



PRESS RELEASE

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1 May 2025**

Government-Linked Investment Companies ("GLICs") Implement the Living Wage

In line with the Ekonomi MADANI Framework of Raising the Ceiling and Raising the Floor to Elevate Employees' Living Standards, Wellbeing and Productivity

PUTRAJAYA, 1 May 2025 – Government-Linked Investment Companies ("GLICs") have collectively implemented the living wage policy for all their permanent Malaysian employees. The GLICs that have fulfilled the commitment to the living wage policy where all their permanent Malaysian employees now earn more than the monthly living wage include Khazanah Nasional Berhad ("Khazanah"), Permodalan Nasional Berhad ("PNB"), the Employees Provident Fund ("EPF"), Kumpulan Wang Persaraan (Diperbadankan) ("KWAP"), Lembaga Tabung Angkatan Tentera ("LTAT") and Lembaga Tabung Haji ("TH").

"Delivering on the vision of Ekonomi MADANI requires a whole-of-nation approach, with the corporate sector playing a vital role. The collective move by GLICs to implement living wage is an important step to 'raise the floor', ensuring that growth is both inclusive and firmly rooted in the well-being of Malaysians," said YB Senator Datuk Seri Amir Hamzah Azizan, Finance Minister II.

The implementation of the living wage commitment is part of the GEAR-uP initiative led by the Ministry of Finance ("MOF") under the Ekonomi MADANI framework that seeks synergised efforts across GLICs to catalyse growth in key economic sectors in Malaysia, with the dual objectives of "raising the ceiling" and "raising the floor". Based on comparative analysis of industry wages and cost of living standards outlined in the *Belanjawanku* 2024/2025 Expenditure Guide, the benchmark living wage has been set at approximately RM3,100 monthly, which is higher than the RM1,700 monthly minimum wage announced in Budget 2025 and implemented on 1 February 2025.

The *Belanjawanku* Expenditure Guide, which was jointly developed by EPF and the Social Wellbeing Research Centre, University Malaya, provides estimates of minimum monthly expenses needed for a good standard of living. The living wage approach empowers employers to offer total compensation that goes beyond base salary, encompassing a range of benefits that enhance an individual's quality of life,

including healthcare, retirement plans, and savings mechanisms.

Permodalan Nasional Berhad (PNB)

Pursuant to the earlier commitment given to this initiative, PNB has adjusted the salary for all its workforce, ensuring that all employees now earn above the living wage.

“We are pleased to have delivered our commitment to the living wage initiative. Our focus now is on our key strategic Government-Linked Companies (GLCs), for them to firstly adopt the minimum wage policy and then implement the policy based on the timelines agreed.”

“Since 2023, we have been constantly engaging with our GLCs on the living wage framework, proactively urging them to commit to the Living Wage Policy and accelerate their implementation. To date, three of our strategic companies have established a Living Wage Policy, and we target all our strategic companies to adopt and commit to the Living Wage Policy by 2026”, said Dato’ Abdul Rahman Ahmad, President & Group Chief Executive of PNB.

PNB introduced its Living Wage Framework in 2023 within the organisation as a commitment to social responsibility and employee well-being. In January 2025, it refined its voting guidelines, encouraging investee companies to explore and adopt the framework. PNB recognises that the diverse and complex industries in which GLCs and Corporate Malaysia are involved in require differing time for implementation, but believes all companies should commit to a clear path in ensuring all their employees earn a fair wage to have an acceptable living standard.

Khazanah Nasional Berhad (“Khazanah”)

In line with its Malaysia strategy anchored on “A Nation That Creates” framework to advance Malaysia’s next phase of economic transformation, Khazanah is committed to supporting the aspirations of Ekonomi MADANI, particularly in raising both the floor and the ceiling for Malaysians. Khazanah has fulfilled its commitment to provide a living wage for its employees and is actively engaging with the core holdings within its portfolio to embed living wage practices across their operations.

Khazanah believes that every individual should have access to an income that ensures a dignified standard of living and enables meaningful participation in society. A living wage not only supports individual wellbeing and resilience during times of hardship but also strengthens the capacity to plan for the future, including retirement.

“Khazanah is committed to leading by example and has fully implemented living wage within our own operations, while ten (10) of our core holdings have committed to implementing the living wage. We will continue to promote greater awareness and

adoption with the rest of our portfolio companies. Supporting the living wage is key in boosting productivity, building stronger and resilient businesses that contribute to a stable, equitable and a sustainable development path for Malaysia,” said Dato’ Amirul Feisal Wan Zahir, Managing Director of Khazanah.

Employees Provident Fund (“EPF”)

EPF has committed to the implementation of a Living Wage Framework across the organisation, guided by its own *Belanjawanku Expenditure Guide*, a nationally recognised benchmark for a decent standard of living in Malaysia. This move is closely aligned with the Government’s aspirations under the Ekonomi MADANI framework to “Raise the Floor” by improving wage levels and increasing the labour share of income to 45%.

“As the custodian of retirement savings for over 16 million Malaysians, we believe the responsibility to drive income adequacy starts with us. By ensuring that all employees earn a living wage, we are reinforcing our mission to build a resilient and inclusive retirement ecosystem, one that begins with fair pay today to secure adequate income tomorrow,” said EPF Chief Executive Officer Ahmad Zulqarnain Onn.

“This commitment affirms the dignity of work and sets a meaningful standard for employers across the country. Ultimately, improved wages uplift quality of life and translate into stronger retirement savings, ensuring future needs are met with dignity.”

He added that the EPF will also collaborate with its investee companies and ecosystem partners to encourage adoption of similar frameworks, supporting a more inclusive and equitable economic future for all Malaysians.

Kumpulan Wang Persaraan (Diperbadankan) (“KWAP”)

KWAP is reaffirming its commitment to sustainable and inclusive economic progress, having implemented a living wage across its organisation and subsidiaries. KWAP views this step as an enhancement of employee welfare and as a strategic move aligned with long-term national goals under the Ekonomi MADANI framework.

“At KWAP, we view economic resilience as fundamentally linked to the well-being of our workforce. The implementation of a living wage is a clear expression of our commitment to uplift the standard of living of our employees in line with national aspirations. As the custodian of Malaysia’s largest public sector pension fund, we are focused not only on delivering sustainable financial returns, but also on supporting the people who enable our long-term value creation,” said Datuk Hajah Nik Amlizan Mohamed, Chief Executive Officer of KWAP.

Lembaga Tabung Angkatan Tentera (“LTAT”)

LTAT’s commitment to the RM3,100 living wage reflects our enduring mission to protect and uplift those who serve the nation—both in uniform and in the workforce. This pledge is not just a financial benchmark; it is a reaffirmation of our belief that those who contribute to national service, directly or indirectly, deserve a decent and dignified life.

LTAT is addressing this matter through a review in 2025, extending beyond salary structure revisions to include non-salary elements that holistically support staff welfare. These enhancements form part of LTAT’s broader strategy to strengthen long-term security for every individual under its care. Importantly, our commitment extends not only to our employees but also to their families, recognising that a dignified life must encompass household well-being, not just individual earnings.

“For LTAT, whose investments are deeply anchored in the national development agenda, this commitment is both a moral obligation and a strategic imperative. It reinforces economic resilience from the ground up — starting with the individuals who form the backbone of our operations. As a GLIC, we are fully cognisant of our role in shaping a more equitable future, and we will ensure this commitment resonates across our ecosystem by encouraging our investee companies and associates to echo this move,” said Mohammad Ashraf Md. Radzi, Chief Executive.

Lembaga Tabung Haji (“TH”)

Lembaga Tabung Haji (“TH”) is committed towards ensuring the welfare of its people and supports the living wage initiative.

TH has implemented the living wage initiative and will strive to improve from time to time. **TH** will also collaborate with its Group of Companies for greater impact. As an Islamic financial institution, investing in its people is in line with the higher objectives of Maqasid Shariah, which underpins **TH**’s Stewardship Framework.

This collective move by the GLICs marks a significant step towards fostering a more equitable and prosperous Malaysia, underscoring the importance of collaboration in achieving the goals of the Ekonomi MADANI framework, paving the way for a brighter and better future for all Malaysians.

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About Permodalan Nasional Berhad (PNB)

Permodalan Nasional Berhad (PNB) is one of the largest fund management companies in Malaysia with assets under management (AUM) exceeding RM300 billion. PNB's portfolio covers strategic investments in Malaysia's leading corporates, global equities, private investments and real estate. For over four decades, we remain focused in contributing to the wealth of Bumiputeras and all Malaysians and are dedicated to fulfilling our purpose to uplift the financial lives of Malaysians across generations. We are committed to sustainability, responsible practices, and the creation of an inclusive future that benefits both our stakeholders and the communities we serve. For more information, please visit www.pnb.com.my.

About Khazanah Nasional Berhad

Khazanah Nasional Berhad ("Khazanah") is the sovereign wealth fund of Malaysia entrusted to deliver sustainable value for Malaysians. In line with its long-term strategy of Advancing Malaysia, Khazanah aims to deliver its purpose by investing in catalytic sectors, creating value through active stewardship, increasing its global presence, as well as building capacity and vibrant communities for the benefit of Malaysians. For more information on Khazanah, visit www.khazanah.com.my.

About the Employees Provident Fund (EPF)

The Employees Provident Fund® (EPF®) is Malaysia's premier retirement savings fund, helping its members achieve adequate savings for a comfortable retirement. This is in line with EPF's purpose to build a better retirement future for Malaysia and its mission to help members achieve a comfortable retirement income. The EPF has evolved significantly from a transaction-centric to a professional fund management organisation with a strong focus on retirement security. The EPF is guided by a robust and professional governance framework when making investment decisions. It continues to play a catalytic role in the nation's economic growth and seeks to cultivate a savings and investment culture among its members to improve the country's financial literacy level.

About Kumpulan Wang Persaraan (Diperbadankan) (KWAP)

Kumpulan Wang Persaraan (Diperbadankan) [KWAP] or the Retirement Fund (Incorporated) was established on 1st March 2007 under the Retirement Fund Act 2007 (Act 662).

KWAP manages contributions from the Federal Government and relevant agencies made into the Retirement Fund ("Fund") to obtain optimum returns on its investments through sound management and investment of the Fund in equity, fixed income securities, money market instruments, and other forms of investments as permitted under the Retirement Fund Act 2007 (Act 662). The Fund shall be applied towards assisting the Federal Government in financing its pension duties. In 2015, KWAP was officially appointed as an agent of the Federal Government, for the purpose of pension payment, gratuity, or other benefits granted under any written law from the Consolidated Fund as agreed between the Federal Government and KWAP.

About Lembaga Tabung Angkatan Tentera (LTAT)

Established in August 1972 under the Armed Forces Fund Act (also known as Act 101), the Lembaga Tabung Angkatan Tentera ("LTAT") is a statutory body which manages the retirement fund for officers and members of other ranks of the Malaysian Armed Forces ("MAF") and the veterans.

The latest amendment to the Act was made on 1 November 2022. As of 31 December 2024, LTAT had Assets Under Management ("AUM") of close to RM13.60 billion. LTAT declared a 5.25% dividend for members in 2024 after paying 5.0% in 2023 and 2022, 4.1% in 2021, 3.5% in 2020, 2.5% in 2019, and 2% in 2018. For more information on LTAT, visit www.ltat.gov.my.

About Lembaga Tabung Haji (TH)

Lembaga Tabung Haji (TH) is a statutory body governed by the Tabung Haji Act 1995 (Act 535). TH's primary activities include pilgrimage management, savings, and investment. TH is committed to delivering exemplary pilgrimage services to Malaysian pilgrims, and its consistent performance has earned global recognition as an innovative model for pilgrimage management.

TH serves approximately nine (9) million depositors through 107 branches and over 10,000 touchpoints nationwide. TH also maintains an office in Jeddah, Saudi Arabia, under the purview of the Malaysian Consulate.

For more information on TH services, please visit www.tabunghaji.gov.my or contact the Tabung Haji Call Centre (THCC) at +603-6207 1919.

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