

# 2024 MATERIALITY ASSESSMENT

## Reassessing our Priorities

Khazanah’s materiality assessment guides how we prioritise ESG issues most critical to our role as Malaysia’s sovereign wealth fund and nation-builder. Conducted in 2024, this latest assessment responds to the evolving ESG landscape and rising stakeholder expectations, building on the foundation set by our 2021 assessment and the formalisation of our Sustainability Framework in 2022.

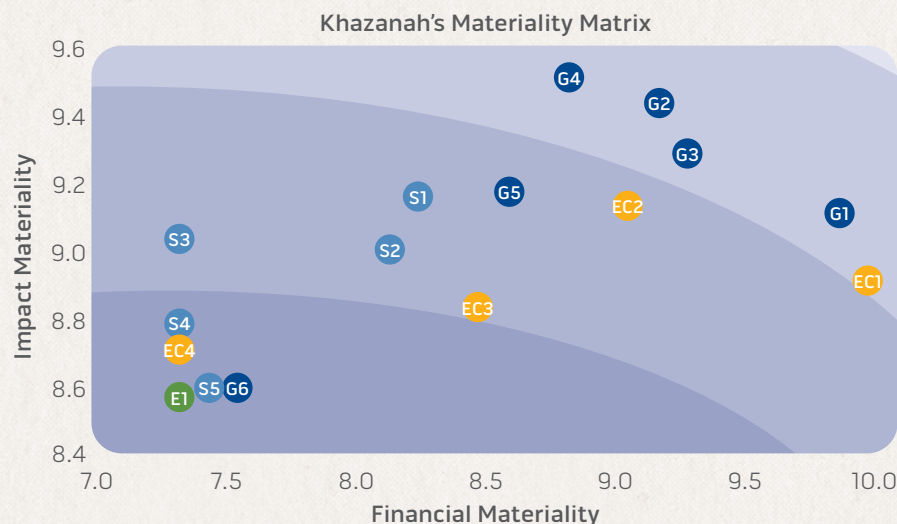
The 2024 assessment introduced a double materiality lens, enabling us to evaluate not just how ESG factors impact our financial performance, but also how our investments affect the environment, economy and society. This dual perspective strengthens our stewardship by balancing fiduciary duties with broader sustainable outcomes. Insights from this exercise will inform the development of a refreshed Sustainability Framework to ensure resilience and a sustainable future for the nation.

The assessment aligns with our three roles — as a responsible investor, a good corporate citizen, and a sustainable organisation — and serves three key objectives:

- Refine our sustainability narrative and action to reflect emerging global and national priorities with sharper focus on areas of meaningful impact
- Identify and prioritise material issues to enable purposeful and informed decision-making
- Equip investment teams with insights to integrate sustainability effectively into investment decisions

## ► Khazanah’s FY2024 Double Materiality Matrix

The matrix illustrates the ESG issues most material to Khazanah, mapped by their financial and impact materiality.



### Material Matters

<b>G1</b> Board and Management Effectiveness	<b>S1</b> Employee Management and Wellbeing	<b>EC1</b> Financial Performance, Stability and Growth
<b>G2</b> Accountability and Transparency	<b>S2</b> Employee Learning and Development	<b>EC2</b> Supporting National Economic Goals
<b>G3</b> Ethics, Integrity and Responsible Policies and Practices	<b>S3</b> Human Rights and Labour Practices	<b>EC3</b> Catalysing and Enabling Innovation
<b>G4</b> Anti Bribery, Anti Corruption and Anti Money Laundering	<b>S4</b> Employee Diversity, Equity and Inclusion	<b>EC4</b> Industry Stewardship and Partnership
<b>G5</b> Risk Management and Compliance	<b>S5</b> Social Impact of Products and Services	<b>E1</b> Climate Change
<b>G6</b> Responsible Political Engagement		

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### Moving Forward

Based on the materiality assessment conducted in 2024, we have identified key areas where Khazanah can create the greatest impact in advancing Malaysia's sustainable future. We aim to support and facilitate a stable and strong economy, world-class liveability and thriving communities, reflecting the priorities of our stakeholders and aligning with national aspirations.

Our refreshed sustainability framework will be anchored on these three pillars, ensuring that our investments and initiatives continue to generate long-term economic value, improve quality of life and empower communities across the country. This framework will guide our actions as we strive to secure the future while delivering meaningful outcomes for all Malaysians.

Following the completion of Khazanah's recent materiality assessment, we are undertaking a comprehensive reassessment of our sustainability approach. Guided by the material matters identified and our strategic roles as a sovereign wealth fund, Government-Linked Investment Company (GLIC), asset owner and employer, we will be refining our overarching sustainability direction to ensure continued relevance and impact.

Alongside this, we will be revisiting our ESG targets. Having met most of the targets previously set, we see this as an opportunity to refresh our commitments in line with current developments and evolving stakeholder expectations.

Our approach to climate change management will also be strengthened with focused attention on how we integrate climate considerations across our investments, operations and partnerships. Additionally, we aim to enhance our engagement efforts both internally across the organisation and externally with stakeholders to advance a shared commitment to sustainability.



Dato' Shahira Ahmed Bazari, Head of Group Sustainability and Advocacy, Managing Director's Office, with colleagues and sustainability professionals at the Sustainability Circle; a platform for sharing knowledge and exchanging ideas to drive sustainable progress.