MALAYSIA AIRPORTS

OUR FOUNDATION
FOR THE FUTURE

SUSTAINABILITY REPORT 2015

OUR FOUNDATION

FOR THE FUTURE

Sustainability is at the heart of Malaysia Airports' business.

It is the foundation for our long-term success and a profitable business that respects both people and planet.

As we embark on our new business strategy, with the goal of becoming a global leader in creating airport cities, we are committed to operating in a way that delivers returns to shareholders, manages our impact on the environment and local communities and inspires our people to be the best they can be. Only then, can Malaysia Airports truly achieve its goals.

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REPORT PROFILE

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THIS IS THE **SEVENTH MALAYSIA AIRPORTS HOLDINGS BERHAD** (HENCEFORTH MALAYSIA AIRPORTS) ANNUAL SUSTAINABILITY REPORT. THIS REPORT PARALLELS AND COMPLEMENTS OUR 2015 ANNUAL REPORT.

This report has been prepared in accordance with the GRI G4 Sustainability Reporting Guidelines and the Global Reporting Initiative – Core Option. This year, Malaysia Airports has gone beyond mere disclosure and measured the impact of sustainability achievements for more effective and meaningful reporting. In this report, we present the key priorities of our sustainability policies and performance relating to Malaysia Airports' material issues.

The accuracy of this report has been verified by SIRIM QAS International Sdn. Bhd. through a detailed on-site audit process. In order to avoid duplication of information, some requirements of the GRI guidelines are reported in our 2015 Annual Report. These requirements are referenced in our GRI Content Index on Page 35.

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 holds memberships in the Airports Council International (ACI) and the ACI Asia Pacific Regional Environment Committee (AP-REC).

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.

Reference and Guidelines

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

Scope & Boundary

This report covers the airports within Malaysia Airports' corporate structure as reflected in the holding company's consolidated financial statements. Airports refer to situations whereby Malaysia Airports holds a majority stake in and/or has direct managerial control over. Airports outside Malaysia owned/managed either fully or partially, have been excluded from discussion in this report. Coverage of the holding company's subsidiaries is also not exhaustive in this report.

Reporting Period

This report covers Malaysia Airports' performances throughout January to December 2015. All information in this report parallels our Annual Report for the corresponding year. Targets stated in this report are guided by milestones stated in our Business Direction document ('Runway to Success 2020').

OUR AIRPORTS

MALAYSIA AIRPORTS HEAD OFFICE

Malaysia Airports Holdings Berhad
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang
Selangor

OUR AIRPORTS

- KL International Airport (KLIA/KUL)
- Penang International Airport (PEN)
- Langkawi International Airport (LGK)
- Kuching International Airport (KCH)
- Kota Kinabalu International Airport (BKI)
- 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 STOLport (PKG)
- Redang STOLport (RDN)
- Tioman STOLport (TOD)
- Lawas STOLport (LWY)
- Marudi STOLport (MUR)
- Mukah STOLport (MKM)
- Kapit STOLport (KPI)
- Belaga STOLport (BLG)
- Bario STOLport (BBN)
- Long Seridan STOLport (ODN)
- Long Lellang STOLport (LGL)
- Long Semado STOLport (LSM)
- Ba'kelalan STOLport (BKM)
- Long Akah STOLport (LKH)
- Kudat STOLport (KUD)
- Long Pasia STOLport (GSA)
- Long Banga STOLport (LBP)
- Semporna STOLport (SMM)

ORGANISATIONAL PROFILE

[G4-3, G4-13]

Malaysia Airports Holdings Berhad (Malaysia Airports) is a public listed company and has been trading on the Main Board of Bursa Malaysia Securities Berhad since 1999.

We operate and manage 39 airports in Malaysia including five international airports, 16 domestic airports and 18 short take-off and landing (STOL)ports. Overseas, Malaysia Airports also operates and manages the Istanbul Sabiha Gokcen International Airport in Turkey, and has shares in Rajiv Gandhi International Airport in Hyderabad, India.

As an investment holding company, Malaysia Airports has 100 percent ownership of the following subsidiaries, directly related to the context of this report:

MALAYSIA AIRPORTS (SEPANG) SDN. BHD.

This company manages, operates and provides maintenance for KL International Airport (KLIA) including klia2. It is also responsible for the provision of its airport-related services and future development.

MALAYSIA AIRPORTS SDN. BHD. (MASB)

This company manages, operates and provides maintenance for designated airports in Malaysia other than KLIA. It is also responsible for the provision of their airport-related services. The designated airports comprise four international airports (PEN, LGK, KCH, BKI), 16 domestic airports and 18 STOLports.

Malaysia Airports did not have any significant changes in size, structure or ownership during the reporting period. For list of awards received, please refer to our 2015 Annual Report.

OUR PREVIOUS SUSTAINABILITY REPORTS

2014 **At the Heart of Our Community**

2013 **Accelerating Growth Momentum**

2012 **Connecting with U**

2011 **Clear Horizons**

2010 **The Romance of Aviation**

2009 **Licence to Grow**

POINT OF CONTACT FOR QUERIES AND FEEDBACK:

SUSTAINABILITY DEPARTMENT
MALAYSIA AIRPORTS HOLDINGS BERHAD

Tel: 03-8777 7000

Fax: 03-8777 7210

JOINT ADDRESS BY OUR CHAIRMAN AND MANAGING DIRECTOR

[G4-1, G4-56]

DATUK BADLISHAM GHAZALI
Managing Director

TAN SRI DATO' SRI DR WAN ABDUL AZIZ BIN WAN ABDULLAH
Chairman

DEAR STAKEHOLDERS

ON BEHALF OF THE BOARD OF DIRECTORS, IT IS OUR PLEASURE TO PRESENT TO YOU MALAYSIA AIRPORTS' SEVENTH ANNUAL SUSTAINABILITY REPORT. AT MALAYSIA AIRPORTS, SUSTAINABLE DEVELOPMENT IS AT THE HEART OF OUR DAY TO DAY OPERATIONS AND BUSINESS PLANS. WE ARE GUIDED BY MILESTONES STATED IN OUR BUSINESS DIRECTION DOCUMENT (RUNWAY TO SUCCESS 2020), AND HAVE AMBITIOUS PLANS TO HELP US SHAPE THE SUSTAINABILITY PROGRAMME IN OUR JOURNEY.

Malaysia Airports has continued to register positive business results amidst global economic uncertainties. We have long recognised that practicing sensible economics in a responsible and sustainable way is an integral part of our operations and an important component of our success. We are committed to provide the highest level of service excellence to guests travelling through our airports. Without a dedicated and loyal workforce, it would have been impossible to achieve our business objectives. As such, we continue to train and develop our employees to ensure that they deliver excellent performance and in turn, contribute positively to the company.

Our customer-centric business focus continued to earn accolades from acknowledged industry institutions. In 2015, Malaysia Airports received numerous awards, which bore testament to our sustainability and this has served to motivate us further in continuing our efforts towards building a sustainable business.

We also we made great strides last year in our environmental efforts when our flagship airport, KL International Airport (KLIA) was certified at Level 2: Reduction by Airports Council International (ACI) under its Airport Carbon Accreditation (ACA) Programme. The certification was received based on the reduction in carbon emission intensity by 42.86% in its day-to-day operations and development. We consider this accreditation an important milestone in our pursuit for environmental excellence and sustainable future.

On another note, we are proud to be recognised as one of the few Malaysian companies that met the globally recognised standards for inclusion in the Malaysia's inaugural Environmental, Social, Governance (ESG) Index, better known as the FTSE4Good Bursa Malaysia Index.

According to Bursa Malaysia, the FTSE4Good Bursa Malaysia Index was developed in collaboration with FTSE as part of the globally benchmarked FTSE4Good Index Series. It is also aligned with other leading global Environmental, Social and Governance (ESG) frameworks. This recognition demonstrates that we meet all internationally benchmarked criteria for the index that measures our efforts in environmental conservation, the impact of our social responsibility initiatives on the community, and the practice of good governance through responsible and ethical decision-making.

As a public-listed company, we are also committed to strive for the highest level of governance in our operations and to endeavour to exceed the expectations of all our shareholders and stakeholders. As a recognition of our efforts, we have been ranked among Top 20 in the MSWG-ASEAN Corporate Governance Transparency Index, Findings and Recognition 2014 and ranked at 6th place in the Malaysia-ASEAN Corporate Governance Report 2014 (Among Malaysian Companies).

We continue to be fully involved in our community engagement efforts through our Beyond Borders programme to improve the standard of education in selected schools. In 2015, with investment of RM160,000, this programme had produced a social return of RM34.76 for every RM1.00 spent.

We hope you enjoy reading about Malaysia Airports' achievements and activities over the past year. We will continue to review our strategy with the ultimate aim of achieving sustainable growth. We look forward to your continued support to help us shape our sustainable programme going forward.

Tan Sri Dato' Dr Wan Abdul Aziz bin Wan Abdullah
Chairman

Datuk Mohd Badlisham bin Ghazali
Managing Director

APPROACH TOWARDS SUSTAINABILITY

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

VISION

To Be the Global Leader in Creating Airport Cities by 2020

MISSION

Together We Create Joyful Experiences by Connecting People and Businesses

BRAND DNA

Friendly & Firm | Business Driven & Responsible | Progressive & Practical

MALAYSIA AIRPORTS FIVE PILLARS OF SUSTAINABILITY

Practicing Sensible Economics | Environmental Consciousness

Creating an Inspiring Workplace | Community-Friendly Organisation | Memorable Airport Experiences

GOVERNANCE

[G4-14, G4-LA12]

BOARD OF DIRECTORS

1 **TAN SRI DATO' SRI DR WAN ABDUL AZIZ BIN WAN ABDULLAH**
Chairman/Non-Independent Non-Executive

2 **DATUK MOHD BADLISHAM BIN GHAZALI**
Managing Director/Non-Independent Executive

3 **JEREMY BIN NASRULHAQ**
Senior Independent Non-Executive

4 **DATO' MOHD IZANI BIN GHANI**
Non-Independent Non-Executive

5 **TUNKU DATO' MAHMOOD FAWZY BIN TUNKU MUHIYIDDIN**
Non-Independent Non-Executive

6 **DATUK SERI YAM KONG CHOY**
Independent Non-Executive

7 **DATUK ZALEKHA BINTI HASSAN**
Independent Non-Executive

8 **ROSLI BIN ABDULLAH**
Independent Non-Executive

9 **DATO' SRI DR MOHMAD ISA BIN HUSSAIN**
Non-Independent Non-Executive

10 **NORAZURA BINTI TADZIM**
(Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain)
(Non-Independent Non-Executive)
(Appointed w.e.f. 29 May 2015)
(Alternate Director to Dato' Siti Zauyah binti Md Desa)
(Non-independent Non-Executive)
(Ceased w.e.f. 29 May 2015)

11 **DATO' SITI ZAUYAH BINTI MD DESA**
Non-Independent Non-Executive
(Resigned w.e.f. 29 May 2015)

12 **DATUK SRI DR ISMAIL BIN HJ BAKAR**
Non-Independent Non-Executive
(Resigned w.e.f. 16 December 2015)

13 **DATUK RUHAIZAH BINTI MOHAMED RASHID**
(Alternate Director to Datuk Dr Ismail bin Hj Bakar)
Non-Independent Non-Executive
(Ceased w.e.f. 16 December 2015)

14 **TAN SRI BASHIR AHMAD BIN ABDUL MAJID**
Advisor to the Board

15 **SABARINA LAILA BINTI DATO' MOHD HASHIM**
Company Secretary

Composition of governance, by gender

Governance body/Gender	Male	Female
Main Board	8	2
ExCo Committee	9	1
Management Committee (MCM)	21	7

Composition of governance, by age

Governance body/ Age group	30 - 39	40 - 49	50 - 59	60 - 69	Total
Main Board**	1	1	3	5	10
ExCo Committee	0	5	4	1	10
Management Committee (MCM)	3	9	14	2	28

** Including Chairman & MD

Malaysia Airports is committed to maintaining an organisation which is not only profitable but continues to strive for the highest level of governance. The Board of Directors strongly believes that good corporate governance is vital in delivering long-term sustainable business growth and in creating economic value for all stakeholders.

The Board is fully committed towards achieving full compliance with the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("Code"), Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Bursa Malaysia Listing Requirements"), the adoption of recommendations on corporate governance in the "Green Book Enhancing Board Effectiveness" initiated by the Putrajaya Committee on GLC High Performance as part of the GLC Transformation Programme ("Green Book") as well as the Corporate Governance Guide ("CG Guide") issued by Bursa Malaysia.

GROUP SENIOR MANAGEMENT

1

Datuk Badlisham Bin Ghazali
Managing Director

2

Dato' Abd Hamid Mohd Ali
Chief Operating Officer

3

Raja Azmi Raja Nazuddin
Chief Financial Officer

4

Dato' Azmi Murad
Executive Director ISG & LGM

5

Muhamad Khair Mirza
Senior General Manager
Planning

6

Ir. Suradini Abdul Ghani
Senior General Manager
Non-Aviation Business

7

Ir. Mohd Zaifuddin Idris
Senior General Manager
Technical Services

8

Md. Shamsuri Md Isa
Senior General Manager
Human Resources

9

Mohammad Nazli bin Abdul Aziz
Senior General Manager
Commercial Services

10

Mohammad Suhaimi Abdul Mubin
General Manager
Malaysia Airport Sdn. Bhd.

11

Zainol Mohd Isa
General Manager
Malaysia Airports (Sepang) Sdn. Bhd.

12

Mohamed Sallauddin Mohamed Shah @ Mat Sah
General Manager
Airline Marketing

13

Sabarina Laila Dato' Mohd Hashim
General Manager,
Secretarial & Legal Services and
Company Secretary

14

Nasrein Fazal Sultan
General Manager
Internal Audit

15

Rokmah Abdullah
General Manager
Procurement & Contract

16

Ir. Khairiah Salleh
General Manager
Engineering

17

Nik Anis Nik Zakaria
General Manager
Corporate Communications

18

Nornajihah Ismail
General Manager
Finance Services

19

Veelayudan Krishnan Nair
General Manager
Special Projects

20

Nor Azlina Mohd Isa, IAP
General Manager
Planning & Development

21

Abd Malik Mohd Yunus
General Manager
Airport Fire & Rescue Services

22

Randhill Singh
General Manager
Corporate Planning

23

Ahmad Tarmizi Mohd Hashim
General Manager
Malaysia Airports Consultancy Services Sdn. Bhd.

24

Mohd Nasir Ismail
General Manager
MAB Agriculture-Horticulture Sdn. Bhd.

25

Brian Iskandar Zulkarim
General Manager
Transformation Management Office

26

Zulhikam Ahmad
General Manager
Malaysia Airports (Niaga) Sdn. Bhd.

27

Radin Asrul Adza Radin Soenarno
General Manager
Information Technology

28

Rosli Mohd Isa
General Manager
Aviation Security

29

Datuk Abdullah Kadir Bacha
General Manager
Stakeholder Relations & Regulatory Affairs

96.4% **OF OUR SENIOR MANAGEMENT ARE MALAYSIANS**

AWARDS & RECOGNITIONS

GreenTech Awards 2015

- Recognised as one of Malaysia's Top 30 Green Catalyst 2015

Best Social Media Engagement Award by Social Media Chambers Malaysia

One of the Top 20 constituents of the FTSE4Good Bursa Malaysia ESG Index

ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2015

- Announced as one of Malaysia's Top 20 Companies for sustainability reporting 2015

ACCA

airport carbon accredited
REDUCTION

Accredited by Airports Council International (ACI) at Level 2: Reduction in KLIA

STAKEHOLDERS' ENGAGEMENT

[G4-24, G4-25, G4-26, G4-27]

In Malaysia Airports, we continue to run our business operations responsibly by understanding and responding to the concerns of our stakeholders in an effective manner. Our efforts in doing so involve working within a feasible and sustainable stakeholder engagement framework where stakeholder groups and engagement methods are clearly defined.

Our engagement method ranges across various communication platforms such as meetings, briefings, discussions, surveys, e-mail correspondence as well as participation in conferences, forums and events.

These engagement methods were initiated mainly to provide updates on current business situation, as well as raise and resolve issues of concern. We believe these measures have been effective as they provide platforms for open communication where multiple viewpoints and interest are taken into consideration.

STAKEHOLDER ENGAGEMENT FRAMEWORK

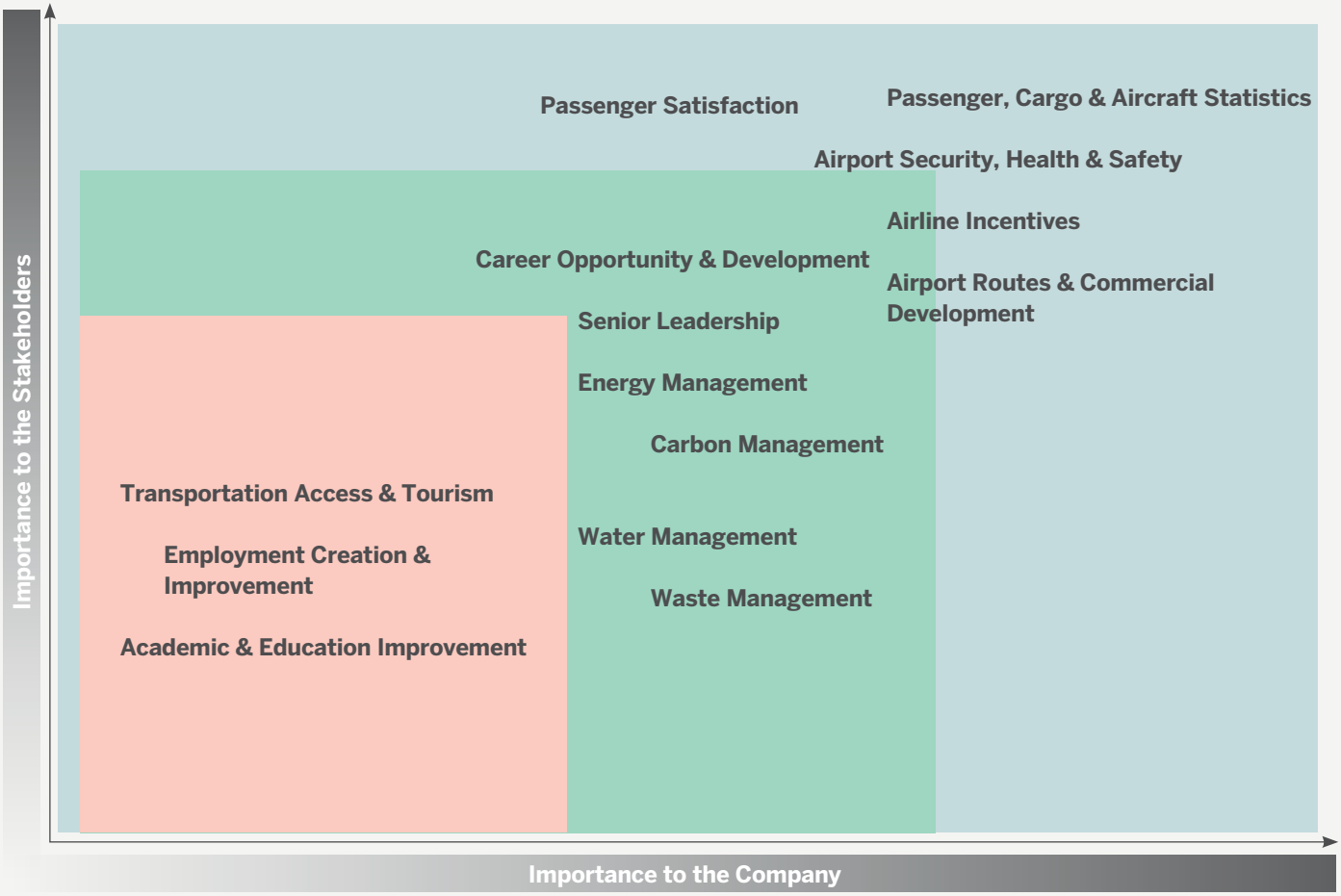
STAKEHOLDER GROUP	ENGAGEMENT METHOD
Airlines	
	• Airline Operator Committee General Meetings • Scheduled Updates to Airlines • Scheduled Updates to Board of Airlines Representatives
Airport Community	
	• Quarterly Airport Facilitation Meetings • ACI Annual Meetings • Participation in Conferences and Forums
Employees	
	• Employee Engagement Survey (EES) by AEON Hewitt
General Public	
	• Social Media Platforms (Malaysia Airports' Official Website,Twitter, Facebook, Instagram, Youtube, Linkedin • Customer Affairs & Resolution Excellence (CARE) Feedback Platform
Tenants	
	• Concessionnaires Conference • T.O.U.C.H Programme
Local Communities	
	• Beyond Borders Programme
Passengers	
	• Airport Service Quality (ASQ) Surveys
Shareholders	
	• Quarterly Analyst Briefings • Annual General Meeting (AGM) • Investor relations activities/events

MATERIALITY ASSESSMENT

As a result of our various engagement with stakeholders, we have been able to identify a list of relevant issues from a business and shareholders' perspective. Issues that have significant impact to economic, social and environmental areas were given priority as they are most likely to affect our business operations.

In order to provide greater depth to the list of relevant issues, materiality assessment was done and plotted into a Materiality Matrix. The process of identifying the key issues is based on the Reporting Principle and Guidance for Defining Content in the GRI G4 Sustainability Reporting.

In developing the Malaysia Airports' Materiality Matrix, both quantitative and qualitative data processes were employed in order to determine the location of the issues within the matrix. Issues were prioritised first based on the stakeholder's level of significance to our business operations. As a result, 14 out of 63 issues were prioritised to be addressed and reported.



PRACTICING SENSIBLE ECONOMICS

[G4-EC1, G4-A01, G4-A02, G4-A03]

ENHANCING COMPETITIVENESS

Malaysia Airports Holdings Berhad ("Malaysia Airports") had registered earnings before interest, tax, depreciation and amortisation ("EBITDA") of RM1,679.1 million, representing a growth of 113.4%* when compared to the financial year ended 31 December 2014 ("FY2014"). As a result, Malaysia Airports outperformed its financial headline KPI for FY2015. The achievement was on the back of a 44.3%* growth in revenue, primarily arising from the Group's Turkish operations in Istanbul Sabiha Gökçen Uluslararasi Havalimani Yatirim Yapim Ve Isletme A.S. ("ISG") and LGM Havalimani Isletmeleri Ticaret ve Turizm A.S. ("LGM").

* Excluding the effects of IC 12 in FY2014

Financial Performance [G4-EC1, G4-A01, G4-A02, G4-A03]

	2013 RM'000	2014 RM'000	2015 RM'000
Economic Value Generated			
Revenue	4,098.80	3,343.70	3,870.20
Economic Value Distributed			
Operating costs	1,247.00	1,414.40	1,562.60
Employee wages and benefits	485.40	510.00	555.90
Payments to providers of capital	294.80	248.70	242.10
Payments to government	413.30	357.30	286.70
Economic Value Retained	**1,658.30**	**813.30**	**1,223.70**

Malaysia Airports continues to be a key economic contributor to the nation despite the challenging business environment. In comparing 2015 to 2014, growth in passenger volume remained modest at 0.6% with flight movements up marginally by 1.1%, while cargo movements had decreased by 3.3%.

2015

83,829,769

TOTAL PASSENGER MOVEMENTS

2015

974,330,197

TOTAL CARGO MOVEMENTS (KG)

2015

815,340

TOTAL CORMACIAL AIRCRAFT MOVEMENTS

PRACTICING SENSIBLE ECONOMICS

AIRPORT ROUTES DEVELOPMENT

Attracting more airlines to operate at our airports is vital to remain competitive in the aviation business. Hence, Malaysia Airports has been actively engaging with internal and external stakeholders, particularly the airlines. Some of these initiatives include attending conferences and forums, where major issues are discussed with heads of airlines and tourism bodies.

In 2015, we welcomed new airlines at KL International Airport (KLIA) namely, British Airways, All Nippon Airways (ANA), Air China, Shanghai Airlines and Rayani Air. With more new airlines operating at our airports, KLIA's position as a regional hub will be further strengthened.

COMMERCIAL DEVELOPMENT

Being true to our company's vision which is to be a global leader in creating airport cities, we are well on track with the development of KLIA Aeropolis. In July 2015, we launched Mitsui Outlet Park (MOP) KLIA, a retail outlet park located 6 km away from KLIA. MOP caters to a diverse group of customers, offering attractive discounts for various products and brands. We believe that the development of MOP will help to improve the quality of life for our surrounding community as well as serve as an economic generator by providing employment opportunities.

MOP is also a project under the Economic Transformation Programme (ETP), with a projected Gross Domestic Product (GDP) and Gross National Income (GNI) of RM235 million and RM220 million respectively by year 2020. Under the ETP, MOP KLIA was granted Entry Point Project status under the National Key Economic Area (NKEA) for Tourism (EPP3: Establishing Premium Outlets in Malaysia).

ENSURING PUBLIC SAFETY AT klia2

As the airport operator of klia2, Malaysia Airports ensures that we abide by the standards and safety regulations set by the Department of Civil Aviation (DCA) Malaysia. DCA is a regulatory body responsible for regulating aviation activities in order to ensure safe, efficient and smooth operation of air transportation in Malaysia.

Prior to the commercial opening of klia2, the terminal received all required safety certifications, including the Certificate of Completion and Compliance (CCC), ensuring that the terminal is safe for operations. It also received the Aerodome Certificate certifying that the terminal complies to ICAO Annex 14 and Airport Standards Directive for its runway, parking apron, taxiways, terminal building structures and surrounding areas.

Other safety initiatives in our airport operations include the establishment of a Joint Inspection Committee (JIC) which was created to monitor and resolve safety issues. Led by the Principal Assistant Director (JA) 1 of Airport Standards Division from DCA, it had representation from Malaysia Airports

and relevant airlines. The committee was given the responsibility to perform continuous inspection and monitoring of maintenance works and improvements of the apron and taxiways in klia2.

Other independent safety evaluation such as, by IKRAM Premier Consulting, was also undertaken to confirm that the terminal and its related infrastructure is safe for operations. This included evaluation on safety matters regarding airport runways, taxiways and parking apron, terminal building structures and surrounding areas. klia2 had also received additional confirmation via ICAO Project Report that it was in compliance to the relevant safety standards.

As we take our responsibility towards public safety very seriously, these measures were undertaken in order to ensure that the terminal remains safe and fit for operations.

Aerodrome Safety Management System (ASMS)

As global aviation activities grow more complex, the conventional methods in risk and safety management has become less effective. Thus, Malaysia Airports had adopted a more comprehensive method to better understand and manage safety and risk by utilising the Aerodome Safety Management System (ASMS).

Having worked closely with DCA since 2009, KLIA was certified, and emerged as the first airport in Asia Pacific to establish ICAO's Aerodrome Safety Management System (ASMS). Currently, all our international and 11 domestic airports are ASMS certified.

International and Domestic Airports with ASMS certification

KUL	BKI	AOR	MKZ
KCH	TGG	KBR	TWU
LGK	SDK	SBW	LMN
PEN	MYY	BTU	IPH

Part of the ASMS Certification requirement includes the formation of Runway Safety Teams.

Runway Safety Teams

The Aviation industry has a remarkable safety record, with fewer than four accidents per million departures on average worldwide. Nonetheless, the global accident rate has remained constant over the past ten years, with runway-related incidents consistently representing the largest accident grouping.

Therefore, improvements to runway safety is essential in achieving our objective to reduce the global accident rate and related fatalities. As a result of this, the international aviation community has called upon ICAO to demonstrate leadership in an effort to reduce the number of runway-related accidents. Through its Runway Safety Teams (RST), ICAO aims to coordinate a global effort to further improve global safety.

Historical analysis has highlighted that accidents are normally the result of contributing factors across multiple aspects within the aviation system. The ICAO's Runway Safety Team therefore takes the multidisciplinary approach in requiring collaboration from these stakeholders:

I. DCA Air Traffic Controllers
II. Pilot of Airlines
III. Aerodome Operator

The ASMS office provides guidance to, and necessary training for all RST airports in accordance to ICAO standards. It also assists airports in establishing RSTs at all ASMS-certified airports. Currently, five of our international and 12 domestic airports have had their Runway Safety Teams established.

In addition, the ASMS office reports to DCA on all safety-related matters. The activities of RSTs will be reported to and monitored by the National Runway Safety Team (NRST) chaired by DCA Director of Airport Standards Division twice a year.

PROCUREMENT PRACTICES

Supporting Local Bumiputera Entreprenuers through the Bumiputera Economic Empowerment Agenda

In 2015, Malaysia Airports continues to help develop capable local and Bumiputera vendors, with 17 outlets allocated for Bumiputera SME business operations in klia2.

This commercial Corporate Social Resposibility (CSR) Programme is aligned with the national Bumiputera Economic Empowerment Agenda, the objective of which is to enhance Bumiputera entrepreneurship skills and competencies in doing business as well as to provide them the opportunity to showcase their businesses in the international arena.

PRACTICING SENSIBLE ECONOMICS

Our Commitment

Performance Measure	2013	2014	2015*
Number of Bumiputera SMEs under Malaysia Airports CSR Programme	KLIA: 4	KLIA: 3	KLIA: 3
	klia2: 5	klia2: 11	klia2: 8

* No additional outlets were allocated in 2015. The number of outlets shown refers to existing outlets from 2014.

SUPPLY CHAIN [G4-12]

Having diverse business interest, we engage with multiple clients and vendors in our supply chain. The Procurement division is given the responsibility to manage the procurement process as well as, all official communication with vendors and service providers. Our procurement process is clearly governed by the 3Ps (Procurement Policies and Procedures) document. On top of this our vendors also pledge to a Vendor Integrity Pact.

UPHOLDING ETHICS & INTEGRITY

In Malaysia Airports, we take great pride in upholding our business ethics and integrity. The company has always practised good corporate governance with the aim of eliminating corrupt practices among employees and business partners. This is evident from the various policies governing employee conduct such as Code of Ethics and Conduct manual, whistleblowing policy, asset declaration policy and no gift policy.

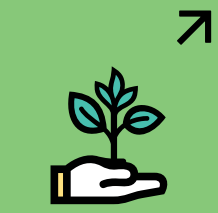
A Corporate Integrity unit has also been established in 2014. It reports directly to the Board Audit Committee. The CIU is also headed by an officer seconded from Malaysian Anti-Corruption Commission in order to preserve its independence. CIU was given the responsibility to strengthen the internal control system, and ensure that the company complies to the laws, policies and procedures in preventing corruption.

YBhg. Datuk Haji Mustafar Ali, Deputy Chief Commissioner (Prevention) Malaysian Anti-Corruption Commission (MACC) (fourth from right) handing over the signed Corporate Integrity Pledge to Datuk Badlisham Ghazali (sixth from left)

Additionally, on 5 March 2015, the senior management team of Malaysia Airports upheld their commitment to corporate integrity through the signing of the Corporate Integrity Pledge. The signing signifies the unilateral declaration against the practice of corruption in the company's business activities.

MATERIAL ISSUES > ENVIRONMENTAL CONSCIOUSNESS

[G4-EN3, G4-EN5, G4-EN6, G4-EN7, G4-EN8, G4-EN15, G4-EN16, G4-EN19, G4-EN23, AO4]



Malaysia Airports' environmental strategy aims at reducing our impact on the environment, whilst balancing our operational requirements as a commercial airport. The main focus areas are reducing carbon emissions, reducing energy usage, emphasising renewable energy, encouraging recycling and reducing potable water consumption. This year, our flagship airport KLIA was accredited in the Airport Carbon Accreditation Programme. This standard helps provide us with the foundation in managing our environmental impact. We are incredibly proud to have reached this milestone and will continue to strive in becoming an eco-friendly green airport.

ENERGY MANAGEMENT

[G4-EN3, G4-EN5, G4-EN6, G4-EN7]

Guided by the Energy Policy, Malaysia Airports continues to promote the efficient use of energy in delivering service excellence to all airport users. The objective of the Energy Policy is to improve efficiency in energy consumption, contribute to reduction in utility costs, and optimise capital expenditure.

Malaysia Airports has several ongoing energy initiatives in KLIA such as resetting the operating hours for our building lighting system, High Mast Lighting, and Baggage Handling System, together with optimising Airfield Ground Lighting and lowering down the speed of walkalators and escalators. We also leverage on solar technology installed at the long-term car park and satellite rooftop. With these initiatives in place, an estimated total savings of 16,887,207 kWh has been achieved. This remarkable savings registered a 7.21% reduction in energy consumption in KLIA.

We have further analysed other related activities against the performance measurement in the following table. Data below excludes the consumption at corporate ffice, Airport Management Centre and at other subsidiaries.

Performance Measure	2013	2014	2015
Total Energy Consumption (International and Domestic Airports) kWh	415,595,876.07	[1][2]486,025,486.22	[3][4]496,445,802.20
Energy per Pax (kWh/pax)	5.22	5.83	5.92

1 Updated actual kWh values for Kuching, Miri, Sibu, Limbang, Sandakan, Tawau, Labuan and KLIA

2 Performance measure includes electricity consumption and passenger numbers in klia2

3 Kuantan and Ipoh Airports electricity consumption for December 2015 was an estimation based on the average value of a three-month period

4 Miri Airport electricity consumption for November 2015 was an estimation based on the average value of a three-month period

Water Management [G4-EN8]

Water is a precious resource which is growing more scarce. Airports use significant volumes of water and need to manage the release of waste water into the sewerage systems and local water courses to reduce the risk of environmental impact. At our airports, we have taken essential steps to improve the existing water management system from the supply of potable water and rainwater harvesting for the treatment of waste water prior to discharging back to river. For instance, we have reused rainwater at klia2 terminal for toilet flushing and irrigation purposes. In 2015, we managed to optimise the usage of reusing rainwater for non-drinking purposes at approximately 47% at klia2 which was equivalent to 43 Olympic-sized swimming pools.

Moreover, we continued to reduce the non-revenue water through the monitoring of water leak detection works with the aim of a 2% annual reduction target by 2020.

Performance Measure	2013	2014	2015
Total water withdrawal by source (m^3)	7,116,955.87*	9,350,674.57	10,296,513.53
Total water withdrawal per pax (m^3/pax)	0.11	0.11	0.12

Note:
This data refers to all MA Sepang and MASB airports
* Figures converted to m^3 from bills received

Waste Management [G4-DMA, G4-EN23]

With more than 200,000 passengers passing through the terminals every day, Malaysia Airports manages a vast amount of waste of over 22,000 tonnes a year, mainly in KLIA. In order to achieve our target, we are making strides to reduce the amount of waste generated at the airport, while increasing recycled waste. We also increased the number of recycling bins from 103 units in 2014 to 113 units in 2015 at the terminal to encourage recycling habits among our airport users. As a result, an increase in recycled waste from 81 tonnes in 2012 to more than 200 tonnes was achieved throughout the period.

Recycling corners at KLIA

KLIA

Performance Measure	2013	2014	2015
Waste produced (kg)	22,613,130	21,655,790	18,012,550
Waste per pax (kg/pax)	0.28	0.44	0.37
Recyclable waste produced (kg)	237,645	210,184	160,678

On top of that, our in-house recycling programme at the corporate office continued to receive encouraging result as reflected in the increase in the amount of recycled waste.

Performance Measure	2013	2014	2015
Paper products (kg)	8,660.4	11,407.4	11,769.26
Plastic products (kg)	141.6	105.2	45.9

Carbon Management [G4-DMA, G4-EN15, G4-EN16, G4-EN19]

Malaysia Airports continues to update the data inventory of airport-owned vehicles and transport (Scope 1) and electricity consumption (Scope 2) at all our international and domestic airports.

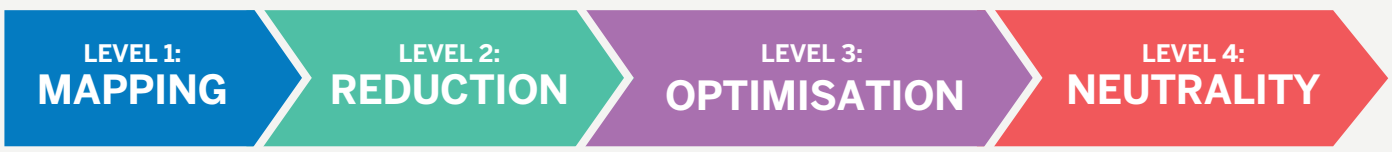
Performance Measure	2013	2014	2015
Total CO_2e emissions (tonnes)	311,929.20	361,854.00	369,330.90
Scope 1 CO_2e emissions (tonnes)	1,479.10	1,709.45	1,466.00
Scope 2 CO_2e emissions (tonnes)	310,450.10	360,144.90	367,864.90

KLIA receives certification under Airport Carbon Accreditation Programme

In April 2015, KLIA was certified at Level 2: Reduction by the Airports Council International (ACI) under its Airport Carbon Accreditation (ACA) Programme. The certificate was presented to our Managing Director, Datuk Badlisham Ghazali by Mr. Dennis Chant, President of ACI Asia Pacific at a Presentation Ceremony in Jordan.

The achievement of the certification was based on the Greenhouse Gas (GHG) Inventory and Carbon Management Plan with the result of reduction in carbon emission intensity by 42.86%. In calculating the Greenhouse Gas (GHG) Inventory, the Airport Carbon Emission Reporting Tool (ACERT) was used.

The ACI Airport Carbon Accreditation is a voluntary programme to encourage airports to be more proactive in carbon management at the airport level. The programme has four levels of certification:



Moving forward, KLIA aims to work closely with stakeholders involving airlines, tenants and airport community to achieve an overall carbon emission reduction.

MATERIAL ISSUES > CREATING AN INSPIRING WORKPLACE

[G4-10, G4-11, G4-EC3, G4-EC5, G4-EC6, G4-LA1, G4-LA2, G4-LA3, G4-LA4, G4-LA9, G4-LA10, G4-LA11, G4-LA13]

A GREAT PLACE TO WORK

To quote an old Chinese proverb, "If you want one year of prosperity, grow grain. If you want ten years of prosperity, grow trees. If you want 100 years of prosperity, grow people." Malaysia Airports continues to invest in our employees through various learning and development opportunities under the Human Resources division. We believe our employees are our most valuable asset in driving continuous and sustainable growth in our business.

As an employer, the company's role is not only to ensure employee satisfaction but also to provide an environment which is conducive to performance excellence. As such, we engage extensively with our employees through various channels to ensure that their voices are heard and their feedback used as the basis for future plans and improvements.

EMPLOYEE SIZE AND WORKFORCE DIVERSITY

We continuously strive to promote diversity and nurture a work culture that offers all employees equal opportunities for career development. We have more than 10,000 employees across Malaysia, the majority of which is Malay, followed by Chinese, Indian and other races. Malaysia Airports respects the diversity and dignity of its workers and strictly prohibits any discrimination based on gender, age, religion, academic ability, physical disabilities and areas of origin. We believe that our offerings in employee benefits, incentives, as well as the reward and recognition programme will further enhance our attractiveness as the employer of choice.

Total number and rates of new employee hires and turnover by age group, gender and region [G4-LA1]

Category (Age)	New Hires	Turnover
18 - 29	263	493
30 - 39	56	93
40 - 49	23	23
50 - 59	3	69
60 - 69	-	2
Total	**345**	**680**

Region	Male		Female	
	New Hires	Turnover	New Hires	Turnover
West Malaysia	2	26	4	18
East Malaysia	231	397	108	239
Total	**233**	**423**	**112**	**257**

Gender	New Hires	Turnover
Male	233	423
Female	112	257
Total	**345**	**680**

In 2015, we welcomed **345** new employees.

67% of our total workforce is male. This reflects the nature of our business activities, especially in areas such as airport security services and technical services.

Our attrition rate was **6.8%** in 2015 slightly higher than the previous year mainly due to expiration of employee contracts.

Talent Recruitment

Recruiting qualified and talented candidate is key to the success of a company. Where possible, our recruitment is sourced internally. As such, we advertise all job vacancies internally for a minimum of two weeks. We believe that internal employee recruitment is an effective way to retain valuable employees and build on the skills and knowledge of existing employees. We strive to treat all job applicants fairly and eliminate any bias or unlawful discrimination. All our talent managers receive guidance and training on how to manage unconscious bias and consider each applicant on merit alone.

The diversity of our people is one of our core strengths as it is critical to excellent service delivery especially due to the nature of our business whereby airports are places where different cultures and race converge. When our people reflect the communities we serve, it enhances the way we connect with our customers.

Proportion of Senior Management Hired From the Local Community

[G4-EC6]

	Total
Number of Senior Management	26
Number of employees in Malaysia	10,238

Operating in a competitive marketplace, we offer slightly higher than standard entry level wage of RM1,200 which is above the minimum national entry level wage of RM900 per month. This is part of our company's contribution towards employee welfare and serves to attract as well as retain the best talents.

Enhancement of Employee Satisfaction

We welcome opinions, ideas and perspectives from employees so that the company can always better its performance in the area of employee satisfaction. Various channels have been established for employees to communicate with senior management, for instance, quarterly townhall meetings with the Managing Director, Management Visibility Programme, Senior Management Visits to Airports (Adopt an Airport) and the half-yearly departmental townhall meetings. In addition, we had also initiated the inculcation of the Malaysia Airports Brand Identity to all our employees including those based at our 39 airports. The ultimate objective of this initiative is to ensure the internalisation of our Brand Identity among employees which will help define the behaviours that are expected in a Malaysia Airports' employee. It also served to clearly define the company's brand positioning and future direction, as well as foster better staff engagement.

Malaysia Airports annually carries out the Employee Engagement Survey (EES) to provide a high level of trust within the company, provide assurance to its employees and create a conducive working environment. The EES saw an employee response rate of 78% across the company.

For 2016, the EES will focus on career opportunities, branding and leadership as being the key areas of success for the company.

	2013	2014	2015	Range
Employee Engagement Survey (%)	76	74	66	Top - Moderate Quartile
Malaysia Country Norms (%)	57		61	Moderate Quartile
GLC Malaysia (%)	62		61	Moderate Quartile
GLC Malaysia High Performer (%)	69		84	Moderate - Top Quartile

Remarks:

Bottom Quartile
< 45%

Moderate Quartile
< 70%

Top Quartile
> 70%

Employee Benefits [G4-LA2, G4-LA4, G4-EC3]

Apart from a set of standard and compulsory benefits including base salary, bonus, medical coverage, insurance benefits and employee provident fund scheme, we also provide a range of financial assistance and subsidies to eligible employees. This assistance include housing loans, festival loans, car loans and staff education assistance scheme. We also render financial assistance in the form of zakat contribution to eligible and deserving employees and their family members.

In cognisant of the challenges faced by some of our employees with young children, a child care centre and kindergarten was built near the corporate office for the benefit of our employees. The child care centre and kindergarten which opened for registration in December 2015 is able to accommodate about 150 children.

Gender Equality [G4-LA13]

In Malaysia Airports, we are committed in tackling incidents of inappropriate behaviour swiftly and decisively. No gender-specific criteria are taken into account when assessing remuneration and work activities. Criteria such as level of knowledge and skills, responsibility, volunteer work, as well as the level of difficulty in performing the job are the major consideration in remuneration assessment. Our employees are given equal remuneration regardless of gender.

	Basic salary (Lowest salary for each category)	Remuneration (Eg: Bonus)
Male & Female	RM1,200	On average 2.3 months

Pregnant Women Parking [G4-LA1]

We also ensured the wellbeing of new or expectant mothers at work, the Safety, Health and Environment (SHE) division has made special provision for these employees by allocating ten dedicated parking lots for their use at our corporate office. This initiative was implemented in conjunction with the National Safe Commuting to Work Campaign 2015 officiated by the Dato' Sri Richard Riot Anak Jaem, Minister of Human Resources on 26 May 2015.

Collective Bargaining [G4-DMA, G4-11]

Malaysia Airports encourages an open and transparent workplace culture that enables our employees to raise a variety of issues with the senior management easily and confidentially as and when required. About 90% of our employees are covered by collective bargaining agreements.

Return to work and retention rates after parental leave [G4-LA3]

	Male	Female
Employees entitled to parental leave	4,559	1,856
Employees who took parental leave	122	122
Employees who returned to work after parental leave has ended	122	122
Employees who returned to work after parental leave has ended, and were still employed 12 months after returning to work	122	122

Definition of parental leave: Leave granted to male and female workers on the grounds of the birth of a child.

Rewards and Recognitions

Long Service Award

We are proud to have many long-serving employees in our employ. Hence, to recognise their extraordinary contribution to our business, we reward them with the Long Service Award which includes premium savings certificates.

The total number of employees who received the Long Service Awards are as follows:

Category	2013	2014	2015
5 years	95	95	543
10 years	202	202	375
20 years	77	77	194

Heroes of the Quarter

Heroes of the Quarter are quarterly recognition programmes to recognise outstanding employees who have shown exemplary individual achievement and contribution to the company or the community.

In May 2015, nine exemplary individuals received their certificate of appreciation from the Managing Director of Malaysia Airports, Datuk Badlisham Ghazali.

Name
Abdullah Sani Tany, AVSEC Assistant
Md Shukur Ibrahim, AVSEC Assistant
Roshisam Mohammed Roslan, AVSEC Assistant
Mohd Nizam Zamani Razak, AVSEC Assistant
Alwi Mustapha, AVSEC Assistant
Mustakim Rukimin, Admin/ Operations Officer
Aidatul Saliza Mohd Alias, Secretary
Haslinda Hassan, Senior Executive-Knowledge Management
Mohamad Hisyam Hashim, AVSEC Assistant

The recipients of Heroes of the Quarter with the Managing Director of Malaysia Airports, Datuk Mohd Badlisham Ghazali.

Young Executive Award 2015

The Young Executive Award is an initiative by Airports Council International (ACI) introduced in 2009 to encourage and promote innovative ideas and solutions for challenges faced in the aviation industry.

Similar to previous winners, the 2015 award recipient, Ruzliana Fazila Kamarudin from Malaysia Airports had the honour to present her research paper entitled 'Managing Customer Experience for Passenger Service at Airports' at the ACI Asia-Pacific's annual conference, which took place at the Dead Sea in Jordan.

Ms. Karrie Mather, CEO, Sydney Airport, Ms. Angela Gittens, Director General ACI World and Mr.Dennis Chant, President, ACI Asia-Pacific presenting the awards to Ruzliana Fazila Kamarudin

A FOCUS ON PERSONAL DEVELOPMENT

'Promoting Education, Public Awareness and Training' [G4-DMA, G4-LA9, G4-LA10, G4-LA11]

In driving human capital sustainability, we have formulated comprehensive training programmes in order to retain our current employees, build their capability and attract new people at every level of our organisation. It is important to us that we recognise the variety of roles at the airport and offer programmes to suit each area of business.

In 2015, we have invested about RM7.3 million particularly for employee learning and development by introducing various career development programmes to enhance their skills and provide opportunities for career development. This includes training provided for employees involved in airport operations such as fire and rescue, security as well as airside driving and emergency planning.

In order to identify emerging talents within our business and help with succession planning, the company had also initiated a leadership programme to a wider pool of employees especially for middle and senior management positions. The programme's objective is to cultivate well-rounded managers and develop leaders who are able to contribute effectively to the company's long-term sustainability.

Year	Programme	Level
January 2015 - 2016	Blue Ocean Strategic Leadership	Senior Management (GM & above), Senior Managers & Managers (Talent)
December 2015 - 2016	Leadership Programme (Transformer)	Senior Management (GM & above)

Our Commitment

To enhance and simplify processes in training needs analysis and identify suitable programmes for employees

Year	2013	2014	2015
Number of employees who attended training	14,833	17,066	16,974

Average hours of training per employee by gender and employee category [G4-LA9]

Employee category	Male (hours)	Female (hours)
Management (26 - 33)	13	11
Management (24 - 25)	9	10
Executive (19 - 23)	11	9
Non-Executive (08 - 16)	13	9

Percentage of employees receiving regular performance and career developments reviews broken down by gender [G4-LA11]

Employee category	Male (%)	Female (%)
Management (26 - 33)	100	100
Management (24 - 25)	100	100
Executive (19 - 23)	100	100
Non-Executive (08 - 16)	100	100

We also have in place pre-retirement programmes which is specially designed to prepare retiring employees with knowledge and assist them in managing life after retirement both financially and socially. The programme is designed for employees who have reached 53 years of age and above. The duration of the programme is three days and is conducted by an external consultant.

Performance Measure	2013	2014	2015
Total number of employees who attended the pre-retirement programme	148	508	879

A 'STEP' Forward To Cultivate Airport and Global Experts

Congratulations to our Malaysia Airports' employees who successfully graduated from their Master of Business Administration (MBA) programme with Universiti Teknologi Mara (UiTM).

Apart from leadership programmes, Master of Business Administration (MBA) and Doctor of Business Administration (DBA) programmes in airport related subjects were also introduced to develop airport and global experts.

On 4 September 2015, 18 of our employees successfully graduated from their MBA programme with Universiti Teknologi MARA (UiTM). A total of seven employees out of 18 were awarded the 'Anugerah Pasca-Siswazah' for their outstanding performance in achieving a CGPA above 3.75. These employees were Ir. Suradini Abdul Ghani, Nornajihah Ismail, Ainon Mahat, Mohd Shukri Ku Shaari, Munira Hanim Alang Ahmad, Khairunissa Sallehuddin and Syed Zulkifli Syed Ismail.

Malaysia Airports and Malaysia Institute of Transport (MITRANS) signed a Memorandum of Understanding (MoU) with Arshad Ayub Graduate Business School (AAGBS), UiTM to conduct 'in-house' academic courses, namely MBA (Executive Mode) and DBA for the employees of Malaysia Airports. This MoU was initiated to forge meaningful linkages between the academia and the industry as well as to equip Malaysia Airports' employees with greater productivity and skills.

MATERIAL ISSUES > COMMUNITY FRIENDLY ORGANISATION

[G4-SO1, G4-SO2]

We believe that it is our responsibility to improve and impact the lives of those residing within our sphere of operations.To materialise this, we work closely with local communities and other stakeholders to understand community needs and to identify areas of concern that need to be addressed. Malaysia Airports continues to invest in community outreach programmes, education and other CSR initiatives to contribute towards the betterment of local communities.

INVESTING IN OUR COMMUNITIES

Education Scholarship Programme

Since the programme was initiated in 2010, we have awarded 39 scholarship opportunities involving RM8.7 million. Thus far, ten returning scholars have been absorbed and assigned at various divisions within the company to prepare them for future leadership roles.

Year	2013	2014	2015	Progress
Number of ESP recipients	8	8	N.A.	• No new intake in 2015, however we will consider reopening the programme in 2016.
Investment	RM3,073,000 in year-to-year expenses	RM2,462,500 in year-to-year expenses	N.A.	• In 2015, we focused on improving the programme and giving additional attention to our current scholars.

Impact	Target
Young talented scholars from low-income families have the opportunity and access to higher education in order to better their lives.	In 2016, Malaysia Airports continues to invest in nurturing the potential of young people and develop the necessary traits for them to become great leaders.

Ashraff Ruslan, Research & Planning

Malaysia Airports scholarship gave me the opportunity to excel further in my life and be a contributing member to society. I sincerely believe that everyone should be given a chance to show what they are capable of. Thank you Malaysia Airports!

Raising the local employability level in rural area

In 2015, Malaysia Airports continued to forge partnerships through collaboration with the local authorities to improve the livelihood of local communities by providing job opportunities. We formed partnership with local Persatuan Bomba Sukarela (PBS) from Kudat, Marudi, Lawas and Mukah for the provision of Airport Fire and Rescue Services (AFRS) at the STOLports. These personnel were trained with the necessary firefighting skills in airport fire and rescue service – a highly-specialised expertise that can only be obtained through airport operations. Through our collaboration with PBS since April 2013, we have impacted a significant number of rural residents who are now serving as AFRS personnel at the airstrips.

Year	2013	2014	2015	Progress
Number of AFRS personnel	35	28	56	• We conducted an annual training 'Aircraft Rescue and Firefighting' to enhance knowledge and skills. • We will continue to support rural residents by creating more employment opportunity.

Impact	Target
The livelihood of the local community have improved through job security.	In 2016, Malaysia Airports plans to enhance rescue and fire fighting facilities and equipment at all Stolports.

Beyond Borders

Our education initiative, the Beyond Borders programme had, from its start in 2007 proven to be one of the best ways for us to reach out to the community surrounding our airports. Activities tailored for the programme are based on two conceptual frameworks. The first is through an Enrichment approach, where we strive to enhance language proficiency level through engagement and programmes such as Beyond Borders English Language (BEL) and 'I Start First' motivation programme. The second framework is through an the Artistic approach, where we design the learning process to be interactive through programmes such as 'English Day'.

To date, Malaysia Airports has allocated more than RM9 million to 28 schools since its introduction in 2007, touching the lives of more than 23,500 students, teachers, parents and local communities. In 2015, we spent a total of RM900,000 on seven adopted schools. We are happy to see encouraging results in the students' command of the English language since its implementation.

	Year		Progress
Beyond Borders is our school adoption programme that provides education assistance specifically in English language for underprivileged and academically weak students in selected areas.	**2013**	52.34% passing rate	• The schools' passing rate in English has steadily increased over the last three years in the programme.
	2014	65.15% passing rate	
	2015	71.24% passing rate	

Impact	Target
Improved English language proficiency level among primary school students thus providing better further education opportunities. .	In 2016, Malaysia Airports plans to conduct activities that focus on helping Year 6 students do well in their English language UPSR examination.

Social Return on Investment (SROI)

Social Return on Investment (SROI) is a systematic way of incorporating social, environmental, economic and other values into decision-making processes. By helping reveal the economic value of social and environmental outcomes, it creates a holistic perspective on whether a development project or social business or enterprise is beneficial and profitable. In 2015, we continued the assessment and selected three SROI analysis to determine the effectiveness of the programmes.

Beyond Borders	
2014	**2015**
RM9.18 : RM1.00	RM34.76 : RM1.00
Conclusion	
The programme aims to improve the teaching and learning of English language in schools, and at the same time enhance and improve both teachers' and students' ability to speak and write better in English. Based on our estimates, its Social Return on Investment is RM34.76 : RM1.00.	

Short Take-off Landing port (STOLport)	
2014	**2015**
N.A.	RM16.01 : RM1.00
Conclusion	
The STOLport aims to provide critical infrastructure and time-sensitive connectivity for the purpose of facilitating economic activity and addressing community needs (medical, accessibility). Based on rigorous research and best assumptions, our estimate of Social Return on Investment is RM16.01 : RM1.00.	

Education Scholarship Programme	
2014	**2015**
RM5.72 : RM1.00	N.A.
Conclusion	
The Education Sponsorship Programme (ESP) strives to offer opportunities for high-achieving secondary school students to pursue tertiary studies at top local and foreign universities. No assessment was conducted in FY2015. Instead, we had focused on improving the programme and giving additional attention to our current scholars.	

Malaysia Airports showcases its SROI during the GLC 2015 Open Day.

MATERIAL ISSUES > MEMORABLE AIRPORT EXPERIENCE

Similar to the dynamism present in an airport business environment, we understand that passenger satisfaction and expectation constantly evolve over time. In Malaysia Airports, we strive to refine our capabilities in achieving service excellence, with a strong focus on customer experience. This is reflected in our company's mission which is to create joyful experiences by connecting people and businesses.

Following this, we subscribe to the Airport Service Quality (ASQ) Survey, initiated by Airports Council International, mainly to assess and measure customer satisfaction. The survey is conducted on a quarterly basis, disseminated to departing passengers in Kuala Lumpur, Penang and Langkawi International Airports. The survey questions are categorised into 34 key service elements. Results from the survey were analysed and initiatives were implemented for scores and ratings improvement.

We are also pleased to share that in February 2015, Langkawi International Airport received the award for Best Airport in Asia Pacific 2014 (0-2 mppa) by Airports Council International at an award ceremony at the ACI Asia-Pacific Regional Assembly held in Jordan.

The achievement was based on passenger feedback, with high scores in courtesy and helpfulness of airport staff, walking distance inside the terminal, safety and security at the airport as well as waiting time for passport/personal ID inspection.

With the growing number of passengers, Langkawi International Airport is now in a new category of 2-5 mppa along with 45 other airports in Asia Pacific competing under the same category.

Airport Service Quality (ASQ) Ranking [G4-PR5]

KL International Airport

	2009	2010	2011	2012	2013	2014	2015
Overall ASQ Ranking worldwide	16	13	19	8	21	21	30
Overall ASQ Ranking in 25-40 mppa category	4	3	4	3	-	-	-
Overall ASQ Ranking in > 40 mppa category					7	7	7

Langkawi International Airport

	2013	2014	2015
Overall ASQ Ranking in Asia Pacific	32	34	38
Overall ASQ Ranking in 0-2 mppa category	8	9	-
Overall ASQ Ranking in 2-5 mppa category	-	-	6

Penang International Airport

	2014	2015
Overall ASQ Ranking in Asia Pacific	40	44
Overall ASQ Ranking in 5-15 mppa category	21	24

Leveraging Innovations in Technology at our Airports

We acknowledge that passenger needs and expectations at our airport vary greatly from one individual to the next. However, we remain committed to service delivery excellence by, among others, offering seamless travel experience which will result in convenience and time savings to passengers. Based on feedback, the issue of long waiting time at check-in counters were of great concern to passengers. As such we have installed self check-in kiosks at our terminals to address this.

Self Check-in for Flights Out of KLIA

- **48 hours** prior to a flight
- **42 kiosks** thorughout KLIA
- **13** Booking reference or digit e-ticket number is needed
- Located at **KLIA & Putrajaya ERL station**

We also offer various check-in services at our airport terminal to ensure a smooth journey.

CHECK-IN SYSTEMS

Self Check-In
The Common Use Self-Service (CUSS) can be found at KL International Airport, allowing passengers flying by different airlines to use a common system as opposed to an airline-dedicated check-in kiosk.

Advance Check-In
Passengers may do advance check-in as early as eight hours before departure time.

No Baggage Check-In
Passengers departing from KLIA and Kota Kinabalu Airport to destinations within Malaysia and Singapore without check-in baggage can enjoy this service for faster check-in.

Return Check-In
For flights on the same day, passengers can check-in for their return flights on the same day.

Telephone Check-In
Passengers departing from KLIA and Kota Kinabalu Airport without check-in baggage can use this service for quicker check-in.

One-Shot Check-In
For journeys involving transfers of multiple airports, passengers can check-in once to their final destination provided flights are all on the same day with a minimum of two hours connecting time.

Malaysia Airports Mobile App

Malaysia Airports has introduced the MAHB Mobile App to assist our passengers in planning their time so as to enjoy a hassle-free experience.

The app provides convenience to passengers as they can access infomation on outlet locations, promotions, airport services and facilities by just a few clicks away.

SkyMap

The Skymap flight information display system provides airport users with a differentiated experience as it presents flight information data in a visually attractive manner. It is also integrated with real-time global patterns, local time, weather and temperature at major cities around the world.

PERFORMANCE DATA: SO, HR, LA, PR

Percentage of total workforce represented in formal joint management-workers health and safety committees that help monitor and advice on occupational health and safety programmes [G4-LA5]	**4.8%**
Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations [G4-HR7]	**41%**

Communication and training on anti-corruption policies and procedures [G4-SO4]	
1.2% Management	**12.6% Non-Management**

The total number of hours devoted to employee training on policies and procedures regarding aspects of human rights that are relevant to operations, including the percentage of employees trained [G4-HR2]	**700 hours (9%)**
The total number of incidents of discrimination and corrective actions taken [G4-HR3]	**NIL**
Total number and percentage of operations assessed for risks related to corruption and the significant risks identified [G4-SO3]	**NIL**
Confirmed incidents of corruption and actions taken [G4-SO5]	**NIL**

Our airports with OHSAS 18000:2007 Certification (SIRIM QAS International Sdn. Bhd.)									
KLIA	KCH	AOR	LBU	PEN	LGK	TGG	BTU	BKI	MYY

Rate of injury, occupational diseases, lost days and number of work-related fatalities by region & gender [G4 -LA6]

Total workforce (total employees plus supervised workers)

	Types of Injury	Rates of Injury (%)	Occupational diseases (%)	Lost days	Number of work related fatalities (%)	Absenteeism (%)
Region	LTI Cases					
- Peninsular Malaysia	3	2.84	NIL	44	NIL	-
- Sabah	-		NIL	-	NIL	-
- Sarawak	1		NIL	7	NIL	-
Gender						
- Male	4	0.04	NIL	51	NIL	-
- Female	-		NIL	-	NIL	-

Independent contractors working on-site

	Types of Injury	Rates of Injury (%)	Occupational diseases (%)	Lost days	Number of work related fatalities (%)	Absenteeism (%)
Region						
- Peninsular Malaysia	2	1.42	-	-	-	-
- Sabah	-	-	-	-	-	-
- Sarawak	-	-	-	-	-	-
Gender						
- Male	2	-	-	-	-	-
- Female	-	-	-	-	-	-

LTI: Loss Time Injury

Total incidents recorded is 141 cases

Total number of incidents for non-compliance with regulations concerning marketing communications [G4-PR7]

Incidents	Total
Incidents of non-compliance with regulations resulting in a fine or penalty	NIL
Incidents of non-compliance with regulations resulting in a warning	NIL
Incidents of non-compliance with voluntary codes	NIL

Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data [G4-PR8]

Complaints	Total
Complaints received from outside parties and substantiated by the organisation	NIL
Complaints from regulatory bodies	NIL

Our airports with ISO14001:2004 Certification (SIRIM QAS International Sdn. Bhd.)

KLIA	KCH	AOR	LBU	PEN
LGK	TGG	BTU	BKI	MYY

Our airports with ISO9001:2008 Certification (SIRIM QAS International Sdn. Bhd.)

KLIA	KCH	AOR	LBU
PEN	LGK	TGG	BTU
BKI	MYY	IPH	SZB
KBR	KUA	MKZ	SBW
LMN	LDU	SDK	TWU
RDN	TOD	MZV	

Our airports with ISMS27001:2005 Certification (SIRIM QAS International Sdn. Bhd.)

LGK

Total annual number of wildlife strikes per 10,000 aircraft movements [G4-AO9]

Component	2014	2015
Number of Bird Hits	99	101
Number of Animal Hits	3	5
Strike Rate per 10,000 Aircraft Movements	3.00	3.00

GLOSSARY

AAGBS	Arshad Ayub Graduate Business School
ACA	Airport Carbon Accreditation
ACERT	Airport Carbon Emission Reporting Tool
ACI	Airports Council International
AFRS	Airport Fire and Rescue Services
AGM	Annual General Meeting
AIP	Airlines Incentive Programme
ANA	All Nippon Airways
AOSS	Airport Operators Sector Supplement
AP-REC	Asia Pacific Regional Environment Committee
ASEAN	The Association of South East Asian Nations
ASMS	Aerodrome Safety Management System
ASQ	Airport Service Quality
AVSEC	Aviation Security
BCM	Business Continuity Management
BCP	Business Continuity Plan
BEL	Beyond Borders English Language
CR	Corporate Responsibility
CCC	Certificate of Completion and Compliance
CIU	Corporate Integrity Unit
CSR	Corporate Social Responsibility
CARE	Customer Affairs & Resolution Excellence
CGPA	Cumulative Grade Point Average
CUSS	Common Use Self-Service
DBA	Doctor of Business Administration
DCA	Department of Civil Aviation
EES	Employee Engagement Survey
EPF	Employee Provident Fund
ERL	Express Rail Link
ESG	Environmental, Social And Governance
ESP	Education Scholarship Programme
ETA	Estimated Time of Arrival
FIDS	Flight Information Display System
GM	General Manager
GDP	Gross Domestic Product
GHG	Green House Gas
GNI	Gross National Income
GRI	Global Reporting Initiative
ISO	International Standards Organisation
ICAO	International Civil Aviation Organisation
JIC	Joint Inspection Committee
kWh	Kilowatt-Hour
KLIA	KL International Airport
LTI	Loss Time Injury
MD	Managing Director
MBA	Master of Business Administration
MOP	Mitsui Outlet Park KLIA
MTB	Main Terminal Building
MoU	Memorandum of Understanding
MPPA	Million Passengers Per Annum
MSRA	Malaysia Sustainability Reporting Award
MITRANS	Malaysia Institute of Transport
NKEA	National Key Economic Area
OHSAS	Occupational Health and Safety Assessment Specification
PBS	Persatuan Bomba Sukarela
RST	Runway Safety Team
SAT	Satellite Building
SME	Small and Medium Sized Enterprise
SOP	Standard Operating Procedures
SROI	Social Return of Investment
STOL	Short Take-Off and Landing
SIRIM	Standards and Industrial Research Institute of Malaysia
UiTM	University Teknologi MARA

GRI CONTENT INDEX

Custom Content Index – 'In Accordance' Core

This Content Index provides an overview of the G4 Standard Disclosures made in this report and the Malaysia Airports Annual Report 2015.

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Description	Page	External Assurance
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organisation	4	√
ORGANISATIONAL PROFILE			
G4-3	Name of the organisation	3	√
G4-4	Primary brands, products and/or services		Annual Report
G4-5	Location of organisation's headquarters		Annual Report
G4-6	Number of countries where the organisation operates		Annual Report
G4-7	Nature of ownership and legal form		Annual Report
G4-8	Markets served		Annual Report
G4-9	Scale of the reporting organisation		Annual Report
G4-10	Workforce	20	√
G4-11	Percentage of total employees covered by collective bargaining agreement	22	√
G4-12	Supply chain	16	√
G4-13	Significant changes during the reporting period	3	√
G4-14	Precautionary approach	6	√
G4-15	External charters, principles or other initiatives	1	√
G4-16	Membership of associations	1	√
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organisation's consolidated performance		Annual Report
G4-18	Process for defining report content and aspect boundaries	1	√
G4-19	Material aspects	1	√
G4-20	Aspect boundaries within the organisation	1	√
G4-21	Aspect boundaries outside the organisation	1	√
G4-22	Effects of any restatement	There are no restatements of information	√
G4-23	Significant changes during the reporting period	1	√
STAKEHOLDERS ENGAGEMENT			
G4-24	Stakeholder groups engaged by the organisation	11	√
G4-25	Basis for identification	11	√
G4-26	Approach to stakeholder engagement	11	√
G4-27	Key topics and concerns raised by stakeholder	11	√

GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Description	Page	External Assurance
REPORT PROFILE			
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided	1	√
G4-29	Date of most recent previous report (if any)	1	√
G4-30	Reporting cycle (annual, biennial, etc)	1	√
G4-31	Contact point for questions regarding the report or its contents	3	√
G4-32	In accordance option chosen	1	√
G4-33	Assurance	1	√
GOVERNANCE			
G4-34	Governance structure of the organisation		Annual Report
ETHICS AND INTEGRITY			
G4-56	Organisations value principles and norms of behaviour	5	√

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Description	Page	Reason(s) for Omission(s)	External Assurance
DMA and Indicators				
CATEGORY: ECONOMIC				
MATERIAL ASPECT: ECONOMIC PERFORMANCE				
G4-EC1	Direct economic value generated and distributed	13		√
G4-EC3	Coverage of the organisation's defined benefit plan obligations	21		√
MATERIAL ASPECT: MARKET PRESENCE				
G4-DMA	Generic Disclosures on Management Approach	22		√
G4-EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant location of operation	22		√
G4-EC6	Proportion of senior management hired from the local community as significant locations of operation	21		√
MATERIAL ASPECT: PROCUREMENT PRACTICES				
G4-DMA	Generic Disclosures on Management Approach			√
G4-EC9	Proportion of spending on locally-based suppliers at significant locations of operation		This information was not collected during the reporting year	√

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Description	Page	Reason(s) for Omission(s)	External Assurance
CATEGORY: ENVIRONMENTAL				
MATERIAL ASPECT: ENERGY				
G4-DMA	Generic Disclosures on Management Approach	17		√
G4-EN3	Energy consumption within the organisation	17		√
G4-EN5	Energy intensity	17		√
G4-EN6	Reduction of energy consumption	17		√
G4-EN7	Reduction in energy requirements of products and services	17		√
MATERIAL ASPECT: WATER				
G4-DMA	Generic Disclosures on Management Approach	18		√
G4-EN8	Total water withdrawal by source	18		√
G4-EN9	Water sources significantly affected by withdrawal of water		This information was not collected during the reporting year	√
G4-EN10	Percentage and total volume of water recycled and reused		Not applicable	√
MATERIAL ASPECT: EMISSION				
G4-DMA	Generic Disclosures on Management Approach	19		√
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	19		√
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	19		√
G4-EN18	Greenhouse gas (GHG) emissions intensity		Not applicable	√
G4-EN19	Reduction of greenhouse gas (GHG) emissions	19		√
MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA	Generic Disclosures on Management Approach	18		√
G4-EN22	Total water discharge by quality and destination		This information was not collected during the reporting year	√
G4-EN23	Total weight of waste by type and disposal method	18		√
CATEGORY: SOCIAL SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK				
MATERIAL ASPECT: EMPLOYMENT				
G4-DMA	Generic Disclosures on Management Approach	20		√
G4-LA1	Total number and rate of new hires and employee turnover by age group, gender, and region	20		√
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	21		√
G4-LA3	Return to work and retention rates after parental leave, by gender	22		√

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Description	Page	Reason(s) for Omission(s)	External Assurance
CATEGORY: SOCIAL SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK				
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS				
G4-DMA	Generic Disclosures on Management Approach	22		√
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	22		√
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA	Generic Disclosures on Management Approach	32		√
G4-LA5	Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programmes	32		√
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender	32		√
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA	Generic Disclosures on Management Approach	24		√
G4-LA9	Average hours of training per year per employee by gender, and by employee category	24		√
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	24		√
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employment category	24		√
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA	Generic Disclosures on Management Approach	6		√
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6		√
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN				
G4-DMA	Generic Disclosures on Management Approach			√
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	22		√
SUB-CATEGORY: HUMAN RIGHTS				
MATERIAL ASPECT: INVESTMENT				
G4-DMA	Generic Disclosures on Management Approach	32		√
G4-HR2	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	32		√

DMA and Indicators	Description	Page	Reason(s) for Omission(s)	External Assurance
SUB-CATEGORY: HUMAN RIGHTS				
MATERIAL ASPECT: NON-DISCRIMINATION				
G4-DMA	Generic Disclosures on Management Approach	32		√
G4-HR3	Total number of incidents of discrimination and corrective actions taken	32	No incidences of discrimination occurred during the reporting period	√
MATERIAL ASPECT: SECURITY PRACTICES				
G4-DMA	Generic Disclosures on Management Approach	32		√
G4-HR7	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	32		√
SUB-CATEGORY: SOCIETY				
MATERIAL ASPECT: LOCAL COMMUNITIES				
G4-DMA	Generic Disclosures on Management Approach	26		√
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	26		√
G4-SO2	Operations with significant actual and potential negative impacts on local communities	26		√
MATERIAL ASPECT: ANTI-CORRUPTION				
G4-DMA	Generic Disclosures on Management Approach	32		√
G4-SO3	Total number and percentage of operations assessed for risk related to corruption and the significant risks identified	32		√
G4-SO4	Communication and training on anti-corruption policies and procedures	32		√
G4-SO5	Confirmed incidents of corruption and action taken	32		√
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING				
G4-DMA	Generic Disclosures on Management Approach	30		√
G4-PR5	Results of surveys measuring customer satisfaction	30		√
MATERIAL ASPECT: MARKETING COMMUNICATIONS				
G4-PR7	Total number of incidents for non-compliance with regulations concerning marketing communications	33		√
MATERIAL ASPECT: CUSTOMER PRIVACY				
G4-DMA	Generic Disclosures on Management Approach	33		√
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	33		√

SECTOR SPECIFIC DISCLOSURES: AIRPORT OPERATOR

DMA and Indicators	Description	Page	Reason(s) for Omission(s)	External Assurance
AO1	Total number of passengers annually	13		Annual Report
AO2	Annual total number of aircraft movements	13		Annual Report
AO3	Total amount of cargo tonnage	13		Annual Report
AO4	Quality of storm water by applicable regulatory standards		The information was not collected during the reporting year	√
AO5	Ambient air quality levels according to pollutant concentrations in microgram per cubic meter (μg/m³) or parts per million (ppm) by regulatory regime		The information was not collected during the reporting year	√
AO6	Aircraft and pavement de-icing/anti-icing fluid used and treated by m³ and/or tonnes		Not applicable	√
AO7	Number and percentage change of people residing in areas affected by noise		The information was not collected during the reporting year	√
AO8	Number of persons physically or economically displaced, either voluntarily or involuntarily, by the airport operator or on its behalf by a government or other entity, and compensation provided		Not applicable	√
AO9	Total annual number of wildlife strikes per 10,000 aircraft movements	33		√

SIRIM QAS INTERNATIONAL SDN. BHD. (410334-X)
SIRIM Complex,
1, Persiaran Dato' Menteri, Section 2,
40911 Shah Alam, Selangor Darul Ehsan.
Tel : 603-5544 6400 Fax : 603-5544 6810
www.sirim-qas.com.my

INDEPENDENT ASSURANCE 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 Malaysia Airports) to perform an independent verification and provide assurance of the Malaysia Airports Sustainability Report 2015. The main objective of the verification process was to provide Malaysia Airports 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 Malaysia Airports Sustainability Report 2015.

The management of Malaysia Airports is responsible for the preparation of the Sustainability Report. 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 Malaysia Airports Sustainability Report 2015.

Verification team:

The verification team from SIRIM QAS International consisted of:

1)	Ms. Aminah Ang	:	Team Leader
2)	Ms. Aernida Abdul Kadir	:	Team Member
3)	Mr. Shaiful Azmir Abdul Rahman	:	Team Member

Methodology

The verification process was carried out by the verification team from December 2015 to February 2016. 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 02121999 CB 01
MS ISO/IEC 17021 : 2006 EMS 17122002 CB 02
MS ISO/IEC GUIDE 65 : 2000 PC 05102004 CB 01
MS ISO/IEC 17021 : 2006 OSH 06122005 CB 01
MS ISO/IEC 17021 : 2006 HACCP 05052008 CB 03
ISO/TS 22003 : 2007 FSMS 23122008 CB 01
MS ISO/IEC 17021 : 2006 FMC 10122009 CB 02

MS ISO/IEC 17025
CALIBRATION /TESTING
SAMM NO. 085 SAMM NO. 086
SAMM NO. 087 SAMM NO. 219
SAMM NO. 231 SAMM NO. 240
SAMM NO. 299 SAMM NO. 354
SAMM NO. 377

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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 Malaysia Airports and its overall presentation against the GRI G4.0 requirements and the G4.0 Airport Operators Sector Disclosure.

During the verification process, issues were raised and clarifications were sought from the management of Malaysia Airports relating to the accuracy of some of the data and statements contained in the report. The report was subsequently reviewed and revised by Malaysia Airports to address 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 only involved the verification of information reported in the Sustainability Report 2015;
- The verification was designed to provide limited assurance of whether the Sustainability Report is presented fairly, in all material aspects, and in accordance with the reporting criteria. It was not intended to provide assurance of the organization's ability to achieve its objectives, targets or expectations on sustainability-related issues;
- Only the corporate office was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Malaysia Airports operating assets;
- The carbon footprint of Malaysia Airports was based on the Airport Carbon Emission Reporting Tool (ACERT). However, the derivation of the footprint for scope 1 was not verifiable as the formulae used in the calculation were not accessible. Only the quantity of fuel that was verified; and
- The verification team did not review any contractor or third party data.

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 Sustainability Report 2015 is fair and acceptable;
- The Sustainability Report was prepared following the GRI G4.0 'In accordance with the Core' Requirements of the 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;
- Malaysia Airports 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 Malaysia Airports

Prepared by:

AMINAH ANG
Verification Team Leader
Sustainability Certification Section
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date : 4 March 2016

Approved by:

PARAMA ISWARA SUBRAMANIAM
Senior General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date : 4 March 2016

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www.malaysiaairports.com.my

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
Malaysia Airports Corporate Office, Persiaran Korporat KLIA,
64000 KLIA, Sepang, Selangor Darul Ehsan, Malaysia.

Tel: +603-8777 7000 Fax: +603-8777 7778

Malaysia Airports @MY_Airports malaysiaairports Malaysia Airports