

# Engagement Factsheet

## Malaysia Airport Holdings

### ENGAGEMENT RATIONALE

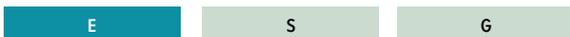
The aviation industry represents 2% of global emissions. Airlines are 90% of that, and airports only 10% (hence 0.2% of global emissions). Yet, airports are increasingly seen as significant contributors to climate change. We ask what this airport can do and is doing to influence the emissions of its customers (airlines).

### BACKGROUND

Malaysia Airports raises interest in our portfolio regarding the role of airports and sustainability. The company has direct control over its own Scope 1 and 2 emissions, which have fallen by 24% in the last 4 years, excluding Corona impact – which collapsed airport emissions. We discussed what they can do to influence Scope 3 (airline emissions) vs. what they are already doing now.

### THEME FOR ENGAGEMENT

Environmental. Maximum effort is required to avoid a >1.5°C average global temperature increase.



The company has the following levers it can pull to address the largest source of air travel emissions – the airlines fleet:

1. Reduce aircraft circling/waiting to land times that burn fuel from sub-optimal planning.
2. Offer landing charge incentives for cleaner aircrafts, to incentivise this change.
3. Offer Sustainable Aviation Fuels to enable cleaner aircrafts.

### DEVELOPMENT



### MILESTONE



### ENGAGEMENT OBJECTIVES

- x The company will speak to the regulator (MAVCOM) on offering landing charge incentives for cleaner aircrafts. We have asked them to disclose to the market the outcome of the discussion (expected mid 2022). This would make them a leader in airport sustainability in Asia. Reducing aircraft circling/waiting to land time is already being implemented, and using Sustainable Aviation Fuels will be considered in the longer term (next 5 years).

### ENGAGEMENT RESULTS

- x We engaged with the company both in writing and with follow-up calls. The company's Investor Relations and Sustainability Team indicated they will speak to the regulator on the issues we've raised. They also mentioned we were the only ones to raise this issue, hence there have not been any disclosures on this topic so far. We have asked for them to provide transparency as this issue progresses.

### NEXT STEPS

- x with the company:  
Conduct a mid-2022 follow-up with the company regarding the progress of their discussion with the regulator.

x with the regulator:  
We have reached out Malaysia Airports to offer our availability for discussions with MAVCOM (the Malaysia Aviation Commission) on the incentives for cleaner aircrafts, to help weigh in on shareholder expectations, in line with our active ownership commitment. The company has sent our details to the regulator for further stakeholder engagement.

### SDG



### COMPANY

Malaysian Airports Holdings

### COUNTRY

Malaysia

### SECTOR

Transport – Airports.

### MARKET CAP

Mid cap

### ISSUE

Limiting global warming to well below 1,5°C above pre-industrial levels, via scope 3 influence.

### MATERIALITY

Understand the possible impact of CO2 emission intensity on the bottom line. This engagement quantifies the issue (small in a global context) of CO2 emissions and helps the company in becoming a regional leader in sustainability.

### MSCI ESG RESEARCH

UN Global Compact: Pass  
ESG Rating: BB (MSCI ESG)