

CLIMATE CHANGE MANAGEMENT

At Khazanah, we recognise that addressing climate change is critical to safeguarding long-term value for Malaysia and its people. In 2024, we advanced our climate strategy on both emissions reduction and climate resilience, guided by our commitment to support the national transition to a low-carbon economy and to achieve Net Zero by 2050.

Over
90%

of our total emissions are attributed to Scope 3, Category 15 — financed emissions from our investment portfolio — which underscores the importance of active stewardship and capital allocation in driving change.

Net Zero and Decarbonisation

- Maintained our commitment to Net Zero by 2050, covering both operational and financed emissions
- Completed the baselining of our financed emissions and set interim 2030 targets to guide our pathway to Net Zero
- Focused our decarbonisation strategy on:

Stewardship and Value Creation

Engaging portfolio companies to accelerate decarbonisation in ways aligned with national priorities.

Investing in Low-Carbon and Transition Opportunities

Investing in assets and solutions that support a low-carbon economy, balancing commercial viability with climate alignment.

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Operational Carbon Neutrality

- Achieved and maintained carbon neutral operations in FY2024 through emissions reductions, renewable energy certificates (RECs) and verified carbon offsets, including Taman Tugu sequestration
- FY2024 operational emissions and offsets:

Scope 1

(Vehicles, HVAC)

134 tCO₂e — offset via efficiency improvements & carbon credits

Scope 2

(Electricity)

1,571 tCO₂e — offset via RECs

Scope 3

(Business Travel, Commuting)

1,749 tCO₂e — offset via carbon credits and sequestration

Climate Adaptation and Resilience

Recognising the growing material risks from climate impacts, we advanced initiatives to strengthen adaptation and resilience across our portfolio:

- Conducted a climate value-at-risk assessment to identify high-risk exposures and inform targeted adaptation strategies
- Engaged portfolio companies to:
 - Advocated for enabling policies through:

▶ Develop climate risk assessments

▶ Engagement with government and regional stakeholders

▶ Integrate climate resilience into business strategies and planning

▶ Participation in platforms such as the UNFCCC COP dialogues and the Asia Investor Group on Climate Change (AIGCC)