and revised by MAHB as a result of the findings of the verification team. It can be confirmed that changes have been incorporated into the final version of the report to satisfactorily address the issues raised.

The verification process was subject to the following limitations:

- The scope of work did not involve verification of information reported in the Annual Report 2012;
- Only the corporate office was visited as part of this assurance engagement. The verification process did not include physical inspections of any of MAHB's operating assets; and
- Contractor and third party data were not reviewed.

Conclusion

Based on the scope of the verification process, the following represents SIRIM QAS International's opinion:

- The level of accuracy of data included in the Malaysia Airports Holding Berhad Sustainability Report 2012 is fair and acceptable;
- The Sustainability Report is in accordance with the C+ Application Level of the GRI G3.1 Sustainability Reporting Framework;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the report;
- MAHB has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit;

- The report provides a reasonable and balanced presentation of the sustainability performance of MAHB.

Prepared by:



AMINAH ANG
Verification Team Leader
Sustainability Certification Section
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date : 22 February 2013

Approved by:



PARAMA ISWARA SUBRAMANIAM
Senior General Manager
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.
Date : 22 February 2013

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