

MEDIA STATEMENT

Kuala Lumpur, 12 August 2021

Khazanah ready to play its role under PERKUKUH

Khazanah Nasional Berhad (“Khazanah”) welcomes the launch of Perkukuh Pelaburan Rakyat (“PERKUKUH”) by the Prime Minister of Malaysia, Y.A.B. Tan Sri Muhyiddin Mohd Yassin today, and is ready to undertake its roles as outlined in the national initiative.

Khazanah was among the contributors to the formulation of PERKUKUH, which saw extensive consultation by the Government with multiple stakeholders in developing the various recommendations to ensure the Malaysian economy comes out stronger and better from the Covid-19 pandemic.

In line with PERKUKUH, Khazanah will build upon and strengthen its role as the country’s sovereign wealth fund, which is to invest to deliver sustainable value for Malaysians. We will do so by investing to achieve long-term risk adjusted returns and grow our financial assets. From this position of strength, we can undertake catalytic investments and other activities towards creating impactful economic and social benefits for Malaysia. Khazanah will ensure that we account for Sustainability (namely, ESG and ethical considerations) in everything we do, and that outcomes will be enjoyed by current and future generations of Malaysians.

An integral part of this approach is the developmental role that Khazanah undertakes for Malaysia through its investments. Since 2005, Khazanah has invested more than RM14 billion into new growth sectors and geographies, including investments into Iskandar Malaysia, leisure and tourism, sustainable development, technology, life sciences, creative industries, and agriculture.

With PERKUKUH, Khazanah will sharpen its focus and enhance clarity of its mandate with greater accountability of its development investing through clear development-specific target outcomes and KPIs, in addition to its existing financial targets. The development target outcomes will be linked to forward-looking national agendas and aspirations, and will include targets such as improvements to household income, creation of high-value employment and other socioeconomic target outcomes.

Accordingly, Khazanah will focus on high impact and commercially viable investments to catalyse new growth areas, build Malaysia's economic competitiveness, and increase national resilience, while driving priority socio-economic outcomes, as called for under PERKUKUH. In this regard, Khazanah has committed to increase its development investing over the next five years through our RM6 billion Dana Impak. This allocation will be funded through profits and capital returned from our commercial investments as we continue with the divestment and portfolio rebalancing strategy commenced in recent years.

Under PERKUKUH, Khazanah will also further enhance its investment strategies and processes for sustainable and responsible investing, which has become an increasingly significant component of our investment approach over the years. Khazanah was the first Malaysian institution to be a signatory to the United Nations-backed Principles for Responsible Investment and is a founding

member of the Institutional Investors Council Malaysia, both of which underline our public commitment to being a sustainable and responsible investor.

Khazanah will build upon our Responsible Investment Policy, which outlines our philosophy on ESG as well as our approach for integrating ESG considerations into the investment decision-making processes. Moving forward, we will look to actively engage more with our investee companies and place emphasis on material ESG issues, to ensure that those issues are appropriately managed.

In addition, through various corporate responsibility platforms, Khazanah will continue to play a key role in contributing to socio-economic and social protections, as called for under PERKUKUH. These platforms include Yayasan Hasanah (“YH”), which is an impact-based corporate responsibility foundation that focuses on education, knowledge, community development, environment, and arts and public spaces. YH was established in 2015 and funded through a RM3 billion endowment from Khazanah. YH is also the joint secretariat of the GLC and GLIC Disaster Response Network, which deploys various relief and reconstruction efforts around the country, including providing Covid-19 pandemic relief to those most in need and affected since 2020. Khazanah will also continue to support relevant national socio-economic empowerment initiatives, including in the area of human capital development through graduate employability programmes, and fostering inclusive growth through our support for Majlis Kemakmuran Bumiputera, among others.

In playing its role in the new growth ecosystem coordination initiative under PERKUKUH, Khazanah will provide the appropriate support to the Ministry of Finance for an “all-of-Malaysia” multi-stakeholder approach to improve coordination and streamline processes in achieving the objectives of driving new sources of economic growth.

Khazanah will provide further details as we roll out specific initiatives related to PERKUKUH.

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For further information on Khazanah, please visit www.khazanah.com.my or contact Mohd Raslan Md Sharif at +603 2034 0000, or e-mail at raslan.sharif@khazanah.com.my.

About Khazanah Nasional Berhad

Khazanah Nasional Berhad (“Khazanah”) is the sovereign wealth fund of Malaysia entrusted with investing to deliver sustainable value for Malaysians, via distinct commercial and strategic objectives. Khazanah’s commercial objective is to grow financial assets and diversify revenue sources for the nation, while its strategic objective is to hold strategic assets that bring long-term economic benefits. Khazanah is guided by its investment philosophy which emphasises attaining appropriate risk-adjusted financial returns, generating sustainable returns, and integrating ethical and responsible investing considerations. For more information on Khazanah, please visit www.khazanah.com.my.