



KLCCP Stapled Group

THE PLACE

SUSTAINABILITY REPORT 2022

WHAT'S
INSIDE

THE PLACE



@klcctheplace



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For over 19 years, we have been at the forefront of developing and managing spaces which define a Nation - producing widely recognisable symbols of a populous. Timeless buildings which exude iconic design and architecture and stand out visually with unique silhouettes, material innovation and public accessibility. Our iconic buildings are a statement of our history, ambition and a source of pride. They are a part of the physical environment, stirring the city image, living conditions, social wellbeing, and economic profile. They are created by developing more than just a brand. They are The Place to be. They spark a revelation whilst keeping the community feel of the city. They inspire and create a buzz by orchestrating journeys of discovery, prioritising storytelling, interaction, and learning, so that minds are enriched and engaged in creating tomorrow's world.



Refer page 12

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OUR REPORTING JOURNEY

The KLCCP Stapled Group’s Sustainability Report provides detailed insights into our performance on the Environmental, Social and Governance (ESG) aspects of our operations and communicates our value creation efforts to our stakeholders addressing matters that are most material to them as well as our business.

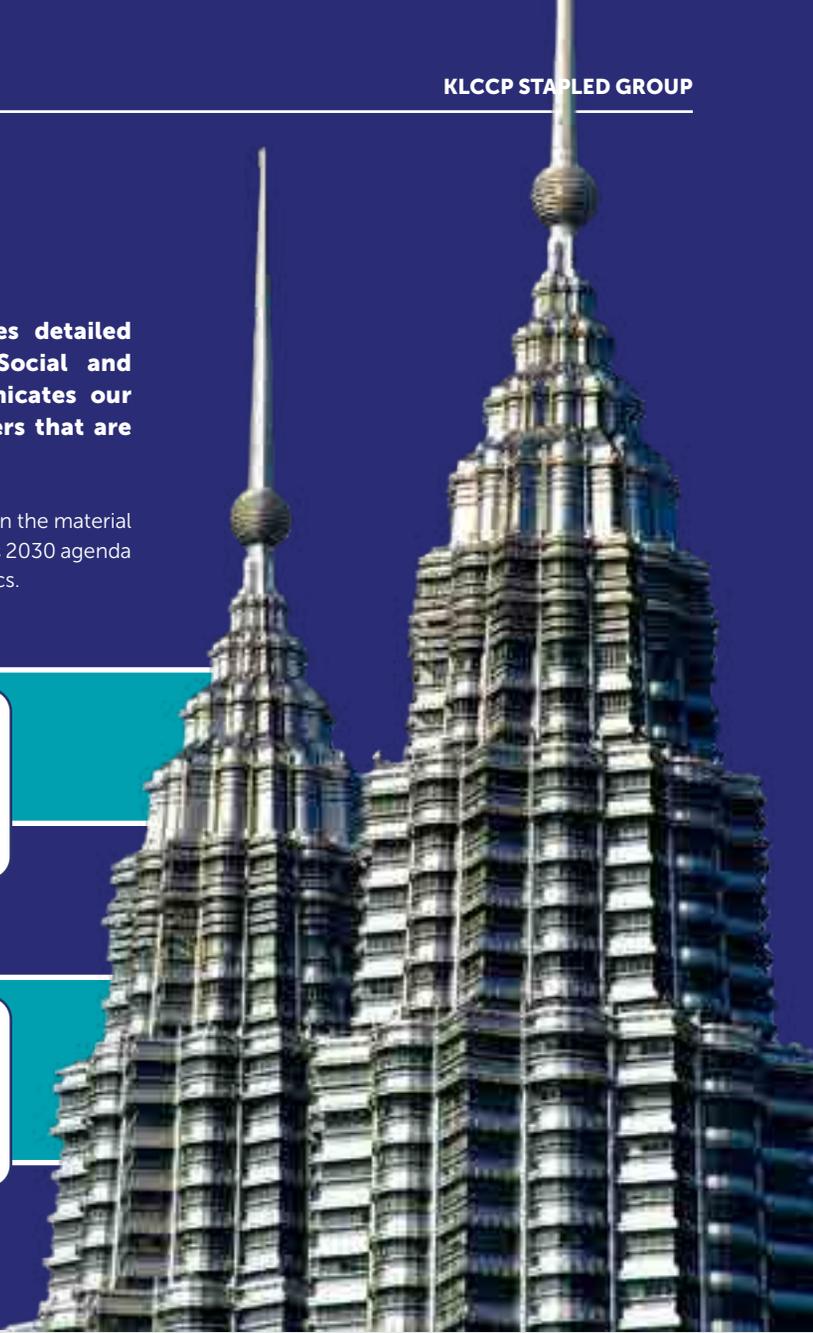
The report contains the Group’s management approach and achievement on the material sustainability matters aligned to the critical dimensions in the United Nation’s 2030 agenda and guided by the World’s Economic Forum’s Stakeholder Capitalism Metrics.

SCOPE AND BOUNDARY

Our 2022 Sustainability Report relates to the work undertaken in our financial year from 1 January to 31 December 2022. Our scope of reporting for the year covers all KLCCP Stapled Group’s business activities in Malaysia i.e., property investment, development and management activities.

MATERIAL SUSTAINABILITY MATTERS

This report provides information relating to the material sustainability matters that are key to KLCCP Stapled Group’s ability to create value over time and which are likely to have a significant impact on our business and stakeholders. These matters were identified, prioritised and validated via a four-step materiality assessment.



Navigation Icons

Six Capitals

- F** Strong Financial Position
- P** Portfolio of Diverse, Iconic Assets and Management Services
- E** Engaged and Inspired Employees
- N** Natural Resources

OUR REPORTING SUITE



Integrated Annual Report 2022

Scan QR Code to read the online report



Sustainability Report 2022

Scan QR Code to read the online report



REPORTING FRAMEWORK

This report takes guidance from the following :

- Bursa Malaysia’s Sustainability Reporting Guide 3rd Edition 2022
- FTSE4Good Themes and Indicators for Real Estate Holdings and Development Sector
- World Economic Forum’s Stakeholder Capitalism Metrics

SUSTAINABILITY GOVERNANCE

The KLCC Property Holdings Berhad (KLCCP) and KLCC REIT Management Sdn Bhd (KLCCRM) Boards have ultimate oversight on all aspects of the business, including sustainability. The Boards review and approve the Group’s Sustainability Strategy and policies. They also receive updates from the Sustainability Steering Committee (SSC).

To further strengthen sustainability governance of the Group, the Board Risk Committee was established in 2021, to provide direction, guidance, and oversight on Risk Management and the Environmental, Social and Governance (ESG) compliance matters.

Day-to-day, implementation of the sustainability strategies are driven by the CEO and progress reports are made to the Boards of KLCCP and KLCCRM. The Environmental, Social and Governance Department was established in 2022 to ensure effective implementation of the company’s sustainability strategies and plans.

STAKEHOLDERS MANAGEMENT

We recognise the importance of stakeholder engagement in achieving our strategic priorities and ensuring the long-term success of the Group. We define our strategic priorities, set our targets and risk appetites, and monitor our progress outcomes. Stakeholder engagement and management are key ingredients for our continued success. Understanding views, perspectives, concerns, and ideas from inside and outside the Group is vital to ensure our operations meet the changing needs of our stakeholders.

PEOPLE

Ensure our people fulfil their potential in dignity and equality and in a healthy environment.

PLANET

Protecting our planet through responsible environmental management and taking urgent action on climate change to support the needs of present and future generations.

PEACE

Embrace a corporate culture encompassing values, exemplary attitude, and behavior in all areas of conduct.

PROSPERITY

Ensure all our stakeholders enjoy prosperous and fulfilling lives and that economic, social and technological progress can benefit all in the long run.

BOARD RESPONSIBILITY STATEMENT

The Boards of Directors of KLCCP and KLCCRM acknowledge their responsibility in ensuring the integrity of the Sustainability Report, which in the Boards’ opinion addresses all key sustainability issues that are material to the Group’s ability to create value and fairly present the performance of KLCCP Staped Group. This report was approved by the Boards on 31 January 2023

Tan Sri Ahmad Nizam bin Salleh
Chairman

Datuk Md. Shah bin Mahmood
Group Chief Executive Officer

Other Icons

K Deep Knowledge and Strong Capabilities

R Trusted Relationships with Stakeholders

Link to corporate website at www.klcc.com.my

Find more information inside this report

WE ARE KLCCP STAPLED GROUP

SHARED VALUES

- **LOYALTY**
Loyal to corporation
- **INTEGRITY**
Honest and upright
- **PROFESSIONALISM**
Strive for excellence
- **COHESIVENESS**
United, trust and respect for each other

CULTURAL BELIEFS

- **CUSTOMER FOCUSED**
I deliver solutions from the customer lens
- **BE ENTERPRISING**
I seek opportunities and make them happen
- **INNOVATE NOW**
I challenge norms and push boundaries
- **SPEAK UP**
I express my views openly
- **COURAGE TO ACT**
I take action to progress with pace

STATEMENT OF PURPOSE

A PROGRESSIVE ENERGY AND SOLUTIONS PARTNER ENRICHING LIVES FOR A SUSTAINABLE FUTURE

7 Properties

12.0 million Gross Floor Area (sq. ft.)

RM15.7 billion Property Value

Kompleks Dayabumi

(located outside the KLCC Precinct)

Menara ExxonMobil

ExxonMobil

MALAYSIA'S LARGEST REIT AND ONLY STAPLED SECURITY IN THE COUNTRY

WHO WE ARE

Malaysia's largest REIT and only Stapled Security in the country, comprising KLCCP and KLCC REIT. KLCC REIT focuses on active asset management and acquisition growth strategies, whilst KLCCP is the development arm of the Stapled Group. At the forefront of Malaysia's real estate industry, our unique structure allows us to maximise the value we create for all our stakeholders.

IAE To read more, refer to A Strong Corporate Structure on pages **16 to 17** in KLCCP Stapled Group Integrated Annual Report 2022

WHAT WE DO

We own, manage, develop and invest in a portfolio of premium assets comprising office, retail and hotel properties in the heart of Kuala Lumpur. This is complemented by our award winning asset management services provided by KLCC Urusharta Sdn Bhd (KLCCUH) and KLCC Parking Management Sdn Bhd (KPM). This synergy of property investment and asset management strengthens the earning potential of our stable of iconic properties.

IAE To read more, refer to Operations Review on pages **84 to 109** in KLCCP Stapled Group Integrated Annual Report 2022

HOW WE DO IT

We are committed to creating a progressive lifestyle experience within the KLCC Precinct while enhancing the value of our property portfolio. We are focused on optimising sustainable value creation through a strategic approach that capitalises on our unique Stapled Group structure and our competitive differentiators, well positioned for the future.

SR To read more, refer to Strategic Blueprint and Our Strategic Value Creation on pages **24 to 27**



* KLCCP owns a 33% stake in Menara Maxis

OUR INVESTMENT PROPOSITION

HIGH QUALITY INVESTMENT
portfolio with resilient earnings visibility

STRONG BALANCE SHEET
with RM 18.1 billion in total assets

ROBUST GOVERNANCE STRUCTURE & strong leadership in ethical conduct

ESG AT THE HEART
on our value creation

FOCUSED ON DRIVING MEANINGFUL CHANGES to future-proof the business



FINANCIAL HIGHLIGHTS

Revenue

RM 1.5 bil

(2021: RM 1.2 billion)

Profit for the year

RM 0.9 bil

(2021: RM 0.5 billion)

Property Value

RM 15.7 bil

(2021: RM 15.6 billion)

Net Asset Value per Stapled Security

RM 7.27

(2021: RM 7.21)

Distribution per Stapled Security

38.00 sen

(2021: 33.60 sen)

BUSINESS HIGHLIGHTS

OFFICE

100%

occupancy since establishment of the Stapled Securities

88%

Tenant Satisfaction score

HOTEL

44%

Occupancy

87%

Guest Satisfaction score

RETAIL

Record tenant sales, surpassed pre-pandemic levels by

9.5%

16

new tenants, some are first and exclusive to Suria KLCC

MANAGEMENT SERVICES

Secured additional

1,604

car parking bays at various locations in Putrajaya

Installed

35

Electric Vehicle (EV) chargers at car parks within KLCC Precinct, bringing total to

57

SUSTAINABILITY HIGHLIGHTS

PEOPLE

RM 1.0 mil

Invested in staff learning and development (2021: RM600,000)

PLANET

415,241 kWh

Solar Energy generated from solar panels on rooftop of Suria KLCC (2021: 470,770 kWh)

PEACE

50%

Women Directors on Boards (2021: 56%)

PROSPERITY

RM70.2 mil

tax paid to Government (2021: RM81.9 mil)

26,790

hours of employee learning (2021: 11,243 hours)

16.7%

increase in GHG Emission due to increase in business activities post pandemic (2021: 21.0% reduction)

63%

Independent Non-Executive Directors on Boards (2021: 67%)

RM17.0 mil

spent on Corporate Social Investment and rental assistance (2021: RM128.3 mil)

Zero
Fatalities

0.3 mil m³

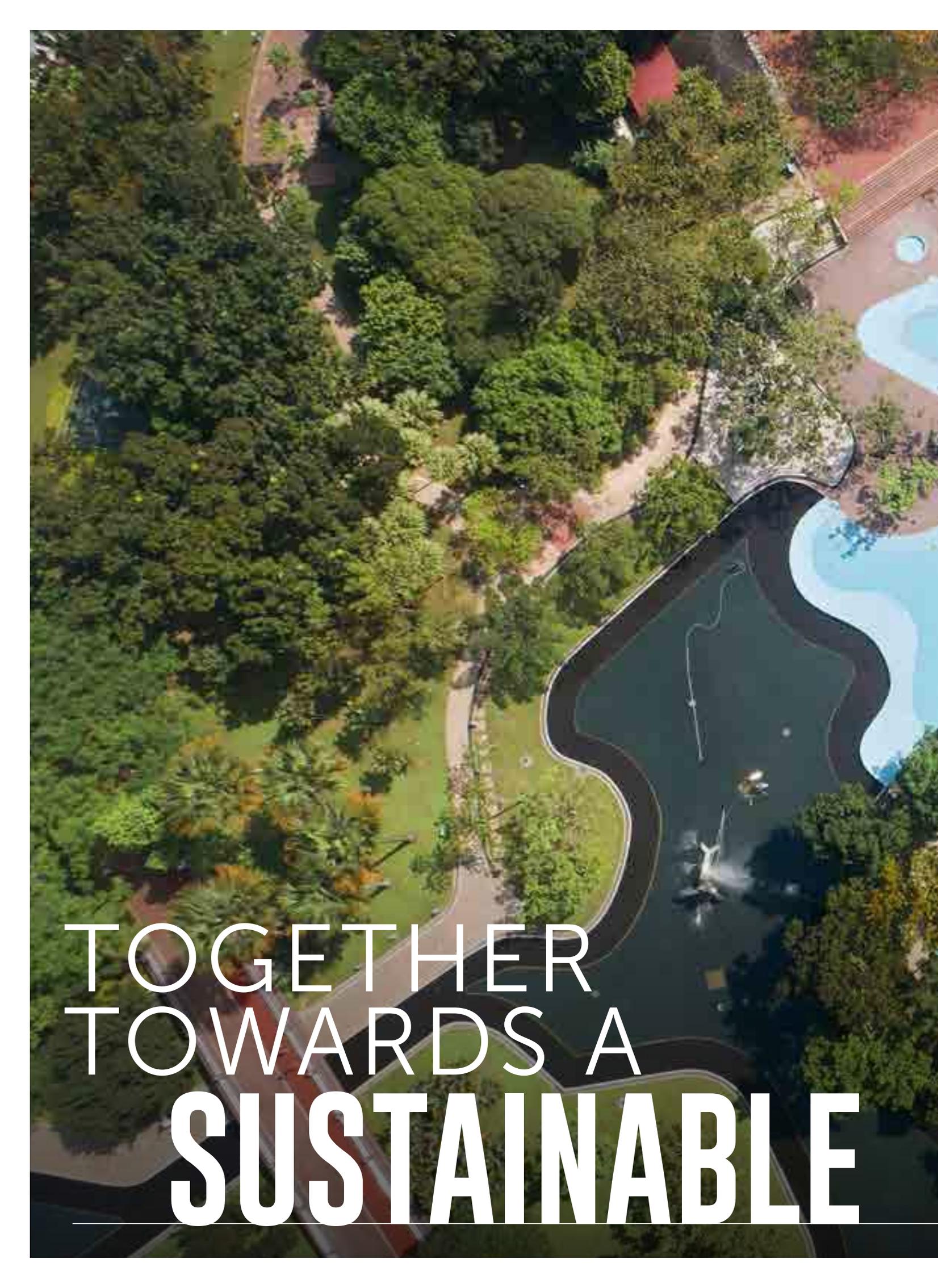
increase in Water Consumption (2021: 0.3 mil m³ reduction)

Zero
Bribery and Corruption cases

52%

Waste Diversion rate for hotel (2021: 64%)

Zero
Cyber Security incidents



TOGETHER
TOWARDS A
SUSTAINABLE



SUSTAINABILITY STRATEGY AND APPROACH

It is fundamental to the future value of our business and to lessen our impact on the environment and society that we act now. We have an opportunity to make a meaningful difference by working with our tenants, customers, suppliers, communities and sector peers to achieve the common sustainability goals. We also provide buildings that are energy efficient and resilient to climate change, and that promote the health and wellbeing of the occupants and the surrounding areas.

Guided by the five critical dimensions in United Nation's 2030 agenda for sustainable development which includes Prosperity, Planet, People and Partnership and Peace; we are committed to deliver financial value and societal benefits in a responsible and holistic manner, by balancing the economic, environment and social needs of our stakeholders.

Our group will:

- Responsibly manage our material sustainability matters, the risks and opportunities impacting our business and the industry at large
- Create long-term sustainable business values for our stakeholders, customers, and community
- Minimise environmental impacts and reduce carbon emission resulting from our business operations
- Prioritise stakeholders' well-being, safety and security
- Align our business operations to the highest principles of governance

We continue to track our sustainability performance via our **5-Year Sustainability Roadmap (2019-2023)** which is aligned to our strategies in future-proofing our purpose under three main goals:

- i. Building a Smart, Safe and Sustainable KLCC Precinct
- ii. Building an Agile, Inclusive and Sustainable Workforce in a VUCA World
- iii. Combating Climate Change and Reducing Environmental Impact

We chart our sustainability performance against the United Nations Sustainable Development Goals (UNSDGs) to accelerate our commitment in contributing towards environmental sustainability, providing a safe, secure and conducive environment for our community to work, live and conduct leisure activities, creating growth opportunities, and operating with the highest standard of integrity and respect for human rights.

FUTURE

OUR REPORTING JOURNEY AND MILESTONES



OUR REPORTING JOURNEY AND MILESTONES



2022

- Established the Environmental, Social and Governance Department
- Referenced our reporting to the Bursa Malaysia’s “Enhanced Sustainability Reporting” requirement
- Reported our contribution towards achieving the United Nations Sustainable Development Goals
- Inaugural Communication on Progress to UN Global Compact, which includes a statement of support to The Ten Principles of the United Nations Global Compact on Human Rights, Labour, Environment and Anti-Corruption

2021

- Referenced our reporting to the World Economic Forum’s Stakeholder Capitalism Metrics(WFE SCM), mapping the 21 core metrics which are aligned to the UNSDGs
- Established the Board Risk Committee to provide direction, guidance and oversight on risk management, ESG compliance and sustainability matters for the Group
- KLCCP Stapled Group officially became a member of the United Nations Global Compact Malaysia (UNGCMY) in June 2021
- Published our first Sustainability Report based on ESG impact Reporting, taking guidance from WEF SCM Metrics

2020

- Aligned our reporting to the United Nation’s 2030 Agenda of five critical dimensions i.e. Prosperity, Planet, People, Partnership and Peace
- Attained ABMS ISO 3700:2016 certification
- Ranked in the Top 8th percentile among our supersector peers under the FTSE4Good Index Series
- Rated in the Top 25% amongst 240 listed companies in the FBM EMAS

2019

- Embarked on our integrated reporting journey, aligning to the International Integrated Reporting Framework as our reporting guideline and reference
- Published our inaugural online Sustainability Report
- Established our 5-Year Sustainability Roadmap aligned to prioritised UNSDGs
- Attained full GBI certification for PETRONAS Twin Towers (Gold) and Menara 3 PETRONAS (Silver)
- Positioned in the Top 11th percentile among our supersector peers under the FTSE4Good Index Series

SUSTAINABILITY STEERING COMMITTEE CHAIRMAN'S MESSAGE

...
DEAR SHAREHOLDERS,

In 2022, the world embarked on the recovery path - post pandemic transition. The recovery from the pre-Covid-19 era, however, has not been smooth due to the political and economic instability around the world, and the unpredictable effects of climate change. Closer to home, Malaysia experienced the worst flooding in recent years.

MOHAINEE BINTI TAHIR

Head, Group Strategy and Sustainability

Despite the economic challenges, our commitment to being a leader in Environmental, Social and Governance (ESG) matters remain unchanged. In this Sustainability Report (the Report), we set forth our ESG targets and approach on the material sustainability matters and disclose our progress to date.

SUSTAINABILITY STEERING COMMITTEE CHAIRMAN'S MESSAGE

Actioning our commitment on ESG management, the Group has established a department dedicated to ESG matters. This department is responsible to oversee and steer the day-to-day management on material sustainability matters in the KLCCP Stapled Group.

2022 HIGHLIGHTS

This year, the KLCCP Stapled Group has issued our inaugural statement of support for the Ten Principles of the United Nations Global Compact on Human Rights, Labour, Environment and Anti-Corruption, strengthening our commitment to contributing towards the United Nations Sustainable Development Goals (SDGs). The Report discloses our progress and contribution in achieving the SDGs.

The Group's 5-year Sustainability Roadmap continues to guide us on our journey towards our goals of Building a Smart, Safe & Sustainable KLCC Precinct, Building an Agile, Inclusive & Sustainable Workforce in a VUCA World, and Combating Climate Change & Reducing Environmental Impact.

Our achievements during the year under review have progressed commendably as we have accomplished remarkable traction towards these Goals.

Digitalisation initiatives continued to progress swiftly during the year. The Group has established information management dashboards and platforms - Procurement Integrated Dashboard, Parking Management Dashboard and Parking Management System 2.0 to provide real time information for effective monitoring and prompt responses by the process owners, to ultimately improve our stakeholders' experiences.

The Group continues to focus on people's wellness in 2022. A CARE program designed to improve awareness on mental illness, was rolled out to train our employees on the methods (Check Signal, Apply Conversation, Reassure Support and Ensure Help) to identify and manage colleagues under mental stress, and build resilience at workplace.

Online platforms promoting health and wellbeing are also made available. The "Central - Digital Workplace" offers weekly tricks and tips, recipes, courses, live events, and webinars to our hotel employees. Further, the Group initiated the KLCC MyWellness, a digital health care platform providing comprehensive mental health support for our employees.

Now that we are in the post pandemic transition era, physical sports activities came back in action in 2022. Our KLCC Sports and Recreation Club organised Bowling Tournaments, White Water Rafting and Cave Exploration for our employees, aimed to cultivate team bonding and a sense of belonging.

Upskilling and reskilling our workforce were another focus in 2022 as we want a high performing workforce to win in the future marketplace. The Group invested RM1.0 million on training and achieved an average of 28 training hours per employee in 2022.

We are on the right track to achieve our targets on carbon emission, resources consumption and waste disposal as articulated in the KLCCP Stapled Group's 5-year sustainability roadmap. This year, our records showed significant reduction from the 2015 base year figures. These numbers are higher than the 2021 record, but this is arguably due to the continued movement control order in 2021. Compared to 2015, the Group successfully reduced 33% GHG emission and 30% water usage. Our retail and hotel businesses successfully diverted 10% and 52% respectively, their waste, (mainly food wastes) in 2022.

TAKING CLIMATE ACTION

We appreciate how urgent it is to take action on the impact of climate change on the economy and society. As a responsible organisation, we continuously analyse our business operations to mitigate climate change issues and identify opportunities to provide climate resilient facilities. The ESG agenda is a serious consideration in crafting our strategies. In demonstrating our commitment to the ESG agenda we undertake to provide a comprehensive disclosure of our ESG agenda and achievements to our stakeholders.

The Bursa Malaysia has revised the Main Market Listing Requirement to elevate the sustainability practices and disclosure (Enhanced Sustainability Disclosure) of listed entities. Climate-related disclosures are to be aligned with the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD Recommendations), by financial year ending on 31 December 2025 onwards. In preparation, we have undertaken numerous assessments to determine our readiness. The Group has established a sustainability governance structure and risk management processes to support the essential TCFD pillars. With that foundation in place, we plan to implement measures and targets in line with the TCFD recommendations. We shall report our progress in phases, commencing 2023.

Charting our way towards Net Zero Carbon Emission (NZCE)

We have set the carbon reduction targets in the KLCCP Stapled Group 5-year Sustainability Roadmap (2019-2023) towards **achieving low carbon emission in the Group**. We are on track to achieve these targets in 2023. We have also streamlined our GHG emission data in 2022, pursuant to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004), to establish an accurate and verifiable database. This allowed us to credibly **determine our carbon emission reduction targets beyond 2023**.

Moving forward, we will chart the carbon reduction pathway for the Group, **aspiring to achieve a 25% reduction in 2030**.

Increasingly, affordable and scalable solutions are being made available. Collectively, as individuals or organised entities, we can leapfrog to cleaner, more resilient economies. The KLCCP Stapled Group is fully **committed to the ESG agenda - we are a solutions partner to all our stakeholders, enriching lives for a sustainable future**.

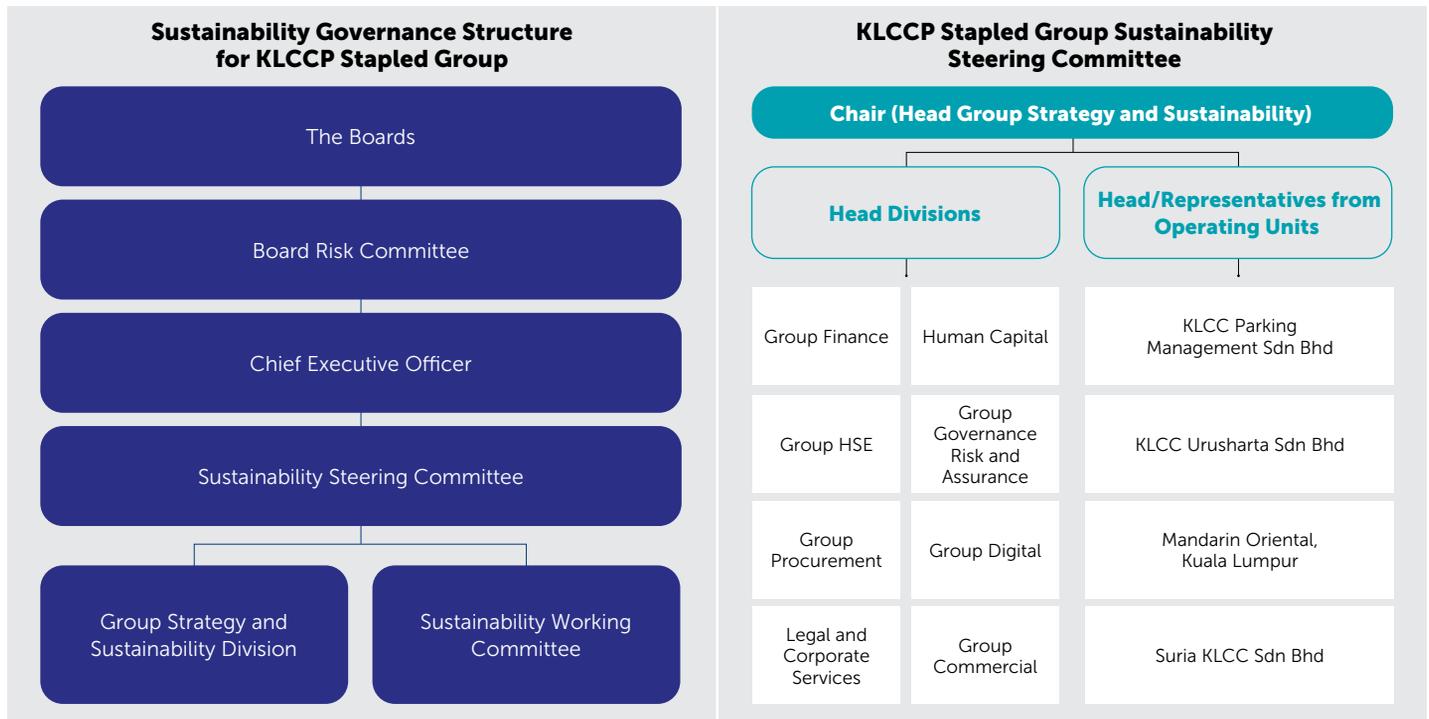
SUSTAINABILITY GOVERNANCE

The Boards of KLCCP and KLCCRM (the Boards) represent the highest authority and is ultimately accountable for managing sustainability matters within the Group.

The CEO is responsible for driving the implementation of the sustainability strategies for KLCCP Stapled Group and reports the progress to the Board Risk Committee and the Boards quarterly, and seeks their advice on related issues.

In 2022, the Sustainability Steering Committee (SSC) structure was revised to accommodate the change in organisational structure. The SSC is chaired by the Head of Group Strategy and Sustainability Division (GSS) with members comprising Heads of Divisions and Operating Units.

The SSC is supported by a Sustainability Working Committee comprising members from all business functions. The Environmental, Social and Governance (ESG) Department in GSS is the Secretariat for these committees.

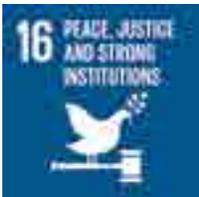


Roles and Responsibility of Sustainability Governance Groups in KLCCP Stapled Group

Oversight of sustainability matters	Strategic management of sustainability matters	Day-to-day implementation of sustainability matters
<p>The Boards</p> <ul style="list-style-type: none"> Ultimately accountable for managing sustainability matters within the Group Oversee the inculcation of a strong sustainability culture throughout the Group (tone from the top) Oversee the strategic management of material sustainability matters Ensure that sustainability-related issues are included in Board's agenda Approve the Group's Sustainability Statement <hr/> <p>Board Risk Committee</p> <ul style="list-style-type: none"> Provides direction, guidance and oversight on risk policies, strategies, principal risks and risk practices as well as ESG compliance and sustainability matters Oversees implementation of sustainability strategy Reviews and endorses the Group's Sustainability Statement, for Board's approval 	<p>Chief Executive Officer</p> <ul style="list-style-type: none"> Provides leadership over implementation of sustainability strategy Leads the inculcation of a strong sustainability culture throughout the Group Strategises management of material sustainability matters Ensures that sustainability-related issues are taken into consideration in management deliberations including when devising business strategies Reviews the Group's Sustainability Statement before obtaining Boards' approval <hr/> <p>Sustainability Steering Committee</p> <ul style="list-style-type: none"> Oversees practices on issues relating to sustainable development Identifies and prioritises material sustainability matters Reviews and endorses priorities, policies, practices, targets and achievements on key sustainability issues Considers regulatory trends and shareholders feedback on corporate behaviour contributing to sustainable development Oversees Group's performance in relation to sustainability 	<p>Group Strategy and Sustainability/ Sustainability Working Committee</p> <ul style="list-style-type: none"> Oversee divisions/functions in ensuring robustness of system of sustainability management Guide and coordinate input of all divisions/functions in sustainability processes, e.g. facilitate materiality assessment Ensure processes and controls are in place within divisions/functions Report on performance of processes and controls Report management targets Report plan and timeline for disclosure

SUSTAINABILITY FRAMEWORK

Our Sustainability Framework is guided by the critical dimensions in United Nation’s 2030 agenda and aligned with 4 Sustainability Lenses. We have prioritised 13 material sustainability matters and our support to the 5 UN Sustainable Development Goals.

UN2030 Agenda Critical Dimensions	KLCCP Stapled Group Material Sustainability Matters	Four Sustainability Lenses
<p>Prosperity</p>	<ul style="list-style-type: none"> Financial Sustainability Customer and Talent Management Corporate Social Responsibility Supply Chain Management 	<p>Prioritised 5 UNSDGs</p>      <p>Continued Value Creation</p>
<p>Planet</p>	<ul style="list-style-type: none"> Climate Change and Energy Management Environment Management 	<p>Safeguard the Environment</p>
<p>People</p>	<ul style="list-style-type: none"> Health, Safety and Security Human Capital Development Human Rights Labour Standard and Practices 	<p>Positive Social Impact</p>
<p>Peace</p>	<ul style="list-style-type: none"> Business Ethics Corporate Governance Cyber Security and Data privacy 	<p>Responsible Governance</p>

STAKEHOLDER MANAGEMENT

KLCCP Stapled Group's commitment is to create long-term value for our stakeholders'. Stakeholders are defined as parties who are impacted by our Group's business decisions and activities, as well as parties whose actions and decisions will influence our Group's growth. We maintain regular engagements with our stakeholders, enabling us to address their concerns. We seek their views and manage their interests and expectations through our engagements.

The spread below shows a summary of our stakeholder engagements, why they are important to us, our value proposition to them, how we responded to them and the values we created from these engagements.

SHAREHOLDERS, INVESTORS AND BUSINESS PARTNERS

Our shareholders, investors and business partners define the trust, reputation and credibility of our organisation and provide access to funding to grow our business

EMPLOYEES

Our employees are the Group's greatest asset. Through their dedication, passion and belief in our shared values, we deliver desired results

GOVERNMENT, LOCAL AUTHORITIES AND REGULATORS

The Government, local authorities and regulators provide the regulatory framework in which we operate in respect to compliance and risk mitigations

TENANTS, CUSTOMERS AND GUESTS

Our tenants, customers and guests drive the pace of the market dynamics that underpins the growth and success of our business

SUPPLIERS AND SERVICE PROVIDERS

Our suppliers and service providers drive our sustainable value chain with valued expertise and support, contributing to the quality of services and products we procure

COMMUNITY

Our community define our social relevance, how we connect and foster goodwill and deliver a lasting positive impact by addressing their needs

MEDIA

The media shapes market perception and is a key multiplier of information to the public and builds positive dialogue with our organisation

CREATE FOR OUR HOLDERS

V1

ENGAGEMENT AND COMMUNICATION PLATFORMS

V2

KEY TOPICS AND CONCERNS

V3

OUR RESPONSES

V4

VALUES CREATED

- Stable returns to holders of Stapled Securities – distributed 92% of distributable income amounting to a full year dividend payment of RM686.0 million
- Operational excellence and long-term sustainable returns
- Strong brand positioning to sustain competitive advantage
- Recognition by the industry e.g. The Asset Platinum Award on ESG Excellence.
- Better-informed investment community contributed by our transparent practices

- Equal employment opportunities and career progression
- Healthy and safe work environment that promotes sustainability
- Long-term employment from hire to retire
- Opportunities for learning, development and growth
- Well-informed and competent employees
- Competitive remuneration and benefits
- Opportunities for learning, development and growth - RM1.0 million spent on learning and development with 96% employees underwent training
- Well rounded employees through organisation of sports, recreational and environmental conservation activities

- Complied with policies, regulations, guidelines, and standards set forth in relation to the industry
- Excellent rapport with the investment community through regular feedback/ data to regulators for analysis and in promoting the REIT industry
- Contributed to the nation's coffers with taxes due to the Government amounted to RM70.2 million for the year
- Advanced industry standards through adoption of best practices across our operations
- Achieved carbon reduction of 33% compared to 2015 (base year)

- Safe and secured place to work, shop, stay and enjoy leisure
- Greater vibrancy and elevating shopping experience
- Innovative and trend setting products and services
- High service level standards and enhanced customer experience evidenced by continued patronage at hotel
- Reliable professional services, safe shopping environment and innovative trend setting products and services evidenced by customer satisfaction score of 86%, 83% and 88% for hotel, parking and office operations respectively
- Higher footfall and tenant sales in part due to our experiential reward programmes and campaigns

- Growth and business expansion opportunities for suppliers
- Diversity and local content - local procurement at 100% in 2022
- Culture of sustainable procurement through supply of environmentally friendly products
- Established culture of ethical practices by complying with the Code of Conduct and Business Ethics (CoBE)

- Community and improved societal well being - contributed RM17 million in corporate social investment
- Safe and secure environment for tenants, shoppers and guests

- Good relationship with the media
- Error-free reporting
- Enhanced brand equity and public confidence
- Higher and positive exposure of brand



SHAREHOLDERS, INVESTORS AND BUSINESS PARTNERS

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • Annual General Meetings (AGM) • Business Partners' Board Meetings • Investors and analysts' briefings • Results announcements • Corporate website • Annual report • Press Releases | <ul style="list-style-type: none"> • Financial management • Business resilience and sustainability • Environment, Social and Governance (ESG) practices • Business strategy and long-term growth • Governance practices • Negative reports in conventional and social media | <ul style="list-style-type: none"> • Quarterly results announcements, analyst briefings, one-on-one video conferences, Board meetings, AGM and news coverage • Communication of our ESG practices through our Sustainability Report, corporate website, emails and online ESG World Platform • Strong corporate strategies that provide clear business direction • Engagements with investors through ESG themed site visits |
|--|---|--|

EMPLOYEES

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Townhall session by CEO • Dialogue and engagement with Leadership Team • Training/workshop/teambuilding/sharing sessions • Intranet/Emails/HR Careline/memos • Employee satisfaction survey/Organisational Culture Survey • Health and recreational activities • KLCC MyWellness Website and App | <ul style="list-style-type: none"> • Group's Strategies, long-term growth and performance • Skills and capability development • Career progression • Employee benefits and compensation • Security, safety, health, and well-being • Work life balance • Job security | <ul style="list-style-type: none"> • Updates on financial performance, growth plans and employees' matters • Structured training and e-learning for all levels • Quarterly employees' career advancement discussions at the Human Capital Planning and Development Committee • Various HSE (Health Safety and Environment) awareness programmes • Staff engagement sessions assuring job security • Naluri's health assessment/campaign/talk through MyWellness KLCC to support staff mental health and fitness |
|--|--|---|

GOVERNMENT, LOCAL AUTHORITIES AND REGULATORS

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Emails/letters to provide feedback, updates and queries • Formal meetings, briefings, forums, visits, and consultations • HSE inspections of business premises • Collaboration with local authorities in managing KLCC Precinct's safety and security | <ul style="list-style-type: none"> • Contribution to economic, and industry growth • Compliance with government policies, laws, and regulatory requirements • Compliance to Covid-19 SOPs • Ethical business practice | <ul style="list-style-type: none"> • Conducted briefings to relevant ministries, government departments, and agencies on Group's operations or areas of interest • Monitored compliance through periodic internal assessments • Implemented containment strategy, initiatives and adhered to health and hygiene protocols • Responded to local authority's request for carbon emission data of our assets |
|--|---|---|

TENANTS, CUSTOMERS AND GUESTS

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Hotline, surveys, and emails to manage queries, customers/tenants' feedback • Awareness campaigns on environmental conservation i.e., energy conservation, water use, promoting use of digital platforms., etc. • Loyalty programmes for shoppers and hotel guests • Dialogue and engagement sessions • Social media • Website • Online platforms to promote products and services | <ul style="list-style-type: none"> • Security within the KLCC Precinct • Customer satisfaction on product and services • Product safety • Condition of amenities provided in our properties • Promotions and rewards | <ul style="list-style-type: none"> • Provided safe and convenient environment • Offered a diverse retail mix to cater to lifestyle and trends • Held promotional campaigns and reward programmes at our hotel and retail malls to drive occupancy and footfall. • Improved customer/guest experience via digitalisation initiatives • Extended tenant support by extending various assistance packages on lease-by-lease basis • Continued the "Safe Space" initiative to address mental health awareness campaign whilst providing an environment of acceptance and compassion for the community • Continued "WeCareProgramme" to enhance high standards of hygiene awareness for the comfort of our hotel guests • Creating digital lifestyle products and self-service customer care solutions |
|--|---|---|

SUPPLIERS AND SERVICE PROVIDERS

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> • Meetings and workshops • Safety briefings • Evaluations/performance reviews/audits • Corporate presentations • Supplier training programmes | <ul style="list-style-type: none"> • Fair competition and compliance to procurement guidelines • Potential business opportunities • Transparency of tender processes • Compliance with laws and regulations • Contract extensions/expiries • Prompt issuance of payments | <ul style="list-style-type: none"> • Provided equal opportunities for eligible suppliers • Requested for information to meet the project/service requirements • Conducted online evaluation • Engagement with suppliers on HSE related matters, procurement procedures and Anti-Bribery Management System • Supporting local direct and indirect employment through our supply chain |
|---|--|---|

COMMUNITY

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Corporate Social Responsibility (CSR) programmes • News portals, emails, websites, leaflets, kiosks, posters | <ul style="list-style-type: none"> • Environmental and social benefits and impacts caused by our business activities • Health and safety measures in our business operations | <ul style="list-style-type: none"> • Participated in CSR programmes i.e., donation and sponsorship, environmental conservation programmes, etc • Enhanced security measures within KLCC Precinct through 24/7 monitoring via CCTV with analytics • Contributed to welfare fund of the local authorities • Contributed in maintenance of public infrastructure e.g. KLCC Park and Pedestrian walkways |
|---|--|--|

MEDIA

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Press releases • Emails • Press conferences • Interviews • Media events | <ul style="list-style-type: none"> • Financial performance, growth strategy and future plans • Media investment i.e., media buy, subscription of media services • Participation in events and engagement with media | <ul style="list-style-type: none"> • Issued press releases on quarterly results, events and notifications • Participated in media events and interviews • Organised media interview, press conference and provided relevant information requested |
|---|--|--|

HOW WE VALUES STAKE

Working closely with our stakeholders for a sustainable future together

CREATE FOR OUR HOLDERS

V1

ENGAGEMENT AND COMMUNICATION PLATFORMS

V2

KEY TOPICS AND CONCERNS

V3

OUR RESPONSES

V4

VALUES CREATED

- Stable returns to holders of Stapled Securities – distributed 92% of distributable income amounting to a full year dividend payment of RM686.0 million
- Operational excellence and long-term sustainable returns
- Strong brand positioning to sustain competitive advantage
- Recognition by the industry e.g. The Asset Platinum Award on ESG Excellence.
- Better-informed investment community contributed by our transparent practices

- Equal employment opportunities and career progression
- Healthy and safe work environment that promotes sustainability
- Long-term employment from hire to retire
- Opportunities for learning, development and growth
- Well-informed and competent employees
- Competitive remuneration and benefits
- Opportunities for learning, development and growth - RM1.0 million spent on learning and development with 96% employees underwent training
- Well rounded employees through organisation of sports, recreational and environmental conservation activities

- Complied with policies, regulations, guidelines, and standards set forth in relation to the industry
- Excellent rapport with the investment community through regular feedback/ data to regulators for analysis and in promoting the REIT industry
- Contributed to the nation's coffers with taxes due to the Government amounted to RM70.2 million for the year
- Advanced industry standards through adoption of best practices across our operations
- Achieved carbon reduction of 33% compared to 2015 (base year)

- Safe and secured place to work, shop, stay and enjoy leisure
- Greater vibrancy and elevating shopping experience
- Innovative and trend setting products and services
- High service level standards and enhanced customer experience evidenced by continued patronage at hotel
- Reliable professional services, safe shopping environment and innovative trend setting products and services evidenced by customer satisfaction score of 86%, 83% and 88% for hotel, parking and office operations respectively
- Higher footfall and tenant sales in part due to our experiential reward programmes and campaigns

- Growth and business expansion opportunities for suppliers
- Diversity and local content - local procurement at 100% in 2022
- Culture of sustainable procurement through supply of environmentally friendly products
- Established culture of ethical practices by complying with the Code of Conduct and Business Ethics (CoBE)

- Community and improved societal well being - contributed RM17 million in corporate social investment
- Safe and secure environment for tenants, shoppers and guests

- Good relationship with the media
- Error-free reporting
- Enhanced brand equity and public confidence
- Higher and positive exposure of brand

MATERIAL SUSTAINABILITY MATTERS

Material sustainability matters can impact the economy, environment, social, and businesses. Materiality assessment is conducted to identify and prioritise the issues that matter most to KLCCP Stapled Group and our stakeholders. The Group then strategises our approach to manage material sustainability issues, meet stakeholder needs and addresses the risks and opportunities of the identified material issues.

In identifying our material sustainability matters, we benchmarked against our industry peers and, evaluated our sustainability context, stakeholder issues, associated risks and opportunities. We considered both internal and external factors affecting the industry in our review and assessed their impact on our business, and the importance to our stakeholders.

The material sustainability matters for the Group were identified in 2019 and validated annually. In 2022, we reviewed and validated our list of material sustainability matters and benchmarked it against the sustainability reporting guidelines, reporting framework and standards. We have included the Bursa Malaysia Prescribed Common Sustainability Matters in our list.

OUR MATERIAL MATTERS ASSESSMENT PROCESS:

1

IDENTIFICATION

Conducted extensive horizon scanning exercise to identify the list of material matters by benchmarking against real estate and REIT peers domestically and globally whilst taking into account relevant risks and opportunities.

2

PRIORITISATION

Prioritised 39 material matters taking into consideration the relevance to our business, current market trends as well as the economic landscape.

Reviewed the 39 material matters, consolidated into 12 material matters and ranked them as high, medium, and low based on their impact to the Group and level of interest to the stakeholders.

3

MATERIALITY ASSESSMENT

Compared the 12 material sustainability matters 2021 against the Bursa Malaysia Guideline and other Sustainability Reporting Framework and Standards.

Realigned the list to include the Bursa Malaysia Prescribed Common Sustainability Matters.

Deliberated the list at the Sustainability Steering Committee meeting.

Produced a final list comprising 13 material matters.

4

VALIDATION

Presented the final list of materiality matters to the CEO and the Boards.

Obtained agreement on 13 material matters.

MATERIAL SUSTAINABILITY MATTERS		
1	Health, Safety and Security	Safety and Health Management, Security Management, Mental Wellness
2	Human Capital Development	Skills and Capability Development, Workforce Engagement
3	Human Rights	Equality, Diversity and Inclusion, Women Empowerment, Non-Discrimination
4	Labour Standard and Practices	Employee Benefits and Compensation, Responsible Employment, Job Security
5	Climate Change and Energy Management	GHG Emission, Energy Management, Renewable Energy
6	Supply Chain Management	Local Procurement Management
7	Financial Sustainability	Delivering and Adding Value, Digitalisation
8	Customer and Tenant Management	Tenant Engagement, Customer Experience and Satisfaction
9	Corporate Governance	Governance and Compliance, Risk and Crisis Management, Board Diversity
10	Business Ethics	Integrity and Corruption Management
11	Cyber Security and Data Privacy	Incident Management, Capability Building, Data Security
12	Environment Management	Water Management, Waste Management
13	Corporate Social Responsibility	Investment in Local Communities, Charity and Donations



HIGH



MEDIUM - HIGH

MATERIAL SUSTAINABILITY MATTERS

PEOPLE		
<p>HUMAN CAPITAL DEVELOPMENT</p> <ul style="list-style-type: none"> • Skills and Capability Development • Workforce Engagement <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>	<p>Risks</p> <ul style="list-style-type: none"> • Failure to retain employees • Failure to equip employees with skillsets required for advancements in technology • Failure to address financial and emotional stress leading to lack of productivity <hr/> <p>Stakeholders Impacted</p> <ul style="list-style-type: none"> • Employees 	<p>Opportunities</p> <ul style="list-style-type: none"> • Transforming our workforce with the right mindset and culture • Keeping a resilient organisation with engaged and competent employees • Reducing employee turnover costs
<p>HUMAN RIGHTS</p> <ul style="list-style-type: none"> • Equality, Diversity and Inclusion • Women Empowerment • Non-Discrimination <div style="display: flex; justify-content: space-around; margin-top: 10px;">    </div>	<p>Risks</p> <ul style="list-style-type: none"> • Failure to prevent reputational damage if perceived to practice discrimination <hr/> <p>Stakeholders Impacted</p> <ul style="list-style-type: none"> • Employees • Tenants, Customers and Guests 	<p>Opportunities</p> <ul style="list-style-type: none"> • Elevating women leadership within the Group, in line with the nation's aspiration • Attracting and retaining customers who are concerned on human rights <hr/> <ul style="list-style-type: none"> • Suppliers and Service Providers • Community
<p>LABOUR STANDARD AND PRACTICES</p> <ul style="list-style-type: none"> • Employee Benefits and compensation • Responsible Employment • Job Security <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>	<p>Risks</p> <ul style="list-style-type: none"> • Failure to prevent reputational damage due to perceived violation of labour practices • Non-compliance to regulations <hr/> <p>Stakeholders Impacted</p> <ul style="list-style-type: none"> • Shareholders, Investors and Business Partners • Employees • Tenants, Customers and Guests 	<p>Opportunities</p> <ul style="list-style-type: none"> • Implementing good grievance mechanism and practices • Enhancing productivity and employee retention <hr/> <ul style="list-style-type: none"> • Suppliers and Service Providers • Community
<p>HEALTH SAFETY AND SECURITY</p> <ul style="list-style-type: none"> • Safety and Health Management • Security Management • Mental Wellness <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>	<p>Risks</p> <ul style="list-style-type: none"> • Threats to employees' Health and Safety - work related illnesses, and occupational hazards • Threats to security of our guests, tenants, customers, and assets in relation to any global security threats • Threats to employees' mental health due to work stress, job security and other personal issues <hr/> <p>Stakeholders Impacted</p> <ul style="list-style-type: none"> • Shareholders, Investors and Business Partners • Tenants, Customers and Guests • Employees • Suppliers and Service Providers 	<p>Opportunities</p> <ul style="list-style-type: none"> • Maintaining a healthy workforce and safe workplace for a sustainable business • Ensuring leadership commitment in heightening safety and health standards • Providing support to improve health and wellbeing for a sustainable work-life balance

PLANET

CLIMATE CHANGE

- GHG Emission
- Energy Management
- Renewable Energy



- Risks**
- Potential worsening of global warming
 - Potential business disruption due to severe weather conditions
 - Failure to meet increased operation costs due to material / resource scarcity as a result of climate change
 - Threats to human health – physical and psychological wellbeing
 - Failure to meet increased demand by investors for low carbon / climate resilient companies

- Opportunities**
- Supporting the government’s efforts to transition to a low-carbon economy by 2050
 - Reducing energy usage by adopting energy efficient practices
 - Assessing climate risk helps to future proof our business operation
 - Attracting investments by being a climate resilient business

- Stakeholders Impacted**
- Shareholders, Investors and Business Partners
 - Tenants, Customers and Guests
 - Employees
 - Suppliers and Service Providers
 - Community
 - Government, Local Authority and Regulators

ENVIRONMENTAL MANAGEMENT

- Water Management
- Waste Management



- Risks**
- Degradation of environment quality caused by our operations
 - Financial and reputational loss due to legal non-compliance
 - Environmental pollution causing negative impact to the community

- Opportunities**
- Implementing good waste management practices
 - Promoting circularity in environment management
 - Enhancing our credibility by being certified to ISO 14001 Environmental Management System
 - Saving costs by resources conservation

- Stakeholders Impacted**
- Shareholders, Investors and Business Partners
 - Tenants, Customers and Guests
 - Employees
 - Suppliers and Service Providers
 - Community
 - Government, Local Authority & Regulators

PEACE

CORPORATE GOVERNANCE

- Corporate Governance and Compliance
- Risk and Crisis Management
- Board Diversity



- Risks**
- Heightened legal, regulatory and reputational risks
 - Business disruption due to lack of preparedness to face crisis / emergency

- Opportunities**
- Promoting governance practices that contribute to growth and management stability
 - Engaging shareholders on investment decisions and promoting management transparency
 - Ensuring business continuity and resiliency

- Stakeholders Impacted**
- Shareholders, Investors and Business Partners
 - Tenants, Customers and Guests
 - Employees
 - Suppliers and Service Providers
 - Community
 - Government, Local Authority and Regulators
 - Media

MATERIAL SUSTAINABILITY MATTERS

PEACE

BUSINESS ETHICS

- Integrity and Corruption Management



Risks

- Lack of control and strategic alignment leading to corruption, negligence, fraud, and lack of accountability
- Potential corporate legal liability
- Reputational loss if perceived as a corrupt corporate

Opportunities

- Improving organisational efficiency and effectiveness in managing bribery and corruption risks to foster trust and integrity
- Enhancing credibility of anti-corruption practices in the organisation by being certified to ISO37001 ABMS

Stakeholders Impacted

- Shareholders, Investors and Business Partners
- Tenants, Customers and Guests
- Employees
- Suppliers and Service Providers
- Community
- Government, Local Authority and Regulators
- Media

CYBER SECURITY AND DATA PRIVACY

- Incident Management
- Capability Building
- Data Security



Risks

- Threat to Data Security
- Financial loss for recovery of system

Opportunities

- Engaging with stakeholder and employees to create awareness on data protection and accountability
- Creating awareness on network and data protection to minimise cyber risks

Stakeholders Impacted

- Shareholders, Investors and Business Partners
- Tenants, Customers and Guests
- Employees
- Suppliers and Service Providers
- Community
- Government, Local Authority and Regulators
- Media

PROSPERITY

FINANCIAL SUSTAINABILITY

- Delivering and Adding Value
- Digitalisation



Risks

- Unexpected increase in costs due to global uncertainty and volatile market
- Insufficient working capital leading to financial insolvency
- Inability to compete in a challenging market
- Lack of efficiency and competitiveness to survive in the digital era

Opportunities

- Reducing operating costs to conserve cash for survival
- Unlocking value through asset portfolio optimisation
- Leveraging our core competencies to promote economic and industry growth
- Improving operational efficiency and cost effectiveness through digitalisation and new technology

Stakeholders Impacted

- Shareholders, Investors and Business Partners
- Tenants, Customers and Guests
- Employees
- Suppliers and Service Providers
- Community

PROSPERITY

CUSTOMER AND TENANT MANAGEMENT

- Tenant Engagement
- Customer Experience and Satisfaction



Risks

- Failure to keep up with the rapid changes in customer expectations and digital revolution
- Impedes market leader position due to intensifying competition and disruption to business trends

Opportunities

- Reimagining office spaces to meet the evolving needs of our tenants
- Re-strategising retail with refreshing tenant and trade mix to drive footfall
- Differentiating the consumer offering with a focus on experience
- Innovating hotel's services and offerings to adapt to the new norm to provide quality guest experience
- Retaining tenants by providing rental assistance to help their businesses recover
- Boosting shopper traffic, guest's arrival, and sales upon re-opening of businesses

Stakeholders Impacted

- Shareholders, Investors and Business Partners
- Tenants, Customers and Guests
- Employees

SUPPLY CHAIN MANAGEMENT

- Local Procurement Management



Risks

- Potential conflict of interest, corruption and unethical practices
- Quality and safety of products and services at stake
- Unmitigated ESG risk in the supply chain
- Overdependence on foreign suppliers may result in cost escalation and increase in carbon emission

Opportunities

- Creating a database of reputable and reliable suppliers
- Collaborating with suppliers
- Enhancing the pool of suppliers for procurement of quality products and services
- Building capability in ESG practices amongst local suppliers

Stakeholders Impacted

- Suppliers and Service Providers
- Tenants, Customers and Guests
- Community
- Shareholders, Investors and Business Partners

CORPORATE SOCIAL RESPONSIBILITY

- Investment in Local Communities
- Charity and Donations



Risks

- Unfavourable reputation for the Group due to lack of involvement in corporate social responsibility initiatives
- Preference to particular charitable beneficiaries

Opportunities

- Enhancing brand visibility to the wider community
- Increasing employees' awareness and involvement
- Giving back and creating a positive and lasting impact to the community
- Creating Value for the Society

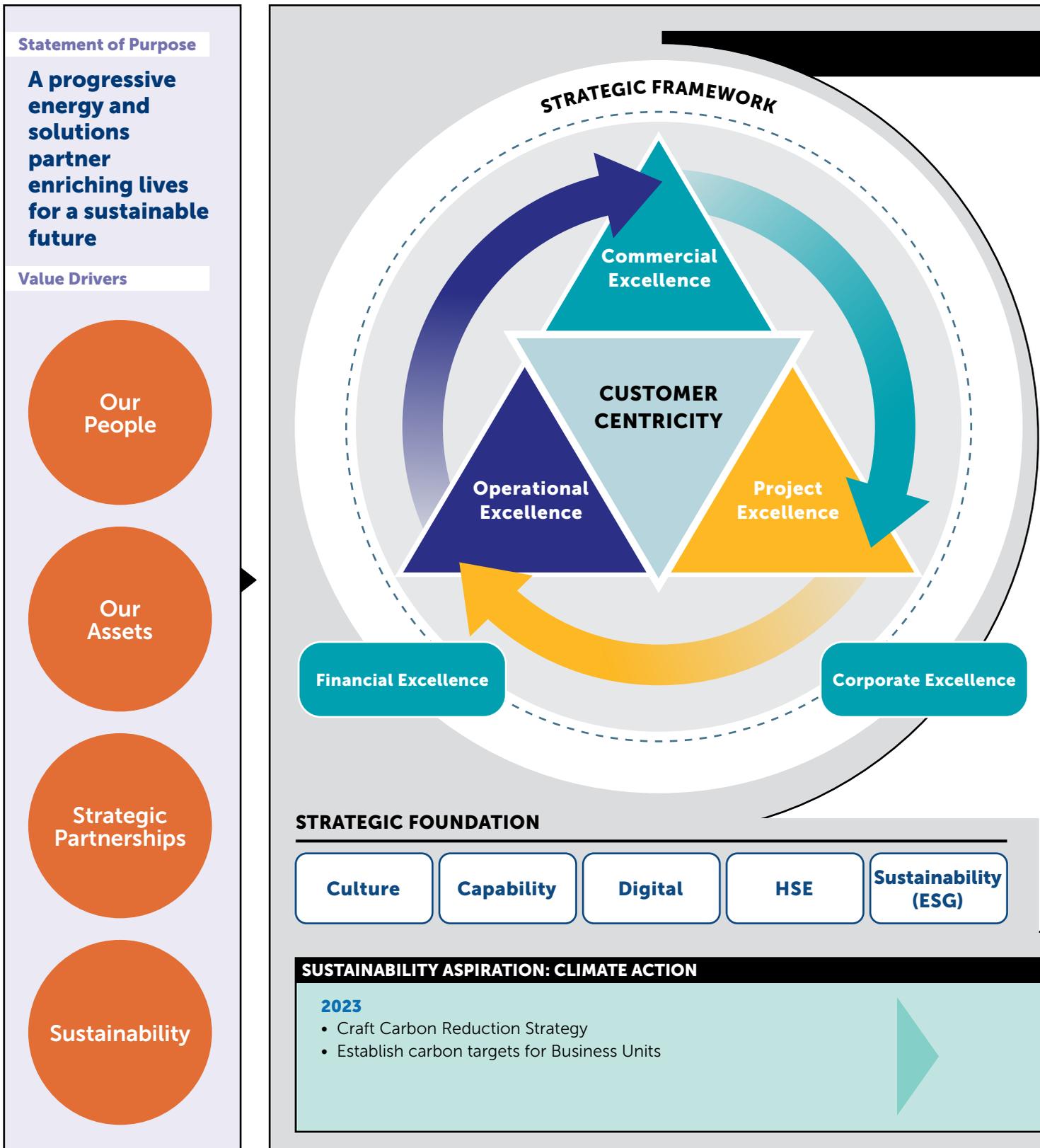
Stakeholders Impacted

- Employees
- Community

STRATEGIC BLUEPRINT

OUR THREE-PRONGED GROWTH STRATEGY

The changing industry landscape and the accelerated key trends brought on by the pandemic fueled the importance of positioning KLCCP Stapled Group’s growth with a clear view of the external forces and underlying factors that drive the industry – economic, social, consumer preferences, sustainability drivers and lower carbon footprint.



Our Three-Pronged Growth Strategy ensures alignment with our Statement of Purpose and provides a sharper guardrail for Group-wide efforts as we strengthen our portfolio to future-proof the organisation and ensure the Group’s long-term survivability.

THREE-PRONGED GROWTH STRATEGY

Maximising Cash Generators

Our high-quality investment portfolio provides strong and stable cashflows. Protecting and maximising these assets provide a solid base for profitability and a foundation for growth.

Expanding Core Business

Property investment and development remain our core business. We are defining opportunities for further growth and value enhancement.

Stepping Out

Accelerated key global and industry trends are reshaping the real estate landscape, customer behaviour and expectations. We continue to build our capabilities in order to allocate resources to better position ourselves for the future.

Value

Continue generating cash for future investment

Invest to sustain, maximise current cash generators and to invest into new areas

Growth

Diversifying and growing new profitable revenue streams

To identify new growth areas to cater to shifting customer needs and changing market conditions

Sustainability

Sustainability is part of our strategy, culture, system, process and day-to-day activities

Supporting current business resilience and opportunities for new topline creation

STRATEGIC PRIORITIES IN 2022

Business recovery, driving long-term stability

- Cashflow maximisation focused on prudent financial management and strong capital discipline
- Capitalisation of the return of tenants, shoppers, and guests post-reopening of the economy and international borders through targeted campaigns and promotions
- Collaboration with our partners and customers, through portfolio action plans

Customer-first, experience led

- Competitive positioning through personalised customer and business digital experience
- Innovation and use of data and technology to understand customer wants and needs

Agile & innovative workforce

- Capability building, towards delivering on our Statement of Purpose and business excellence
- Health and well-being, supporting the KLCC family to thrive in the challenging environment

High performance, engaged culture

- Leadership profiling in driving and promoting targeted organisational results and desired culture
- Upskilling employees on Cultural Beliefs

Future-fit, leveraging technology

- Digitalisation of our systems and processes to provide real-time monitoring and decision making
- Minimisation of our carbon footprint, enhancing operational efficiency and new business opportunities

2023 - 2030

Decarbonisation:

- Reduce energy consumption in assets
- Energy efficient equipment
- Use renewable energy

2030 - 2050

- Continue Decarbonisation
- Circular Economy

Low Carbon Emission

OUR STRATEGIC VALUE CREATION

OUR THREE-PRONGED GROWTH STRATEGY

Maximising Cash Generators

Expanding Core Business

Stepping Out

OUR CAPITALS AND INPUTS

OUTPUTS

F STRONG FINANCIAL POSITION

- Total equity attributable to holders of Stapled Securities **RM13.1 bil**
- Total financing **RM2.4 bil**
- Total assets **RM18.1 bil**



To read more, refer to The CFO's Review on pages **70 to 71** and KLCCP Stapled Group 5-Year Financial Highlights and Summary on pages **72 to 75**.

- **RM1.5 bil** Revenue
- **RM0.9 bil** Profit for the year
- **38.00 sen** Distribution per Stapled Security

P PORTFOLIO OF DIVERSE, ICONIC ASSETS AND MANAGEMENT SERVICES

- Iconic and high-quality asset
 - **5 Offices (2 GBI Certified)**
 - **2 Retails**
 - **1 Hotel**
- Property Value **RM15.7 bil**



To read more, refer to Our Iconic Portfolio on pages **7 to 13** and Operations Review on pages **84 to 109**.

- Office: **5.6 mil sq. ft.** NLA
- Retail: **1.1 mil sq. ft.** NLA
- Hotel: **629 rooms**
- Facilities managed: **25**
- Car park bays managed: **14,815**

K DEEP KNOWLEDGE AND STRONG CAPABILITIES

- Deep Real Estate Experience
- Digital Enablers to create value through innovation
- Specialised facilities management expertise
- Strong capital management expertise
- Deep industry knowledge of Boards and management team



To read more, refer to KLCCP and KLCC REIT Boards of Directors on pages **132 to 141** and Management Team on pages **142 to 148**.

- Strong governance structure and transparency
- Right Board composition, balance of independence and diversity in effectively discharging responsibilities
- Enhanced employee skillset and capabilities

E ENGAGED AND INSPIRED EMPLOYEES

- Total Employees
 - **946** permanent
 - **20** contract
- High performing talents and future driven culture



To read more, refer to Our People on Pages **36 to 51**

- Initiatives on employee compensation and wellbeing
- Improvement on safety performance

N NATURAL RESOURCES

- **50 acres** of KLCC Park (green lung) with **1,700 trees**
- **1,062,818 m³** of water consumed in our buildings
- **99,076,000 kWh** of electricity consumed in our buildings



To read more, refer to Our Environmental on pages **52 to 65**

- Minimised environmental impact
- Achievement of sustainability roadmap 2022 targets
- Crafting Climate Change aspiration
- Strategic collaboration towards green mobility and renewable

R TRUSTED RELATIONSHIPS WITH STAKEHOLDERS

- High integrity, trust and transparent communication with our key stakeholders



To read more, refer to Stakeholder Management on pages **16 to 17**.

- Focused engagements with key stakeholders towards survivability and growth
- Community wellbeing and positive social impact

OUTCOMES AND VALUE CREATION

TRADE-OFFS

- **Ranked 1st** in the MREITs industry
 - By market capitalisation: **RM12.1 bil**
 - By property value: **RM15.7 bil**
- **13.1%** Distribution per Stapled Security growth

- Annual total return: **8.1%**
- **AAA/Stable** rating reaffirmed by RAM Ratings for KLCC REIT and Suria KLCC Sukuk Murabahah Programme

Financial capital is applied to enable us to execute our growth strategy and in mitigating risks to sustain performance typically with positive impact on Portfolio, Employees, Knowledge and Relationships capitals. This however may impact our Portfolio capital with reduced financial allocation towards capital expenditure and investments.

PROSPERITY : Advancing Economic Resilience

- Average occupancy rate
 - Office: **100%**
 - Retail: **92%**
 - Hotel: **44%**

- Retail tenant sales growth outperformed pre-Covid levels
- Secured **7** new car park locations with **1,604 car park bays**

Investing in asset enhancement initiatives and reducing the environmental footprint will benefit the Natural, Knowledge, Employees and Relationships capitals, but comes at a cost to Financial capital. However, in the long-term, these investments expand our business capacities, valuation and brand equity.

PROSPERITY : Advancing Economic Resilience

- **50%** Women Directors on Boards
- **63%** Independent Non-Executive Directors on Boards
- **95%** Managers upskilled with enhance leadership competencies

- **81%** senior management upskilled with enhanced leadership competencies
- Recognised with awards and accolades by the industry - **18 awards**

Investment in leadership capabilities development, ongoing business processes and digital technology lead to positive impact on the Portfolio, Employees, Natural and Relationships capitals that may reduce the Financial capital. However, this will benefit all our six capitals in the longer term.

PEOPLE: Progressing Our Social Agenda

PEACE: Embodying Good Governance

- **92%** employee retention rate
- **26,790** employee training hours
- Invested **RM1.0 mil** on staff learning and development

- Upgraded mental health treatment coverage from **RM1,000** to **RM3,000** to include dependents
- Implemented increase in maternity leave to **98 days**

Investing Financial capital in upskilling employees is key for the future workplace growth and employee retention. In the longer term, this provides benefits to Employees, Knowledge and Portfolio capitals.

PEOPLE: Progressing Our Social Agenda

- **33%** reduction in GHG Emission from 2015 (base year)
- **52%** waste diversion rate in hotel

- **RM2.0 mil** Energy cost savings from the solar panels at the rooftop of Suria KLCC mall (since 2014)
- Installed **35 EV** charging points at KLCC Precinct, bringing total to **57**

Our investments to minimise carbon footprint have preserved our Natural capital and positively impact our Portfolio, Knowledge capitals in exchange for Financial capital.

PLANET: Protecting Our Environment

- Analyst report coverage: **11**
- No. of shareholders/unitholders: **8,686**

- **RM17.0 mil** Spent on corporate social investment and rental assistance to retail partners
- **87%** organisational culture survey score on integrity

Strong Relationships with our stakeholders will improve all capitals. Contribution and support assistance may impact Financial capital but will improve Relationships, Employees and Portfolio capitals in the longer term.

PEOPLE: Progressing Our Social Agenda

OUR CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2022 Sustainability Report takes guidance from the World Economic Forum’s Stakeholder Capitalism Metrics which is also aligned to the UN’s 2030 Agenda for Sustainable Development that shape and represent the 17 Sustainable Development Goals (UNSDGs).

This year, we submitted our inaugural Communication on Progress to UN Global Compact, which includes a statement of support to The Ten Principles of the United Nations Global Compact on Human Rights, Labour, Environment and Anti-Corruption.

This strengthened our commitment to contributing towards UNSDGs and sharing the global vision towards sustainable development for all.



OUR CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In tandem with declaration of our support to The Ten Principles of the United Nations Global Compact, we list our contribution to achieving the United Nations Sustainable Development Goals (UNSDGs) targets.



Ensure healthy lives and promote well-being for all at all ages

SDG Targets	Our Contribution
<p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<ul style="list-style-type: none"> Responsible Hazardous Waste Management in all our assets and operations, in compliance with the Environmental Quality (Scheduled Waste) Regulations 2005



Achieve gender equality and empower all women and girls

SDG Targets	Our Contribution
<p>5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<ul style="list-style-type: none"> 4 out of 8 board directors are women 41.4% of senior management level staff are women 37.6% of our employees are women



Ensure availability and sustainable management of water and sanitation for all

SDG Targets	Our Contribution
<p>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>	<ul style="list-style-type: none"> Implementation of water conservation efforts in our assets. Our consumption reduction from base year 2015, for Office, Retail and Hotel respectively: <ul style="list-style-type: none"> - Office: 28% - Retail: 33% - Hotel: 22%



Ensure access to affordable, reliable, sustainable, and modern energy for all

SDG Targets	Our Contribution
<p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services</p>	<ul style="list-style-type: none"> Installed 57 Electric Vehicle (EV) chargers at car parks within KLCC Precinct
<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<ul style="list-style-type: none"> Suria KLCC’s Solar Panels generated 415,241 kWh in 2022, about 1% of its total energy consumption

OUR CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

	<p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>
<p>SDG Targets</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p>Our Contribution</p> <ul style="list-style-type: none"> KLCCP HSE policy ensures safe working environment for all employees. We recorded zero fatalities. Our Occupational Safety and Health management system is certified to ISO45001, audited annually by external certification body
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>
<p>SDG Targets</p> <p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p>	<p>Our Contribution</p> <ul style="list-style-type: none"> In 2022, through various waste prevention, reduction, recycling and composting efforts, we achieved the following waste diversion rates: <ul style="list-style-type: none"> Office: 1% Retail: 10% Hotel: 52%
	<p>Ensure sustainable consumption and production patterns</p>
<p>SDG Targets</p> <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p>	<p>Our Contribution</p> <ul style="list-style-type: none"> Eliminated 100% of single-use plastic in hotel operations Achieved the following waste diversion rates: <ul style="list-style-type: none"> Office: 1% Retail: 10% Hotel: 52%
<p>12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses</p>	<ul style="list-style-type: none"> Suria KLCC food court converted 128 tonnes of food waste (4% of total waste) to black soldier fly larvae which will be used as animal feed MOKL Hotel composted 270 tonnes of food waste (41% of total waste generated)
<p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment</p>	<ul style="list-style-type: none"> Responsible Hazardous Waste Management in all our assets and operations, in compliance with Environmental Quality (Scheduled Waste) Regulations 2005

OUR CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

 <p>Ensure sustainable consumption and production patterns</p>	
SDG Targets	Our Contribution
<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<ul style="list-style-type: none"> Achieved the following waste diversion rates: <ul style="list-style-type: none"> Office: 1% of 830 tonnes Retail: 10% of 3,291 tonnes Hotel: 52% of 687 tonnes
<p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<ul style="list-style-type: none"> KLCCP Stapled Group has been disclosing our Sustainability performance in our Annual Report since 2014 The Group discloses its sustainability data in the ESG World Platform on our corporate website The Group was recognised by The Asset with a Platinum Award - for excellence in Environmental, Social and Governance for 3 consecutive years

 <p>Take urgent action to combat climate change and its impacts</p>	
SDG Targets	Our Contribution
<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<ul style="list-style-type: none"> Conducted preliminary assessment of our climate change actions against the TCFD Recommendations
<p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> Commenced company-wide communication on ESG and climate change via e-learning on climate change awareness and Human Rights Included a preliminary assessment on the climate change related risk in our annual enterprise risk review exercise

 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	
SDG Targets	Our Contribution
<p>16.5 Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> Zero Corruption Cases in 2022 All operations implemented anti-bribery management system 100% employees underwent ABMS awareness training

MEASURING PROGRESS IN PURSUING SUSTAINABILITY GOALS

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

BUILDING A SMART, SAFE AND SUSTAINABLE KLCC PRECINCT

GOAL 1	GOAL 2	GOAL 3	OUR CAPITALS	F	R	P	K
<p>Supporting the UNSDGs</p> 			<p>MATERIAL MATTERS</p> <ul style="list-style-type: none"> Financial Sustainability Health, Safety and Security Customer and Tenant Management Risk and Crisis Management 		<p>FOCUS AREAS</p> <ul style="list-style-type: none"> Digital Infrastructure Innovative Customer-Focused Solutions Data Analytics 		

5-YEAR TARGET (2019-2023)	2022 TARGETS	2022 ACHIEVEMENTS
To be a digitally competent organisation	<ul style="list-style-type: none"> Reduce system downtime caused by technical challenges Provide customer options for payment methods Achieve minimum period (less than 5 seconds) to exit car park <div style="display: flex; align-items: center;"> ● ● ● </div>	<ul style="list-style-type: none"> Completed assessment of current KLCC Parking Management (KPM) network, application and server infrastructure and provided full report including system High Availability (HA) and Disaster Recovery (DR) requirements on PMS adopting to PETRONAS and Industry standard <p>Parking Management System (PMS) 2.0 will enhance the efficiency of the Parking System in ensuring operations will run smoothly in the event of emergency and improve customers' experience</p>
	<ul style="list-style-type: none"> MOKL Hotel – paperless initiatives <div style="display: flex; align-items: center;"> ● ● ● </div>	<ul style="list-style-type: none"> Introduced QR Code in all guestrooms' TV to allow guests to access latest information of the Hotel, Digital Map, In-room Dining and Minibar menu, Shop MO and Digital Library
	<ul style="list-style-type: none"> Organise digital related requests in a systematic manner through a digital system instead of conventional methods i.e. emails Improve tracking of requests <div style="display: flex; align-items: center;"> ● ● ● </div>	<ul style="list-style-type: none"> The Group launched the Service Request Management system (DiReq @Digital Requests) to better manage and organise employees' requests for digital related services

MEASURING PROGRESS IN PURSUING SUSTAINABILITY GOALS - 5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

BUILDING A SMART, SAFE AND SUSTAINABLE KLCC PRECINCT

GOAL 1	GOAL 2	GOAL 3	OUR CAPITALS	F	R	P	K
<p>Supporting the UNSDGs</p> 			<p>MATERIAL MATTERS</p> <ul style="list-style-type: none"> Financial Sustainability Health, Safety and Security Customer and Tenant Management Risk and Crisis Management 		<p>FOCUS AREAS</p> <ul style="list-style-type: none"> Digital Infrastructure Innovative Customer-Focused Solutions Data Analytics 		

5-YEAR TARGET (2019-2023)	2022 TARGETS	2022 ACHIEVEMENTS
To be a digitally competent organisation	Establish Enterprise Information Management 	<ul style="list-style-type: none"> Established foundation for data governance across the Group Raised Data Management capability through data roles upskilling to ensure continual data quality improvement efforts in the organisation Built high quality Enterprise Data Hub and high-quality Enterprise Content Management Assisted Digital Transformation journey through the provision of insights generated from connected network of information across functional business operations
	Establish KLCC Group Procurement integrated dashboard 	<ul style="list-style-type: none"> Created an integrated dashboard which displays real time status of procurement related requests Replaced an existing manual system which requires several rounds of verifications to ensure accuracy
	Establish KPM Operations dashboard 	<ul style="list-style-type: none"> Created a reporting dashboard to track parking operations within KPM to ensure real time monitoring and expedite decision making by leveraging on data analytics from multiple points within parking operations

MEASURING PROGRESS IN PURSUING SUSTAINABILITY GOALS - 5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

BUILDING AN AGILE, INCLUSIVE AND SUSTAINABLE WORKFORCE IN A VUCA (VOLATILITY, UNCERTAINTY, COMPLEXITY AND AMBIGUITY) WORLD

GOAL 1	GOAL 2	GOAL 3	OUR CAPITALS E
<p>Supporting the UNSDGs</p> 		<p>MATERIAL MATTERS</p> <ul style="list-style-type: none"> • Human Capital Development • Health, Safety and Security • Human Rights • Labour Standard and Practices • Business Ethics 	<p>FOCUS AREAS</p> <ul style="list-style-type: none"> • People and Culture Fit • Empowered, Agile and Resilient Workforce • Work Life Integration • HSSE Maturity Culture

5-YEAR TARGET (2019-2023)	2022 TARGETS	2022 ACHIEVEMENTS
Achieve a succession planning ratio of 1:2	<ul style="list-style-type: none"> • Achieve the ratio of 1:1 • Review of critical positions • Talent Review • Talent Assessment as potential top talent <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ffc107; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> </div>	<p>Established 6% of staff as the top and high performing talent pool</p> <p>Completed talent mapping for organisational restructuring, resulting in 13% of talent pool being mobilised into new roles, including 33% that were progressed into manager positions</p>
Institutionalise organisation capabilities	<p>Review and align the Capability Areas in support of the Group's Strategic Framework</p> <p> Refer pages 24 to 25</p> <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ffc107; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> </div>	<p>Initiated capability inventory review to align with identified areas of excellences towards supporting the Group's Strategic Framework</p> <p>Initiated seven series of performance management upskilling covering 95% of middle management</p> <p>Conducted enhanced leadership competencies upskilling for 81% of middle management</p>
Inculcate digital native mindset, healthy and ethical workforce	<p>Implement MEST-FIT (Think Right) program</p> <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #28a745; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> </div> <p>Intensify Integrity Culture through roll-out of COBE Refresher and Leaders Speak Corner</p> <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #28a745; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> </div>	<ul style="list-style-type: none"> • Conducted CARE (Check Signal, Apply conversation, Reassure support and Ensure help) training to equip 207 management staff with the skill to identify and manage stress. This is to build resilience at workplace and build healthy emotional wellbeing • Conducted three Employee Assistance Program roadshows. Activities in the roadshow include consultation with psychologists and dietitians, and health screening • Completed ABMS Refresher for all staff in 2022. Inculcated integrity and ethics culture with frequent leader engagements with staff on integrity issues
Towards Generative HSSE Culture in 2024	<ol style="list-style-type: none"> 1. Internal Culture Maturity Survey (CMS) Result of 4.3 2. 100 % attended training <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ffc107; border: 1px solid #ccc; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #ccc; border: 1px solid #ccc; margin-right: 5px;"></div> </div>	<ul style="list-style-type: none"> • Achieved 4.05 in CMS 2021 • Conducted Generative HSE Culture Training for the Leadership Team

MEASURING PROGRESS IN PURSUING SUSTAINABILITY GOALS - 5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

COMBATING CLIMATE CHANGE AND REDUCING ENVIRONMENTAL IMPACTS

GOAL 1	GOAL 2	GOAL 3	OUR CAPITALS	N
<p>Supporting the UNSDGs</p> 		<p>MATERIAL MATTERS</p> <ul style="list-style-type: none"> Climate Change and Energy Management Environmental Management 	<p>FOCUS AREAS</p> <ul style="list-style-type: none"> Carbon Emission Energy Consumption Water Usage Waste Generation Removal of Single-Use Plastic 	

5-YEAR TARGET (2019-2023)	2022 TARGETS	2022 ACHIEVEMENTS
<p>To reduce carbon emission:</p> <ul style="list-style-type: none"> Office: 8.0% Retail: 18.0% Hotel: 3.0% 	<p>To reduce carbon emission from 2015:</p> <ul style="list-style-type: none"> Office: 8.0% Retail: 18.0% Hotel: 3.0% <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #00728f; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> </div>	<p>*Carbon emission reduced (from 2015 level):</p> <ul style="list-style-type: none"> Office: 35% Retail: 20% Hotel: 44%
<p>To reduce energy consumption:</p> <ul style="list-style-type: none"> Office: 6.8% Retail: 5.0% Hotel: 1.8% 	<p>To reduce energy consumption from 2015:</p> <ul style="list-style-type: none"> Office: 6.8% Retail: 5.0% Hotel: 1.8% <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #00728f; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> </div>	<p>*Energy consumption reduced (from 2015 level):</p> <ul style="list-style-type: none"> Office: 10% Retail: 30% Hotel: 27%
<p>To reduce water usage:</p> <ul style="list-style-type: none"> Office: 1.0% Retail: 7.0% Hotel: 20% 	<p>To reduce water usage from 2015:</p> <ul style="list-style-type: none"> Office: 1.0% Retail: 7.0% Hotel: 20.0% <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #00728f; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> </div>	<p>*Water consumption reduced (from 2015 level):</p> <ul style="list-style-type: none"> Office: 28% Retail: 33% Hotel: 22%
<p>To reduce waste generation:</p> <ul style="list-style-type: none"> Office: 12.0% Retail: 18.0% Hotel: 15.0% 	<p>To reduce waste generation:</p> <ul style="list-style-type: none"> Office: 12.0% Retail: 18.0% Hotel: 15.0% <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #00728f; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> </div>	<p>*Waste generation reduced (from 2019 level):</p> <ul style="list-style-type: none"> Office: 64% Retail: 28% Hotel: 21% <p>Note: Comparison is made against the data in 2019 as we are verifying data recorded in base year 2015.</p> <p>Achieved the following waste diversion rates:</p> <ul style="list-style-type: none"> Office: 1% Retail: 10% Hotel: 52%
<p>100% removal of single-use plastic in hotel operations</p>	<p>100% removal of single-use plastic in hotel operations</p> <div style="display: flex; align-items: center;"> <div style="width: 10px; height: 10px; background-color: #00728f; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> <div style="width: 10px; height: 10px; background-color: #d3d3d3; border-radius: 50%; margin-right: 5px;"></div> </div>	<p>Eliminated 100% of single-use plastic in hotel operations</p>

* The above large reduction against the base year 2015 is due to the first quarter of 2022 being in the post pandemic transition phase which office operation is in hybrid mode and business in hotels and retail business are still picking up slowly

PEOPLE

PROGRESSING OUR SOCIAL AGENDA

We believe in investing in upskilling and reskilling our workforce to compete and win in the future marketplace, given the constantly changing market landscape.

We invest in digital tools to better churn insights and intelligence from data, simplify work processes, empower decision making and enable seamless collaboration.

Additionally, we continue to invest in providing the right environment for our people to thrive, and a conducive workplace that promotes well-being, diversity and inclusion (D&I).

OUR ALIGNMENT TO THE UNSDGs



MATERIAL SUSTAINABILITY MATTERS

- Human Capital Development
- Human Rights
- Labour Standard and Practices
- Health, Safety and Security

MAPPED TO OUR CAPITALS



RELATED PRINCIPAL RISKS

- Human Capital
- Health, Safety and Environment
- Facilities Management
- Security

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

Goal 2

Building an Agile, Inclusive and Sustainable Workforce in a VUCA (Volatility, Uncertainty, Complexity and Ambiguity) World

In this section

Human Capital Development

- Skills and Capability Development
- Workforce Engagement

Human Rights

- Equality, Diversity and Inclusion
- Women Empowerment
- Non-Discrimination

Labour Standard and Practices

- Employee Benefits and compensation
- Responsible Employment
- Job Security

Health, Safety and Security

- Safety and Health Management
- Security Management
- Mental Wellness



OUR APPROACH

Our people are integral to our business and our success. Our ability to attract and retain a diverse workforce, characterised by equal opportunities and prospects for career advancement, is fundamental to our business operation.

We recognised that workforce expectations have evolved considerably over the past years and will continue to do so. Today's talents are looking for growth, opportunities to shine, variety, flexibility, mobility and security. Increasingly, people want to work for an organisation that is purpose-driven and where they can add value to society.

Our Group outlined its human capital strategies to cater for the evolving expectations of future generations of employees. We emphasised on innovation and digitalisation efforts towards institutionalised efficient and effective processes, systems and organisational capability.

Our talent management is fundamentally based on performance management, leadership development, succession planning and employee capability building. It is implemented at all levels of the organisation in partnership with our leaders, business managers and operation teams, to support our business priorities and growth strategy.

As an equal opportunities' employer, we strive to treat everyone fairly, as entrenched in our Code of Conduct and Business Ethics (CoBE), which sets out the requirements that protect people against discrimination in our workplace.



FOCUS FOR THE YEAR

Greater inclusivity and women empowerment

Safety and mental wellbeing of our people throughout the pandemic

Upskilling of our people to **improve and enhance skillsets and capabilities**

Promoting high performance culture by engaging and enriching our employees through **work-life balance programmes in building an agile and empowered workforce**

HUMAN CAPITAL DEVELOPMENT

Skills and Capability Development

We tailor our talent development programs and interventions to suit business and employees' needs and expectations, ensuring that our highly skilled and engaged talents are equipped to meet the needs of our stakeholders.

We continuously invest our energy and resources in upskilling and reskilling our employees to compete and win in the future marketplace, given the constantly changing market landscape.

Our employees' development opportunities addressed their needs in technical and leadership skills. This enables us to retain talents over the long term and prepare them for their future roles.

During the year, we continue to promote self-directed learning to equip our employees with the essential and important skillsets for them to be able to function in today's world and to adapt to new ways of working through various e-learning platforms such as LinkedIn learning, HMM and SWITCH.

In supporting the Group's Strategic Framework, we have initiated a capability inventory review to identify required skill sets and capability to build a performing organisation. Enhanced Leadership Competencies were introduced in response to the new behaviour and leadership requirement needed to thrive under the new ways of working. We aspire to build talent who can energise team and stakeholders, decide at pace, grow self, other and business, and execute for superior performance.

PEOPLE

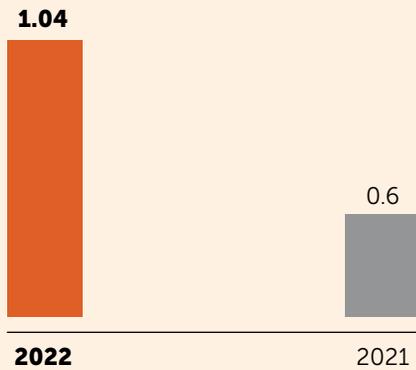


TOTAL INVESTMENT ON TRAINING PER YEAR (RM)

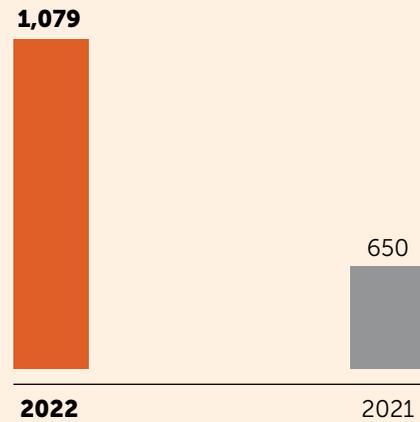
Percentage of Employees Attended Training



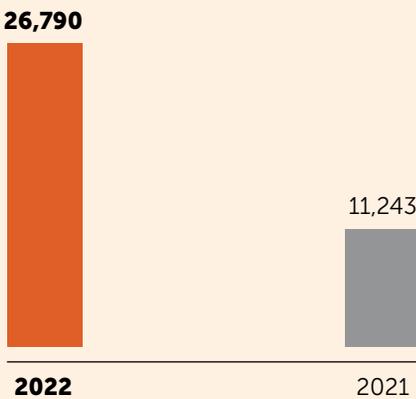
Total Investment on Training (RM mil)



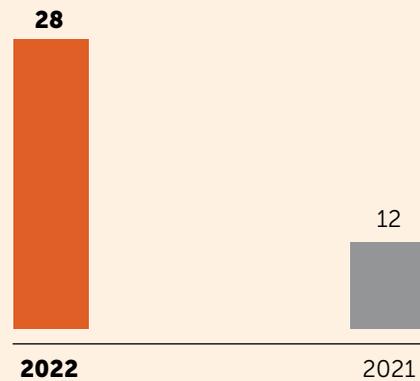
Average Investment Per Employee (RM)



Total Training Hours



Average Training Hours Per Employee



CAPABILITY DEVELOPMENT PROGRAMMES YEAR 2022

Performance Management

- Upskilled **95%** of managers on employees performance management. They were equipped with tools for effective target setting and performance evaluation conversation

Training on “Effective Thought Structure”

- Upskilled **85%** managers on the methodology of effective thought structuring, enabling them to be wholesome thinker & equipped with problem solutioning skills



Talent Review and Assessment

- Assessed **405** talents to better understand their potential and strengths for career progression

“eCornell & LobsterInk” program for hotel employees

- Provided online learning modules to managers to upskill themselves on topics such as Managing Performance Development, Interviewing for Success etc

Learn Fest '22 for hotel employees

- Provided access to an extensive learning library from LinkedIn Learning and the Go1 eLearning hubs for all employees
- Encouraged employees to explore relevant topics and resources for career development

Learning Friyays

- Weekly dedicated learning hours open to employees of the Group
- Provided access to on-line e-learning platforms (e.g. myLearningX)

PEOPLE

Workforce Engagement

The well-being of our employees is reflective of how happy and healthy they are at the workplace. We continue to maintain consistent and regular employee engagement during these challenging times focusing on their health and emotional wellbeing. These engagements are intended to inspire them to greater commitment, and to motivate them to perform productively and efficiently.

The engagements held throughout the year, provided our employees with the opportunity for their voice to be heard and foster a positive and inclusive workplace. We engage our people in the business culture transformation initiatives, encourage

them to share their ideas, and suggestions via various channels such as townhalls, briefings and leadership sharing sessions. Likewise, our leaders engaged closely with their respective team to cascade messages and business performances.

In promoting work-life integration, our Sports and Recreation Club, KSRC, organised several programmes for its members which included Bowling Tournament, White Water Rafting and Cave Exploration. We provided Digital Health online platform, wellness talks as well as health check campaign, to encourage employees to embrace a healthier lifestyle and improve their wellbeing.



ENGAGEMENT FOR THE YEAR

ENGAGEMENT	DETAILS AND BENEFITS
CEO Engagement	<ul style="list-style-type: none"> Three physical CEO's engagement sessions were held to communicate the Group's business performance, business strategy, direction and way forward. The session provided opportunities for all employee to seek information and give feedback to the CEO
Leadership engagement through Leaders Develop Leaders (LDL)	<ul style="list-style-type: none"> An engagement series by leaders to coach and inspire the staff towards achieving business results, and leadership excellence
KLCC Group Induction for Newcomers	<ul style="list-style-type: none"> Induction program to introduce to new employees, the Group's Statement of Purpose, shared values, cultural beliefs, HSE values, employee benefits, human resource related matters, and Code of Conduct and Business Ethics
KLCC Sports and Recreation Club (KSRC) Activities	<ul style="list-style-type: none"> KSRC organised Bowling Tournament and White Water Rafting Cave Exploration in 2022. These activities provide time and space for employees of all levels to know each other, cultivate team bonds and create sense of belonging
MOcomp Complimentary stays for all employees around the world	<ul style="list-style-type: none"> A program to appreciate our hotel employees' hardwork and effort. Employees can enjoy well-earned downtime, with complimentary room nights and buffet breakfasts, discounts on F&B, spa treatments and more
Quarterly Townhall by the Chief Executive Officer (Retail)	<ul style="list-style-type: none"> A platform to welcome new employees, present staff awards and celebrate small successes
Step Challenge for Suria KLCC	<ul style="list-style-type: none"> A fitness activity not just to encourage a healthy lifestyle but also to cultivate team bonds and sense of belonging

HUMAN RIGHTS

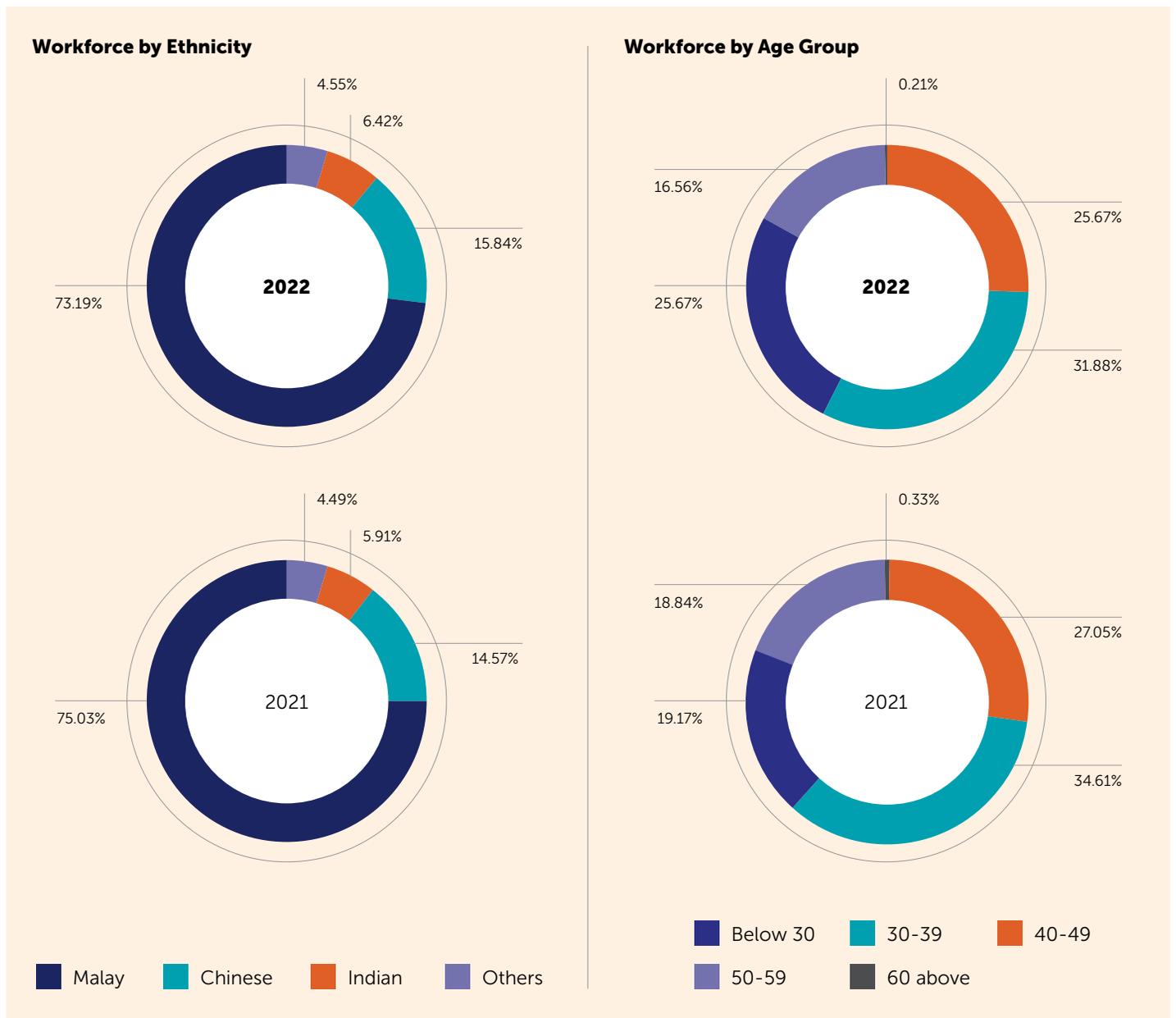
As a responsible business we are committed to generate mutual stakeholder benefits, and ensure that we do not infringe on the human rights of others. We recognise that our employees are crucial to the on-going success of our business and to how the Group is regarded by the wider market. Furthermore, we believe that all employees should be treated fairly and with respect.

Whilst we recognise that the Government has the primary responsibility to protect and support human rights, we also embrace the important role we play as a business. Within all our business activities and partnerships, we are dedicated to consider our impact to social, environment, and address any human rights issues.

Equality, Diversity and Inclusion

Advancing our culture of inclusion belonging continues to be a priority. We took significant steps to strengthen our approach by incorporating it in our human capital strategies. We are committed to a culture in which everyone has access to opportunities for career development in which everyone can reach their potential without barriers. Furthermore, we

recognise that with the diversity of our workforce, we are able to leverage the different skills, mindsets, knowledge and experience of our employees. Ensuring our environment is one where everyone feels they belong and can bring their potential to the fullest will drive our collective ability to innovate and deliver to all our stakeholders.

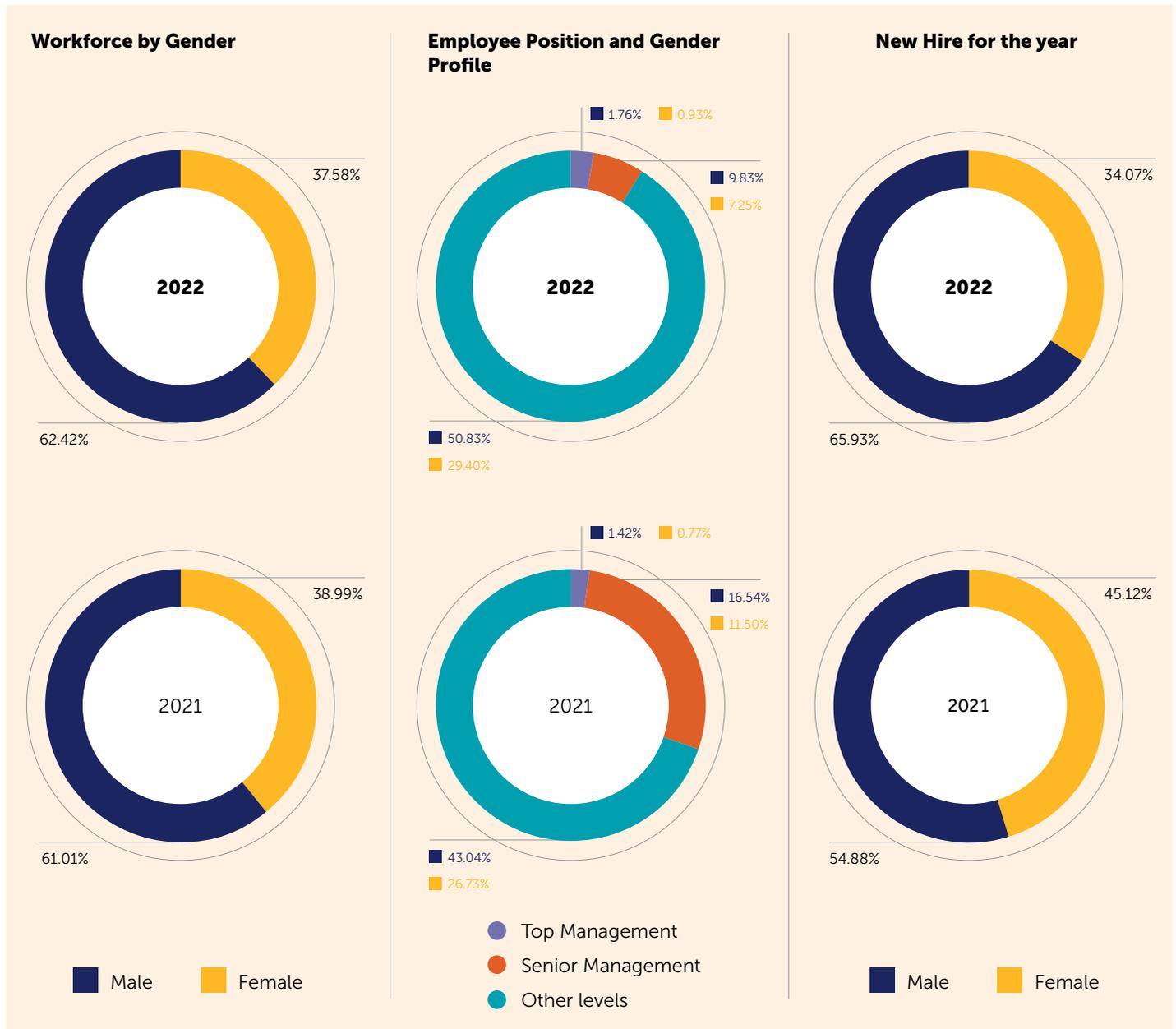


PEOPLE

Women Empowerment

Equal opportunities for women remain a key focus for the Group. We recognise the positive impact of gender diversity on the performance of teams and the business. Therefore, increasing female representation in leadership supports our business strategy. In 2022, women accounted for 38 percent of our total workforce and 41 percent of our management.

Women representation in the Boards is 50 percent in line with the Board Diversity Policy which seeks to ensure that the mix and profiles of our Board members, in terms of age, ethnicity and gender, provide the necessary range of perspectives, experiences and expertise required to achieve effective stewardship.



Non-Discrimination

The Group values and respects individual differences. We believe in creating an environment where our teams feel they are valued; where they can bring their differences to work each day and where they feel able to make their own unique contribution. We believe everyone deserves the right to be treated equally and should not be discriminated against because of their differences. The Group is committed to treating all its employees equally based on their merits and abilities to do their jobs.

The Group has in place its Code of Conduct and Business Ethics which details the steps taken should employees believe that their equality rights may have been breached. If an employee feels



that an attempt at informal resolution is inappropriate given the seriousness of his/her complaint or if informal attempts have failed or been unsatisfactory, then a formal complaint may be made to the Human Capital (HC) Department. Upon submission of report, the Group ensures that the investigation is carried out as quickly as possible. If the findings disclose evidence of a possible disciplinary offence, then disciplinary proceedings will be commenced in accordance with our disciplinary policy. All members of the HC Department have received appropriate training in resolving equal opportunities and dignity at work issues. They will deal with any grievances raised with them under this policy in the strictest confidence.



LABOUR STANDARD AND PRACTICES

Employee Benefits and Compensation

The Group continues to benchmark against similar industry players in order to remain competitive in attracting and retaining talents. During the year, the Group implemented the new grade structure and the new salary scale in its efforts to remain competitive with the market. Along with the new grade structure and salary scale, eligible employees of the group also experienced salary adjustments.

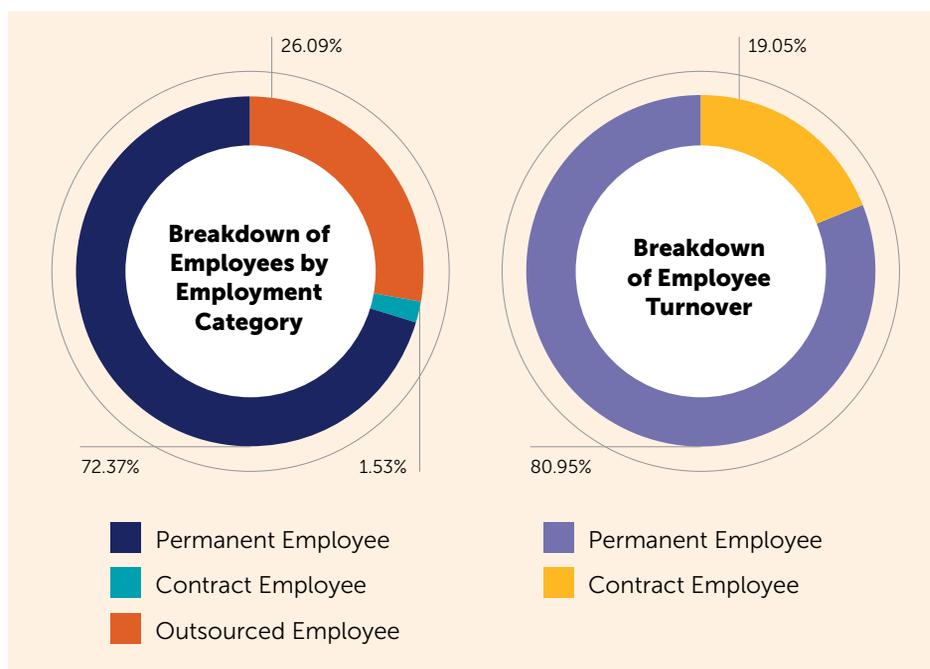
Responsible Employment

The Group expects everyone working with us or on our behalf to abide by the Malaysian Labour Laws, which include the Employment Act 1955, Trade Union Act 1959 and Industrial Relations Act 1967. The Group has a zero-tolerance approach to modern slavery and child labour.

The prevention, detection and reporting of modern slavery or child labour in any part of our organisation and supply chain, is the responsibility of all those working for us or on our behalf. As part of our contracting processes, we reserve the

right to terminate our relationships with suppliers and other organisations working on our behalf if they do not comply with our Labour Standards.

All suppliers, contractors or business partners of the Group are required to comply with our Supplier Code of Conduct, which sets out our expectations for the treatment of workers and how suppliers are required to behave.



PEOPLE

Job Security

The Group is keenly aware of the health concerns and economic uncertainty weighing on the entire community. Whilst many organisations continue to lay off their employees during this uncertain economic period, we did not.

The Group continued providing pay and health and welfare benefits during this period that allow employees to care for themselves and their families as we look to support the Nation more effectively towards recovery.

The Group practiced no Covid-19 related layoffs for all employees. We assured our employees of their job security and there was also no salary cut despite the challenging business environment.

HEALTH, SAFETY AND SECURITY

The Group has comprehensive Health, Safety and Security management systems and processes in place to ensure to the best of our ability and in line with industry best practice, the health, safety and security of anyone visiting our assets. We are fully committed to consistently achieve the highest standards of health & safety management and performance. Our record in this area is exemplary.



Safety and Health Management

OUR APPROACH

We provide healthy, safe and secure places for our stakeholders to live, work, shop and play, recognising that we can only achieve this through close collaboration with our partners, including our supply chain, investors and enforcing authorities. Our business activities are conducted in accordance with our KLCC HSE Policy and comply with the highest standards of occupational safety and health regulations. This is supported by our HSE Management System (HSEMS) and HSE Mandatory Control Framework (MCF) to strengthen HSE Governance within the KLCCP Stapled Group while providing clear requirements on operational safety, environment and health for, consistent and effective implementation.

We have also taken the opportunity to embrace innovative construction methods, to realise the full potential of health and safety benefits. This relates to both key design principles and on-site construction risks. We work with design teams to ensure our developments maximise desired operational outcomes while achieving our vision of providing healthy, safe and secure places.

FOCUS FOR THE YEAR

Shaping a **Generative HSE Culture**

Heightening Operational Discipline through **“Jom Patuh & Tegur”** approach

Security Management through comprehensive **security and surveillance system**



Shaping a Generative HSE Culture

At KLCCP Stapled Group, the safety and well-being of people are deeply rooted within our HSE strategy and management activities and are strengthened by the Group’s Generative HSE Culture which aims to create greater transparency and awareness. Through this Generative HSE Culture we will continue to drive efforts towards values, attitudes, goals and proficiency of the organisation’s health and safety. It aims to promote transparency and mindfulness in all HSE areas.

The Group was rated at Proactive Level in 2021 Culture Maturity Survey, which saw us maintaining good HSE practices in every aspect of our work and operations.

We strive to ensure strict adherence to safety standards and enforced safety culture, compliance and leadership among employees as well as our contractors.

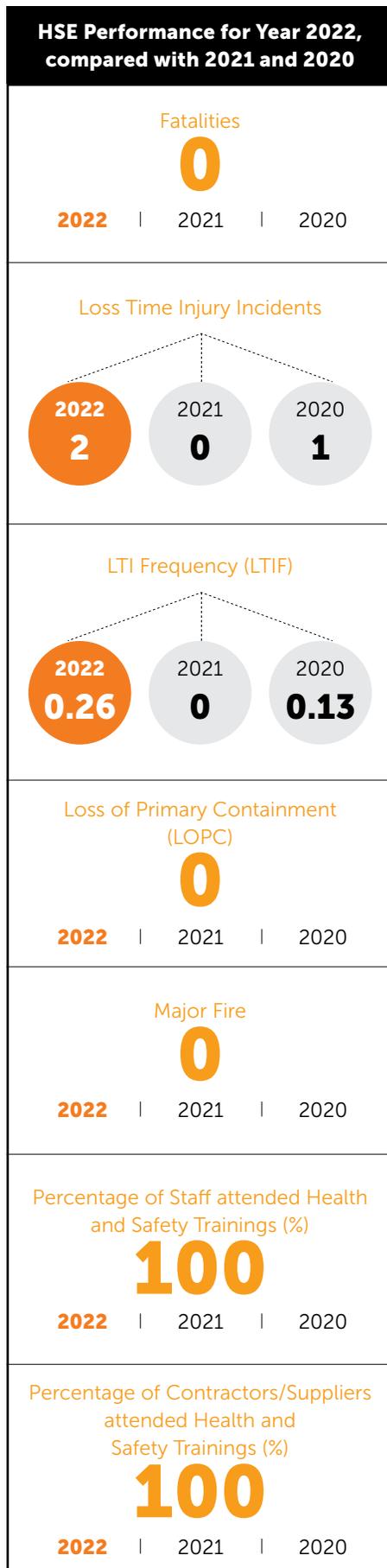
We recorded zero fatalities but was very unfortunate to have two Lost Time Injury incidents during the year. Post incidents, investigation was carried out and root causes were identified. We ensure that lessons learnt from all incidents are shared with all employees, to prevent recurrence in the future.

GENERATIVE HSE CULTURE

Generative HSE Culture is about doing right things right, even when no one is watching.

- OWNERSHIP**
Leaders role model and everyone has strong ownership over HSE, as we believe HSE creates value and is good for our business
- MINDFUL**
We are conscious about HSE in what we do because it's the right thing to do, not because somebody is watching
- INTERDEPENDENT**
We look out for each other because potential risks and errors are always at the top of our minds, and because nobody has all the answers - EVERYBODY contributes to HSE
- COURAGEOUS**
We feel safe to intervene when we see unsafe conditions and behaviors, and welcome such intervention from our co-workers

PEOPLE



HSE TRAININGS AND WEBINARS

- **E-learning series on Generative HSE Culture** was conducted to provide awareness on Generative HSE Culture, comprising three parts:
 - What is Culture
 - Understanding Generative HSE Culture
 - How Do We Embrace Generative HSE Culture
- **KPM HSE Upskilling Training** – Aimed to refresh and enhance understanding of Permit-To-Work system processes, Incident, Accident Reporting, and Investigation
- **Basic First Aid Training for Employees** at Menara Dayabumi

- **Life and Safety Briefing for Tenants** at Menara Dayabumi



- **KLCCUH Tier 1 Evacuation Exercise** conducted at Menara Exxonmobil and Menara Dayabumi

- **KLCCUH HSE ENGAGEMENT 2022 – “Keeping It Green, What To Look For?”**

Annual HSE engagement for KLCCUH employees. The event focused on the **safety aspect of using the EV chargers**. The event also promoted awareness on **reducing “Single-Use-Plastics”**



HSE WALKABOUTS, INSPECTION AND ASSESSMENTS

- **HSE walkabout at KLCC Precinct Project Site (Lot L, M and N)**
- **KLCCUH walkabout for Merdeka and New Year Events**

- **Noise Risk Assessment (NRA)** – helped to identify the health hazards related to noise in the workplace. The assessment highlighted that all locations in PETRONAS Twin Towers are below noise threshold level



- **Functional Checklist Assurance by KLCCUH & KPM** – A self-assurance program conducted to evaluate HSE compliance of day-to-day activities

- **KGLT HSE walkabout at Menara Dayabumi**
- **Chemical Health Risk Assessment for PETRONAS Twin Towers and Menara 3 PETRONAS**
 - To identify the hazards, evaluate the degree of existing control measures and recommend further control measures

- **Call to-action on Electrical Safety** was a focused audit on electrical safety and to access compliance to Electrical Supply Act 1990 & Electricity Regulation 1994

Our Leadership Team continues to be the force in accelerating the formation of the desired Generative HSE Culture across our businesses and operations. During the year, two members of the Group’s Leadership Team attended the HSE Generative Culture Leadership Training.

Thank you for

displaying your security pass.



not using your smartphone while walking.



holding the handrail when you're using the staircases and escalators.



Jom Patuh & Tegur.

(Let's Comply & Intervene.)



We want you to be safe.
Because we care.

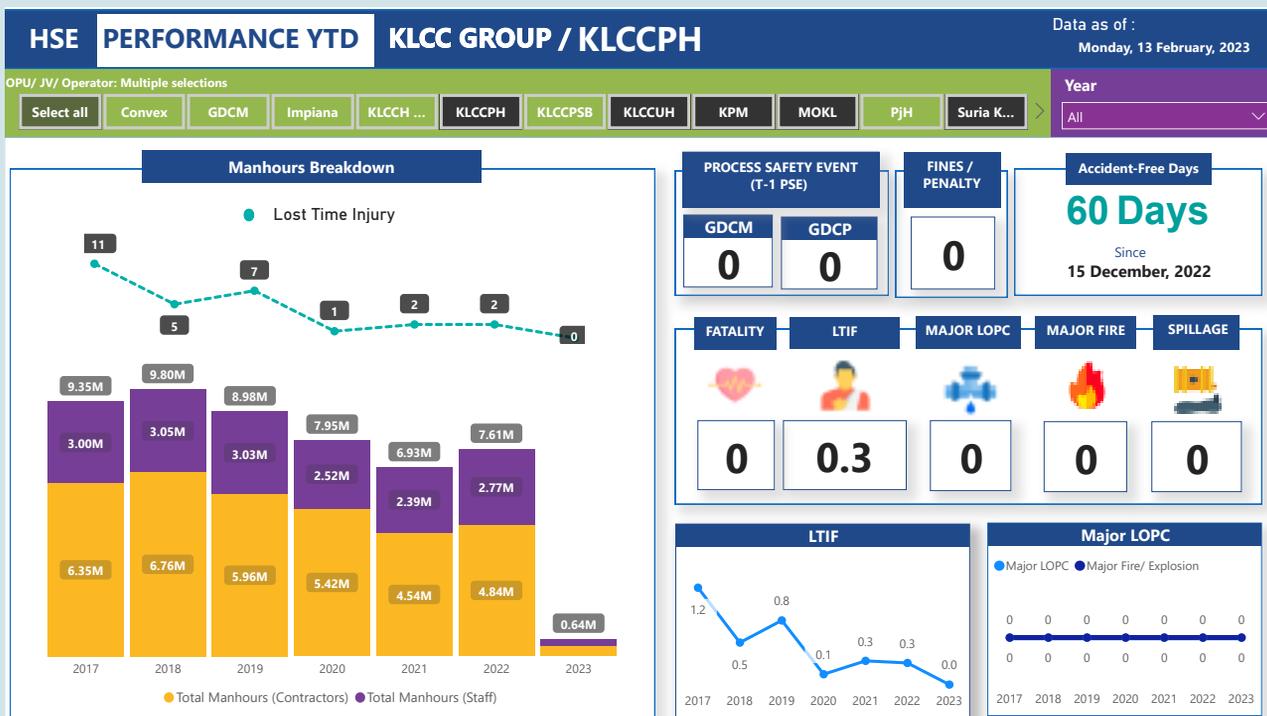
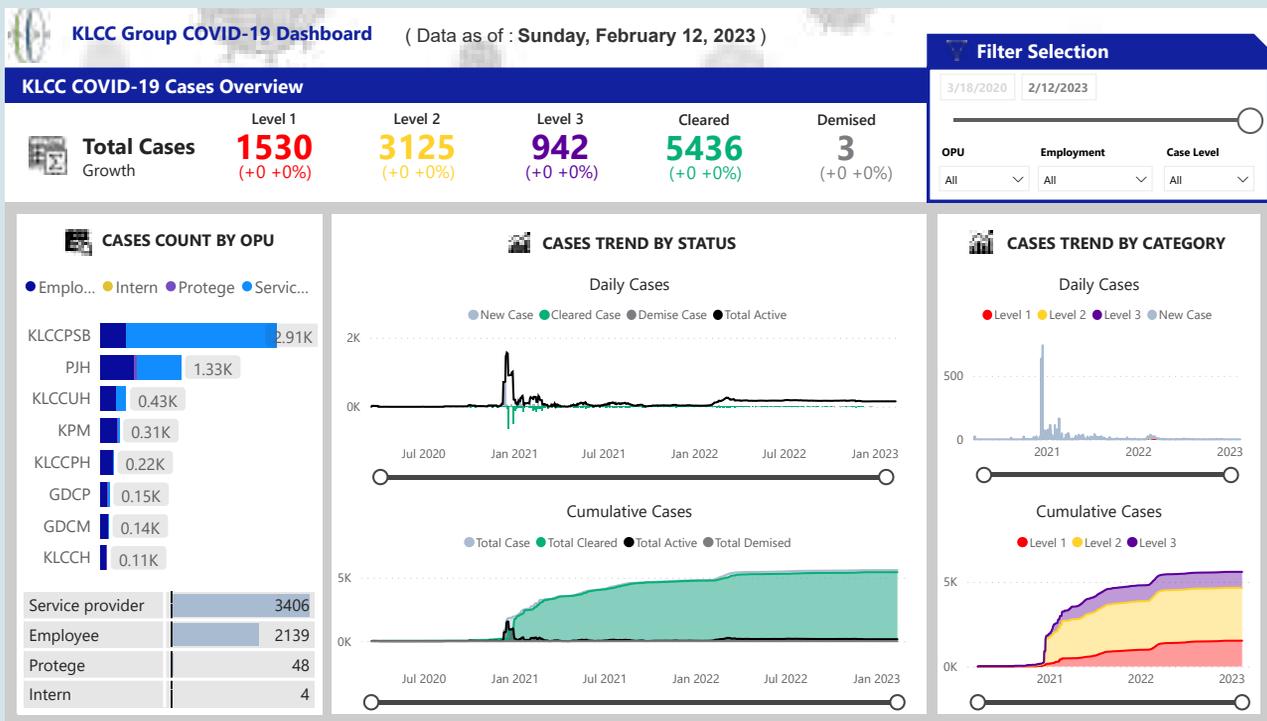
**WE
INTERVENE
BECAUSE
WE CARE**

We continue our intervention programme to inculcate the Generative HSE Culture under the "Jom Patuh dan Tegur" or "Let's Comply and Intervene" initiative. We endeavour for all our employees as well as that of our visitors and contractors to uphold and embrace the safety culture in all aspects of their work be it at site or offices as well as their daily lives.

PEOPLE

Digital HSE at KLCC

Evolution of HSE Digital Initiative brought us to the digital transformation in reporting. The Group's Leadership Team is now able to monitor updated HSE Performance through Power BI Dashboards. The presence and availability of up-to-date data helps the leadership to be aware of the current HSE risk and status, thus enabling them to facilitate and make quick decision in HSE matters. We harness the power of HSE data to derive insights on HSE performance, trends, emerging risks and other important elements so that proactive interventions can be planned.



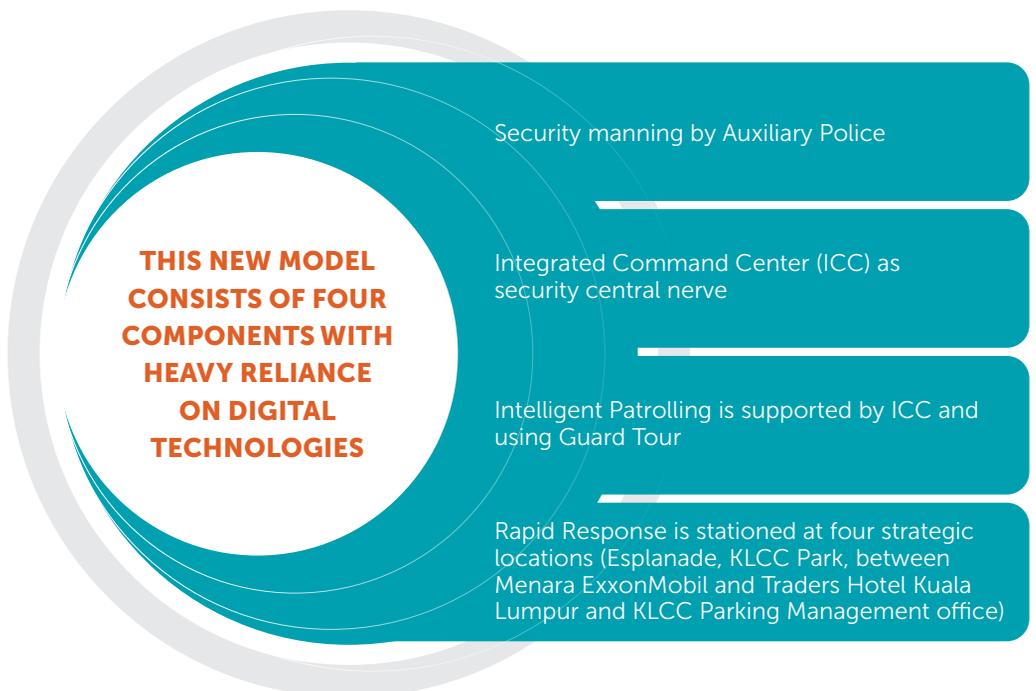
Security Management

Ensuring a comprehensive security and surveillance system is essential to protect the iconic PETRONAS Twin Towers, maintaining an open and free access for visitors and controlling security incidents impacting other buildings within the precinct. The Integrated Security Operation Center (ISOC) that is empowered with digital technology acts as a security central nerve that monitors the security situation within the KLCC Precinct to support the new security modus operandi.



New Security Operating Model

Another security initiative introduced which started operations during the year was the New Security Operating Model, (NSOM) that transformed the security modus operandi from a “static zone-based security guards” to “Risk-based Intelligent Patrolling and Rapid Response Auxiliary Police”. There is also close coordination between KLCC Precinct security and operators’ security team who are responsible for their respective area in managing security incidents. Dayabumi Complex has fully deployed PETRONAS Auxiliary Police to provide better service level in ensuring secured working environment for tenants and visitors.



PEOPLE

Mental Wellness



What is KLCC
MyWellness
Powered by



KLCC cares about employees' wellbeing and has partnered up with Naluri, a digital health care platform, to provide comprehensive mental health support for all our employees. The MyWellness gives access to digital transformation tools and teams of professional coaches, and other additional support services that cater to everyone's emotional wellbeing.

We provide a **wealth of resources designed to raise awareness of wellbeing, reduce the stigma of mental health and encourage open, honest conversations.**

A key message for employees throughout the pandemic has been that **their health and wellbeing remain the Group's utmost priority** and this has been complemented by offering advice to employees on how to reach out for assistance.

Employees' wellbeing is always the top priority and we realised that building employee's resilience skills is a critical step to proactively manage positive mental health.

Hence, management took the initiative to provide a holistic solution to mental health. We embarked on the Employee Assistance Program supported by Naluri Life Sdn Bhd. 225 managers and above attended the online CARE program, that **provide understanding of the spectrum of mental fitness, build resilience, learn to work with people in distress and increase empathy in workplace.**

The Group also enhanced its medical benefits which include pre hospitalisation admission, Covid-19 test coverage, Covid-19 hospitalisation treatment and mental illness treatment of staff and dependents.

Suria KLCC is the first and only mall in Malaysia to take a mental health awareness campaign to the next level via the creation of a safe space for the community.

A fund of over RM20,000 was raised and donated to mental health-related NGOs, such as Befrienders KL and the Malaysian Mental Health Association.



SAFE SPACE @ SURIA KLCC

In conjunction with World Mental Health Month in October, Suria KLCC together with The Body Shop invited the public to be part of the change in de-stigmatising mental health problems in their month-long campaign - #YouMatter held from 20 October until 10 November 2022.

Safe Space @ Suria KLCC was created and built as a platform for the community to converge and discuss mental health. It promoted engaging activities to educate community about the importance of mental health.

Suria KLCC has pledged to support NGOs championing mental health through monetary support from the sales of the Suria Ribbon Pin during festive campaigns.

PLANET

PROTECTING OUR ENVIRONMENT

Protecting the planet is a social, economic and ethical imperative. As a recognised corporate leader, we are committed to minimising our environmental footprint and delivering sustainable value to our society.

OUR APPROACH

Protecting the environment is an ongoing challenge for businesses of all sizes, in all industries, all over the world. KLCCP Stapled Group recognises that environmental impact is a material sustainability matter for our business.

OUR ALIGNMENT TO THE UNSDGs



MATERIAL SUSTAINABILITY MATTERS

- Climate Change and Energy Management
- Environmental Management

MAPPED TO OUR CAPITALS



RELATED PRINCIPAL RISKS

- Finance
- Asset Management
- Facility Management
- Health, Safety and Environment
- Security

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

Goal 3

Combating Climate Change and Reducing Environmental Impact

In this section

Climate Change

- Greenhouse Gas Emission
- Energy Management
- Renewable Energy

Environmental Management

- Water Management
- Waste Management





HSE Policy Statement

We are committed to prevent environmental pollution and minimise the environmental risk in our business and operation activities, as stated in our HSE Policy. We aim to minimise disruption to the environment and its adverse impact to our community by reducing the environmental footprint of our buildings and to efficiently manage the use of energy, water and resources.

In 2022, the Group continued its efforts in preventing and minimising environmental impacts, and we achieved:

- 33% reduction in carbon emission (from 2015 base year)
- 30% reduction in water consumption (from 2015 base year)
- Waste diversion (1% for office, 10% for retail and 52% for Hotel)
- 100% elimination of Single-Use Plastics at MOKL Hotel

ISO14001 Certified Environmental Management Systems

Our asset operators implement Environmental Management Systems that are certified to ISO14001:2015 standard. This assures that we have an adequate and effective management system that could identify and assess significant environmental impact and put in place environmental pollution prevention and mitigation plans.

Environmental audits and compliance evaluations are conducted on our assets and operators, to assure compliance with the relevant environmental regulations and standards e.g. Environmental Quality (Scheduled Waste) Regulations 2005.

We implement our environmental management governance in accordance to the Environmental Mainstreaming Directive by the Department of Environment, Malaysia. The Top management is the Chair of the Environmental Regulatory Compliance Management Committee which reviews the environmental compliance at least once annually.

FOCUS FOR THE YEAR

Strategise our pathway towards **achieving low carbon/net zero carbon emission**

Assessment of disclosures against the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**

PLANET



CLIMATE CHANGE AND ENERGY MANAGEMENT

OUR CLIMATE CHANGE POSITION STATEMENT

We duly recognise our corporate responsibility as a player in the real estate sector in mitigating climate change impact and to add value to the community where we operate.

Our approach to climate change supports the transition to a cleaner, more energy-efficient and sustainable global economy that is conscious of its use of limited natural resources. We recognise the complexity and urgency of climate change and consider the risks and opportunities that climate change presents to the global economy. As a large corporate entity, we believe we can make a meaningful impact in combating climate change.

We are mindful of the potential climate risks when the economy restarts after Covid-19 and therefore stand firm in our commitment to clean energy investments as they will make the new economy more sustainable.

Task Force on Climate related Financial Disclosures (TCFD)

This year we have done an initial mapping of our current sustainability management approach actions against the four pillars of TCFD Recommendation, namely Governance, Strategy, Risk Management and Metrics and Targets. Our current Sustainability Governance Structure and Risk Management Process support the essential TCFD pillars, i.e. Governance and Risk Management, as illustrated in the table below. We plan to implement TCFD Recommendations in phases starting year 2023.

Thematic Pillar of the TCFD

Governance

- a. Boards’ Oversight of Climate-related issues
- b. Management’s Role in assessing and managing climate related issues

Risk Management

- a. Processes for identifying and assessing climate related risks
- b. Processes of managing climate risks

Current Management Approach that supports TCFD Recommendations

- Our Boards are ultimately accountable for overseeing sustainability matters (including climate change) within the Group, supported by the Board Risk Committee which receives quarterly update from the CEO who in turn is responsible for strategies on sustainability matters
- The Group’s Enterprise Risk Management (ERM) Framework is a structured and holistic approach to identify, assess, treat and monitor risks. The aim is to reduce the likelihood and impact of all identified risks
- Risk management has been embedded as part of the Group’s management processes and culture
- Group-wide Risk Profiling Exercise is conducted annually to review and update material risks for the Group



- Assessed the Group's sustainability management against TCFD Recommendations
- Working towards aligning our carbon reduction with PETRONAS' Net Zero Carbon Emission 2050 target

- Conducted an assessment on our readiness towards supporting the recommendations of the TCFD
- Conducted a workshop on Net Zero Carbon Emission (NZCE) in collaboration with GHSE, PETRONAS
- Adopted digital technology in the pilot launch of the Integrated Building Command Center (IBCC) for facilities management to enable real-time operations and automation which contribute towards energy and overall performance efficiency
- Continued exploration on TCFD recommendations in reporting requirements and disclosures and the way forward

2021

2020

2019

- Established a Climate Change Position Statement
- Engaged with PETRONAS GHSSE to explore the recommendations of the TCFD and the way forward for the Group

2018

- Established Energy Management Committee
- Conducted a Climate Change Workshop in collaboration with GHSSE, PETRONAS
- Disclosed our 3-Year Sustainability Roadmap on GHG emission and energy consumption target and results

2017

- Discussed the recommendations by Task Force on Climate-Related Financial Disclosures (TCFD) with SSC in line with Bursa Malaysia's support towards TCFD

2016

- Developed a carbon inventory to establish emission baseline and monitor GHG emission

2015

- Commenced reporting on GHG emission and energy consumption data

OUR

CLIMATE CHANGE

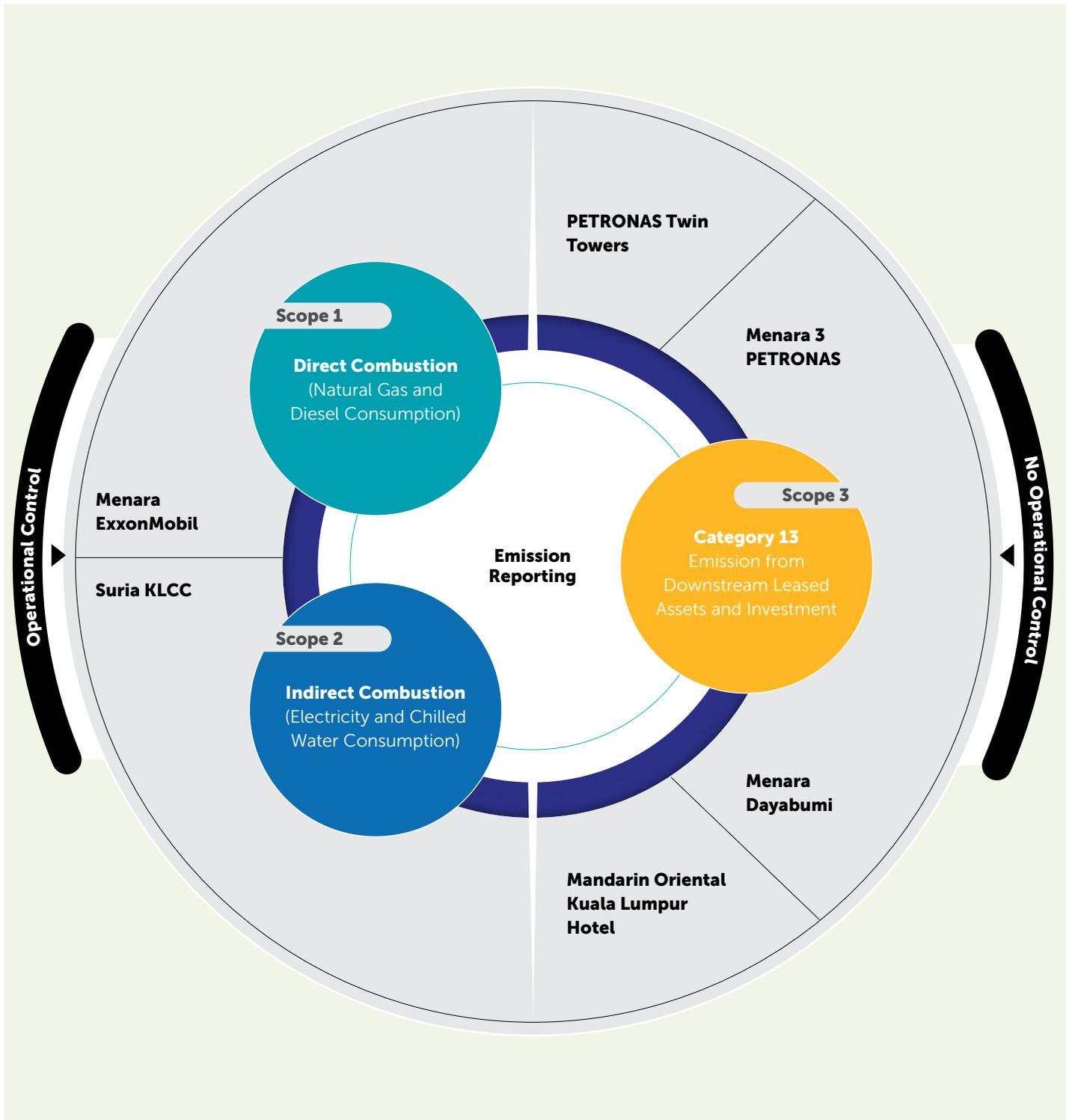
JOURNEY

PLANET

Greenhouse Gas Emission

We strengthened our GHG emission accounting, according to “The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard”. We report our GHG emission using the operational control approach, which is based on arrangement stated in our tenancy/lease and hotel management agreement.

The Group continue to monitor our GHG emission and track our progress via our 5-Year Sustainability Roadmap. This year we adjusted the emission reporting boundary to categorise emission from our leased assets and investment as Scope 3 emission.



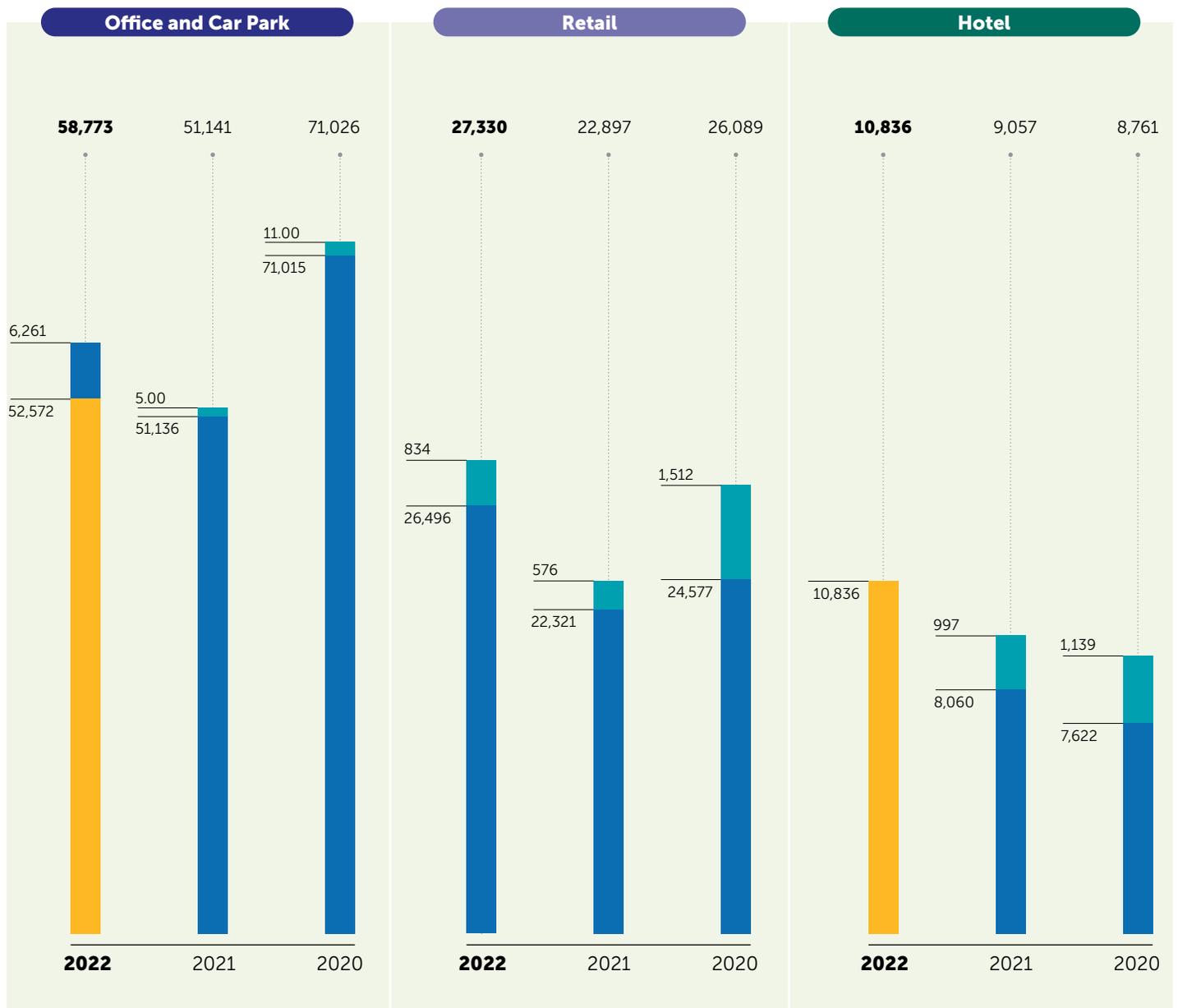
During the year, we recorded a 17% increase in total GHG emission from 83,095 mtCO₂e in 2021 to 96,939 mtCO₂e in 2022 as a result of increased occupancy and more business activity in our offices, carpark and retail during the year.

	PERFORMANCE FOR THE YEAR		
	Total Greenhouse Gas Emission (mtCO ₂ e)		
	2022	2021	2020
Scope 1	834	1,578	2,662
Scope 2	3,275	81,517	103,214
Scope 3 (Leased Assets)	63,348	-	-
Total	96,939	83,095	105,876

* Retail includes Suria KLCC and retail podium Menara 3 PETRONAS

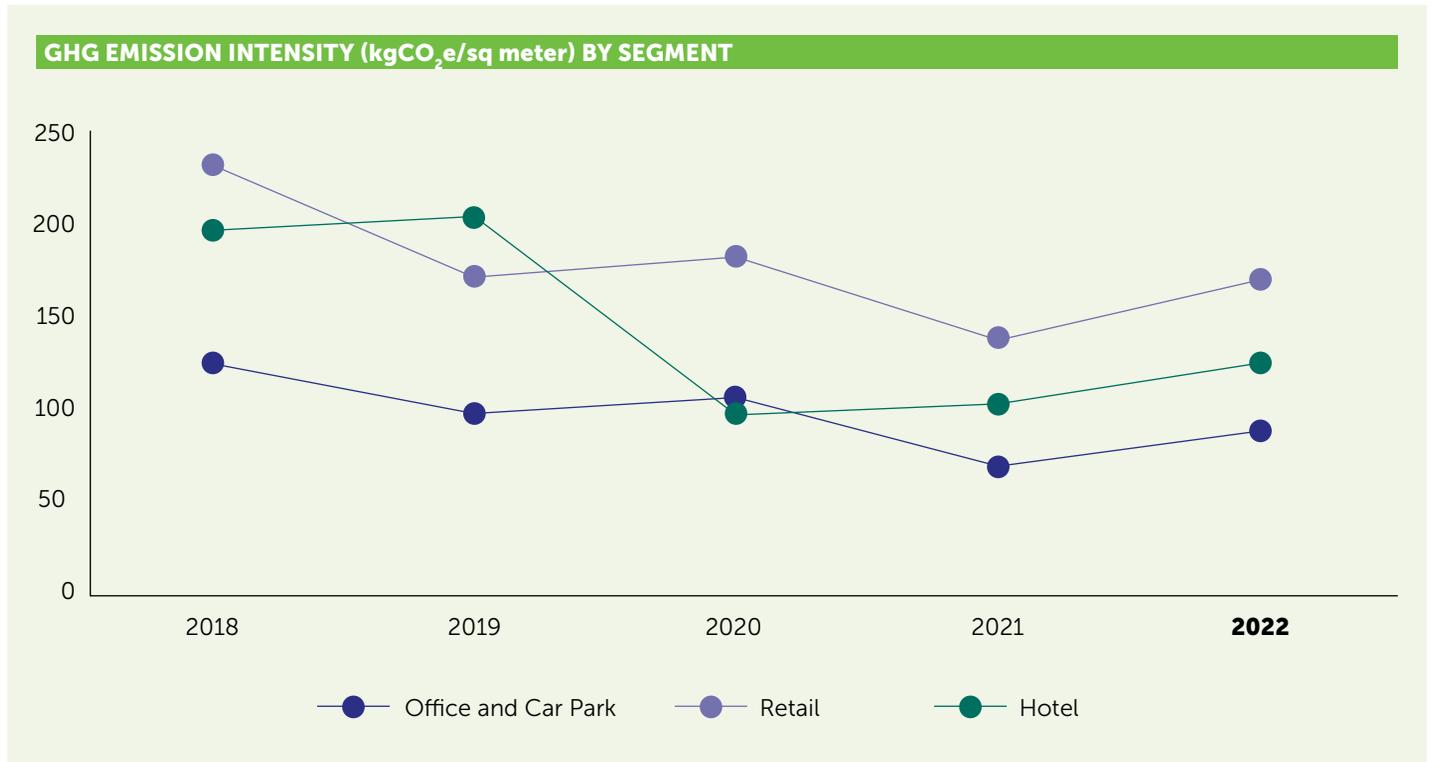
* In 2022, emission from assets not under operational control is disclosed as Scope 3 Emission (Category 13)

Greenhouse Gas Emission by Segment (mtCO₂e)



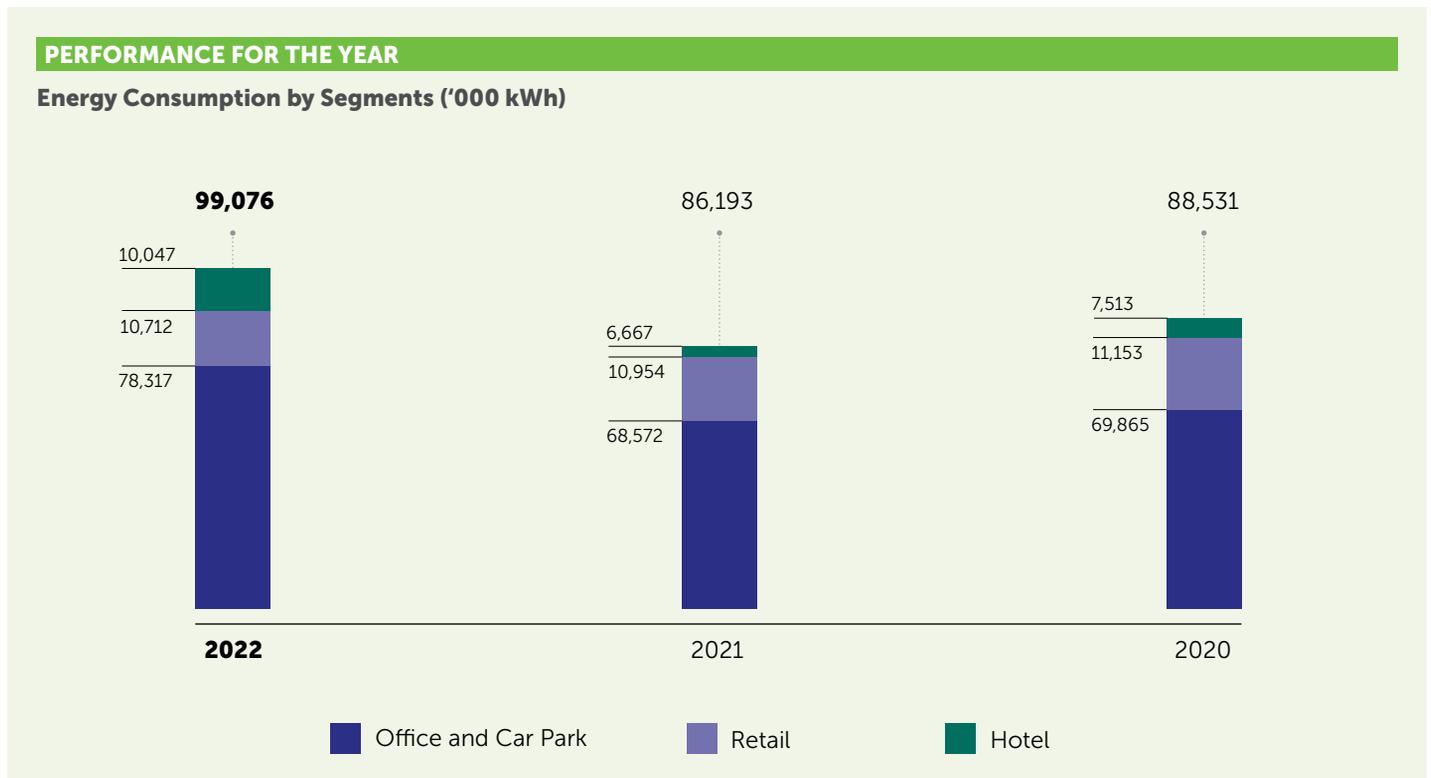
PLANET

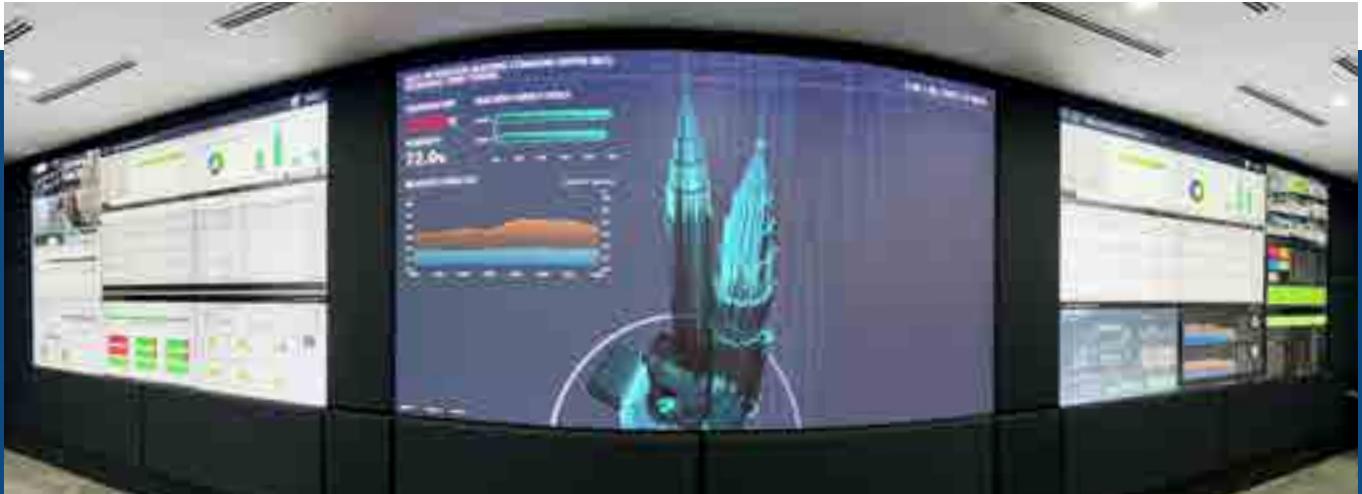
The GHG emission intensity for our assets is 83, 163 and 120 kgCO₂/m² for office, retail and hotel segments respectively.



Energy Consumption

Our overall energy consumption during the year increased 15% from 86,193 MWh in 2021 to 99,076 MWh in 2022. This was due to the increase in economic activities when business resumed in our hotel and retail businesses post pandemic. Tenants of our office spaces have also resumed working in office.





INTEGRATED BUILDING COMMAND CENTRE (IBCC)

The Integrated Building Command Center (IBCC) was launched in April 2021. The IBCC provides a centralised monitoring, control, and command base to coordinate points of visibility via a centralised dashboard that shows real-time overall building performance.

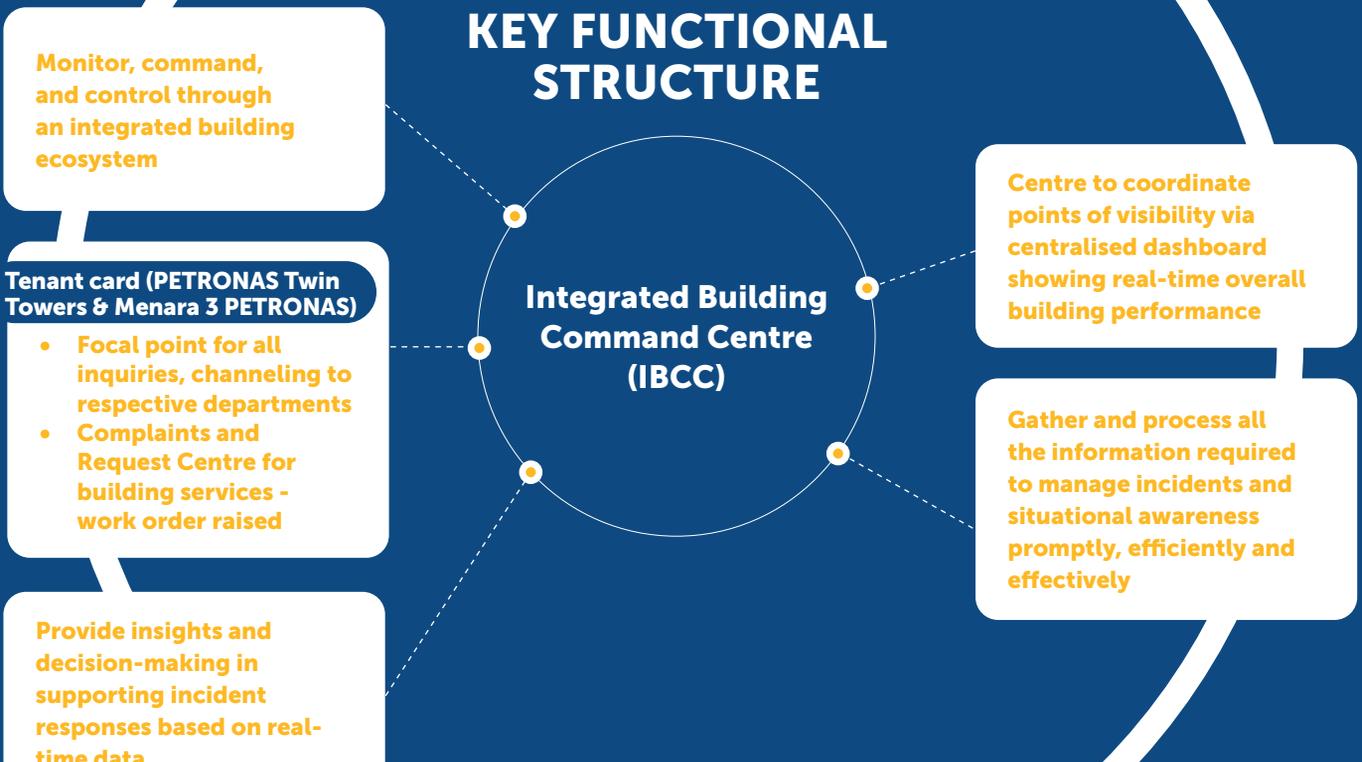
The IBCC features a centralised command center, complete with digital and intelligent facilities, that will allow efficient energy management, reduce labour

intensity, allow efficient schedule of maintenance man-hours, and reduce the cost of managing buildings.

The real-time monitoring of Building Management Systems such as chilled water systems, alarm systems and Building Energy Index at the PETRONAS Twin Towers and Menara 3 PETRONAS, will contribute towards our effort in reducing our carbon footprint.

In 2022, IBCC operation transitioned from command into control mode to increase the efficiency of facility management in the buildings.

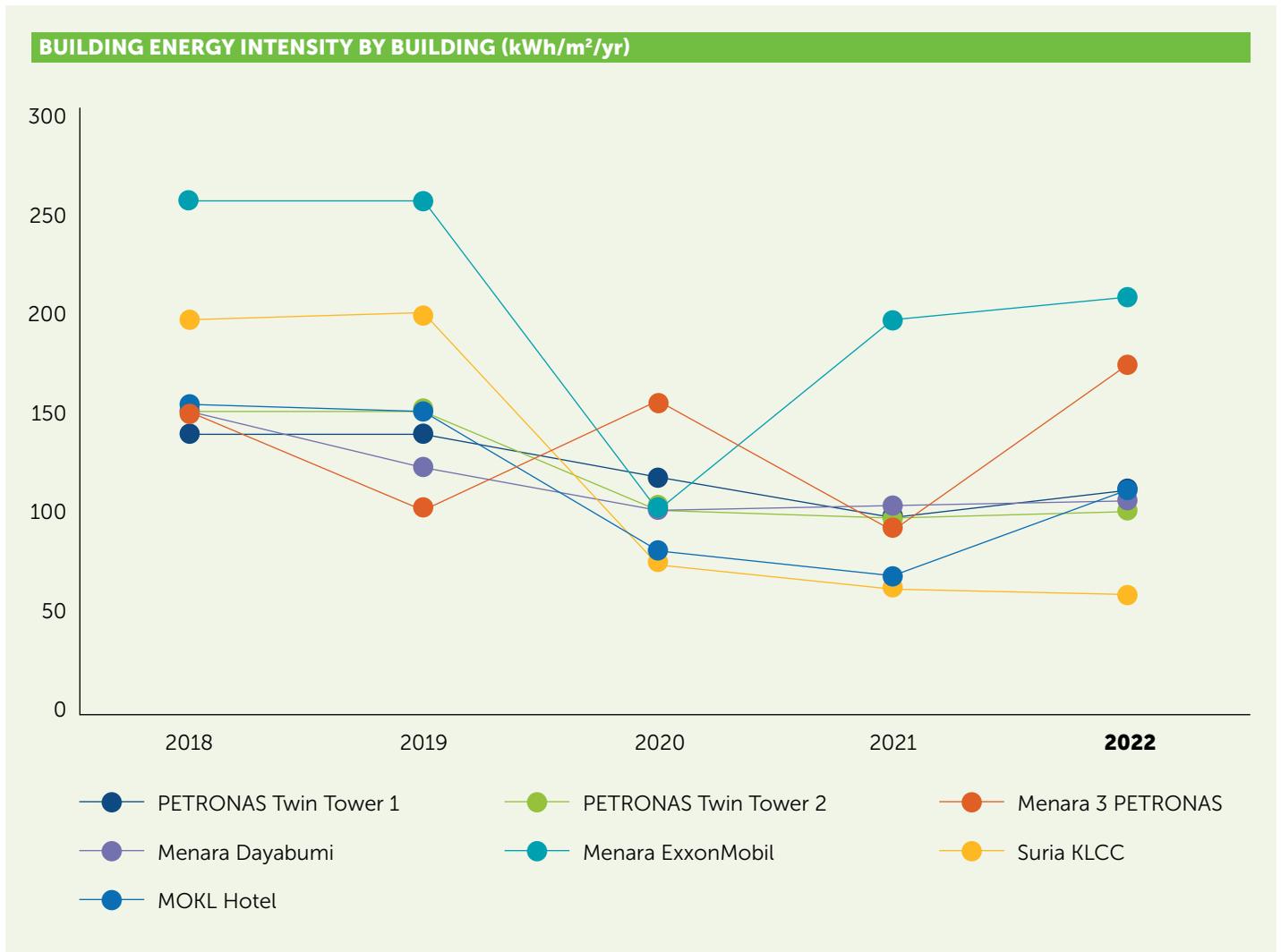
KEY FUNCTIONAL STRUCTURE



PLANET

Building Energy Intensity

The Building Energy Intensity in our assets ranges from 64 to 213 kWh/m²/yr in 2022, declined from the pre-pandemic levels of 99 to 264 kWh/m²/yr in 2019. This is achieved through various initiatives including the renovation of the PETRONAS Twin Towers into GBI Gold Rating Building and Menara 3 PETRONAS into GBI Silver Rating Building in 2019 under Non-Residential Existing Building (NREB) category. The commencement of operation of the Integrated Building Command Centre in April 2021 has helped to reduce the energy consumption in our office buildings, through increased efficiency in operation and maintenance activities.



Energy conservation initiatives for Year 2022

Office

- Installed LED lights on the PETRONAS Twin Towers' external facade, VIP parking, lift motor room and lift pit
- Optimised the chilled water supply in Menara 3 and Menara ExxonMobil

Retail

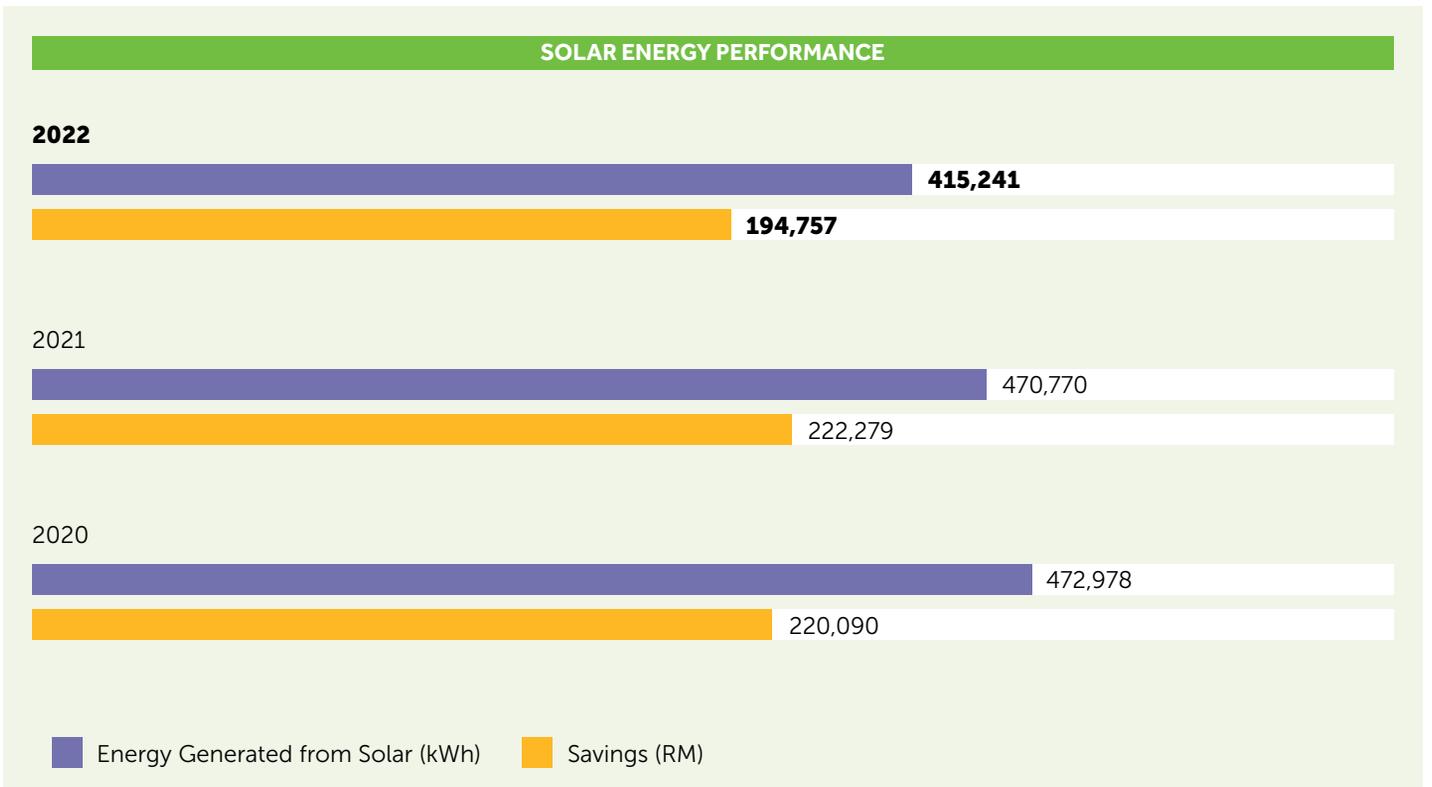
- Replaced perimeter's lightings to energy saving lightings
- Upgraded Building Control System

Hotel

- Closed floors during low occupancy and shut off individual units in unoccupied areas
- Shut off or maintained minimum room temperatures by resetting thermostats
- Closed floors during low occupancy and shut off individual units in unoccupied areas
- Shut off or maintained minimum room temperatures by resetting thermostats



Renewable Energy



Reducing our environmental impact is vital to both the Group and our customers. We take a practical approach in managing natural resources which include promoting the use of renewable energy at our mall. At Suria KLCC, the photovoltaic system, located at its rooftop has contributed to the mall’s electricity saving of approximately 17.2 million kWh since 2014, equivalent to a total saving of RM2.0 million.

PLANET



ENVIRONMENTAL MANAGEMENT

Our mission focuses on providing the highest quality commercial office space while bringing responsible environmental solutions and innovative energy saving strategies to our tenants and the communities where we operate. We know a cleaner future cannot be delayed, thus our commitment to reduce waste, save energy, and manage our resources responsibly across our portfolios.

We closely manage our environmental performance through green building best practice, industry sustainability benchmarks, and internal reviews. As the performance of our assets improves through enhanced operations and capital investments, so too our baseline, there by continuously raising the bar on the sustainability performance of our buildings.

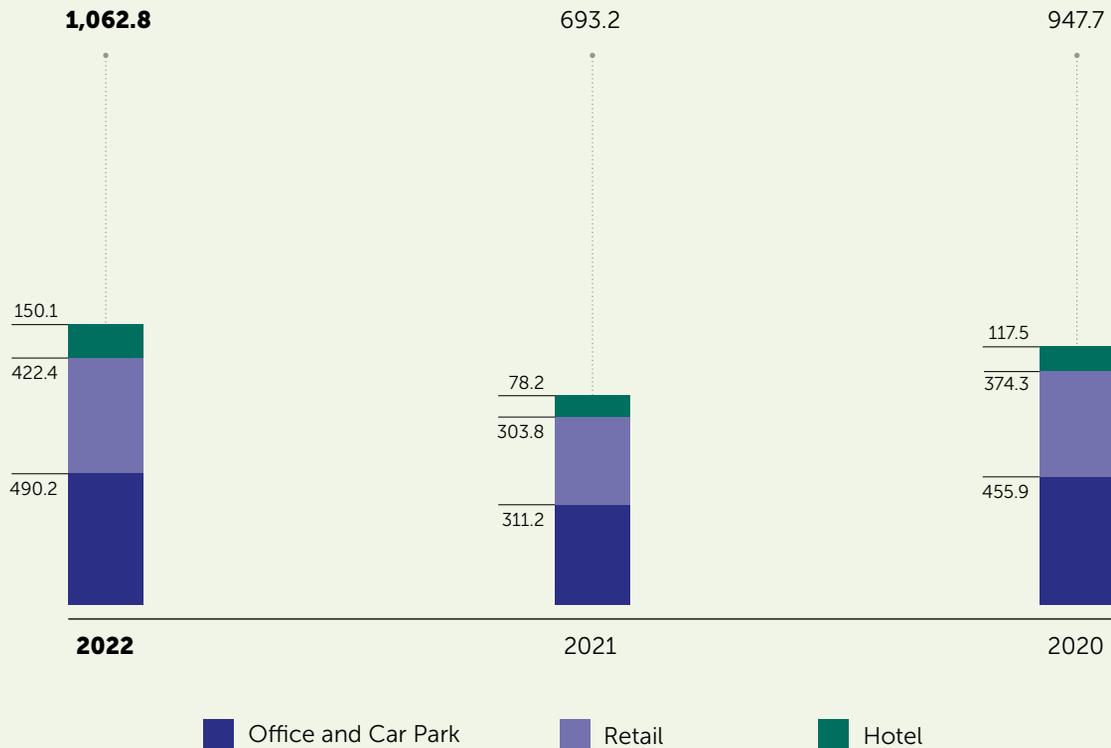
Water Management

Our water consumption is relatively low compared to other industries. Our primary use is in our office buildings, retail malls and hotel facility, where we use it for drinking, sanitation, and food preparation. We have in place various initiatives that support our goal of monitoring and minimising the amount of water we consume across our operations. We assess water consumption and installations and make site-specific recommendations for water efficiency improvements.

During the year, we recorded an increase of 53% in water usage contributed by the increase in business activities post pandemic. We recorded a two-fold increase in our hotel occupancy and footfall to the malls in 2022.

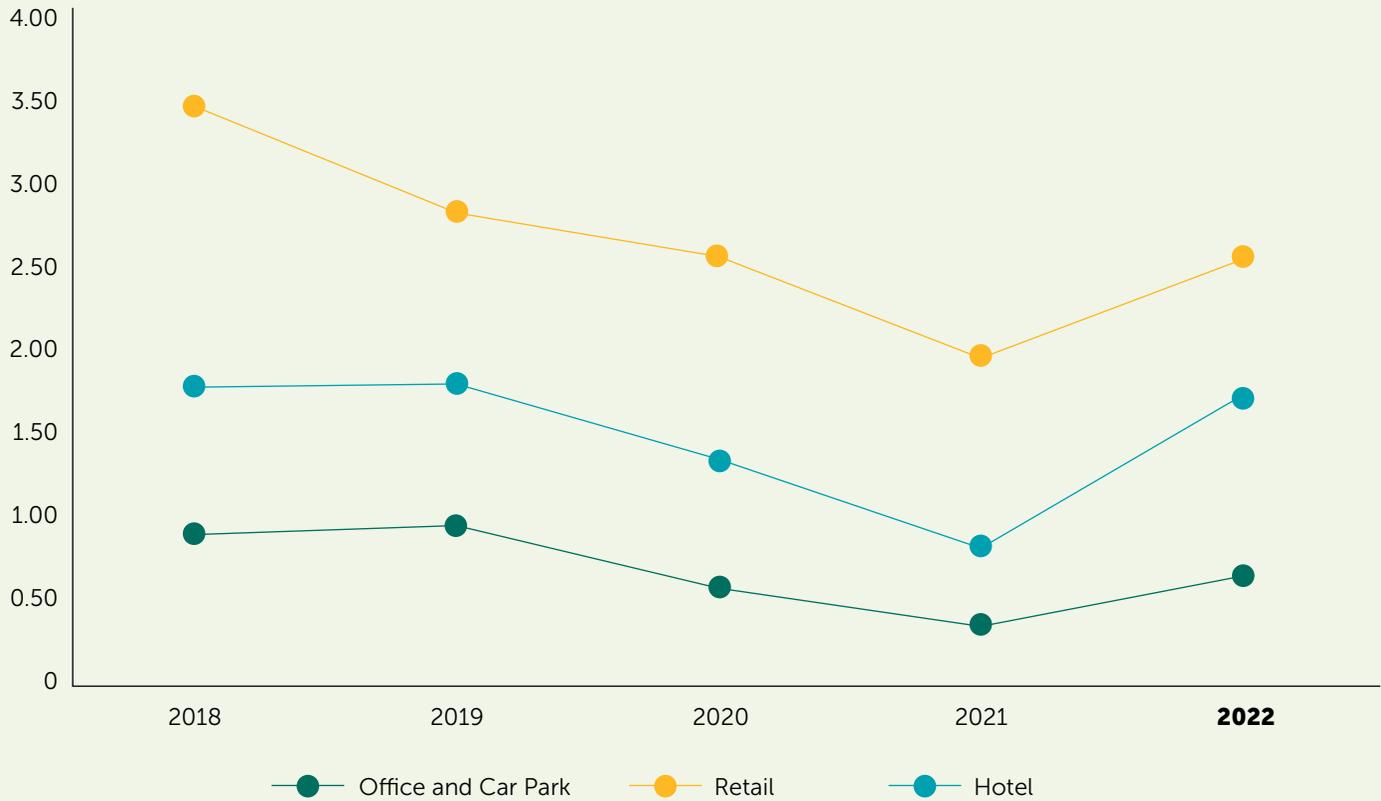
PERFORMANCE FOR THE YEAR

Water Consumption by Segments ('000 m³)



WATER CONSUMPTION INTENSITY BY SEGMENT

Annual water consumption (m³) per square meter net floor area



Water Conservation Initiatives

Common Facility

- Rainwater harvesting project in collaboration with PETRONAS' Malaysian Petroleum Management (MPM) at Masjid As Syakirin in KLCC Precinct. The rainwater collected is used for irrigation and floor cleaning purposes around the area. Since its implementation in December 2020, it has achieved a collection of 4500 litres/month at its highest

Office and Car Park

- Water Efficient Fittings
- Metering and Leak Detection System

Retail

- Monitoring of water leakages issues throughout the mall

Hotel

- Installation of filter to reduce brownish water and reducing periodic water flushing
- Daily water consumption monitoring
- Effective maintenance work carried out by engineering or external contactor
- Effective preventive maintenance of dishwasher with Ecolab
- Effective maintenance of tunnel washer at laundry

PLANET

Waste Management

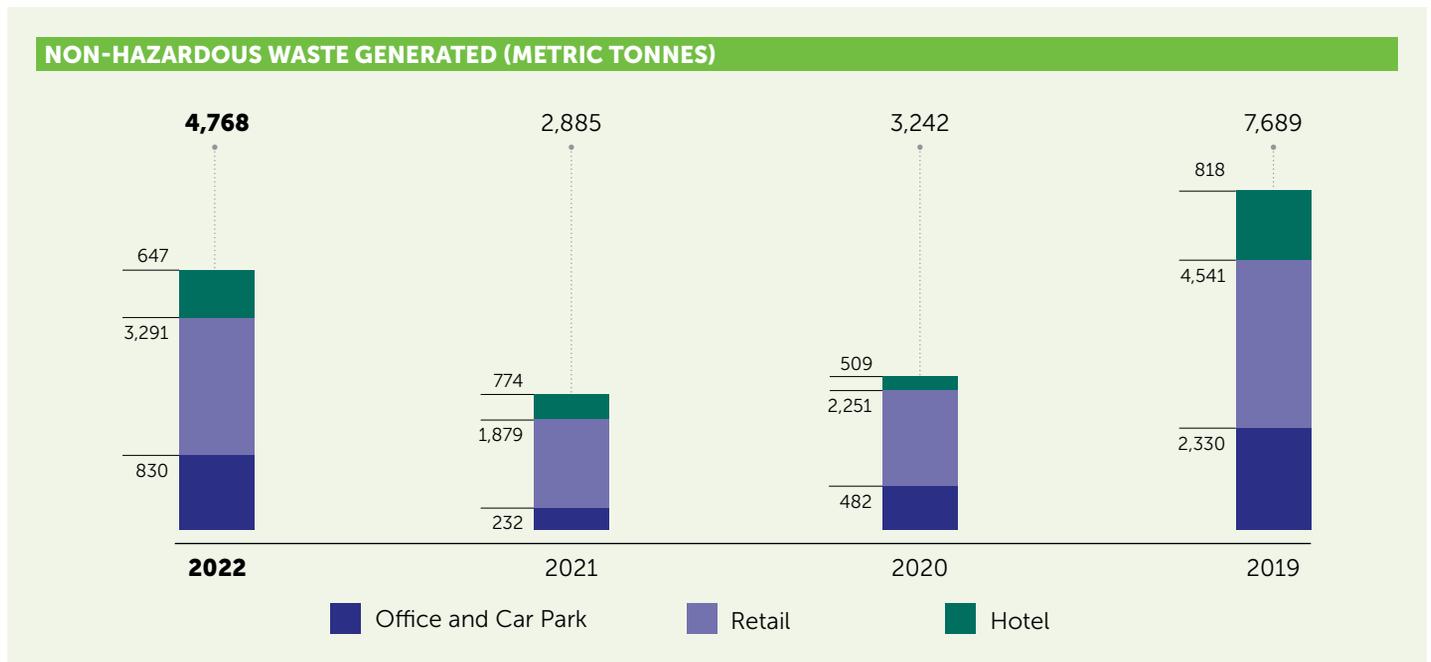
The waste generated by the Group comprised municipal waste produced during operations from our buildings by users and occupants, food waste from our eatery outlets, and hazardous waste from operation and maintenance of the buildings.

We continued our effort to reduce waste and strive to reuse resources in 2022.

Where our services require us to handle hazardous waste, we dispose them responsibly, in accordance to the Environmental Quality (Scheduled Waste) Regulations 2005, not causing risk to our people, the environment or local communities.

Generation of Non-hazardous Waste

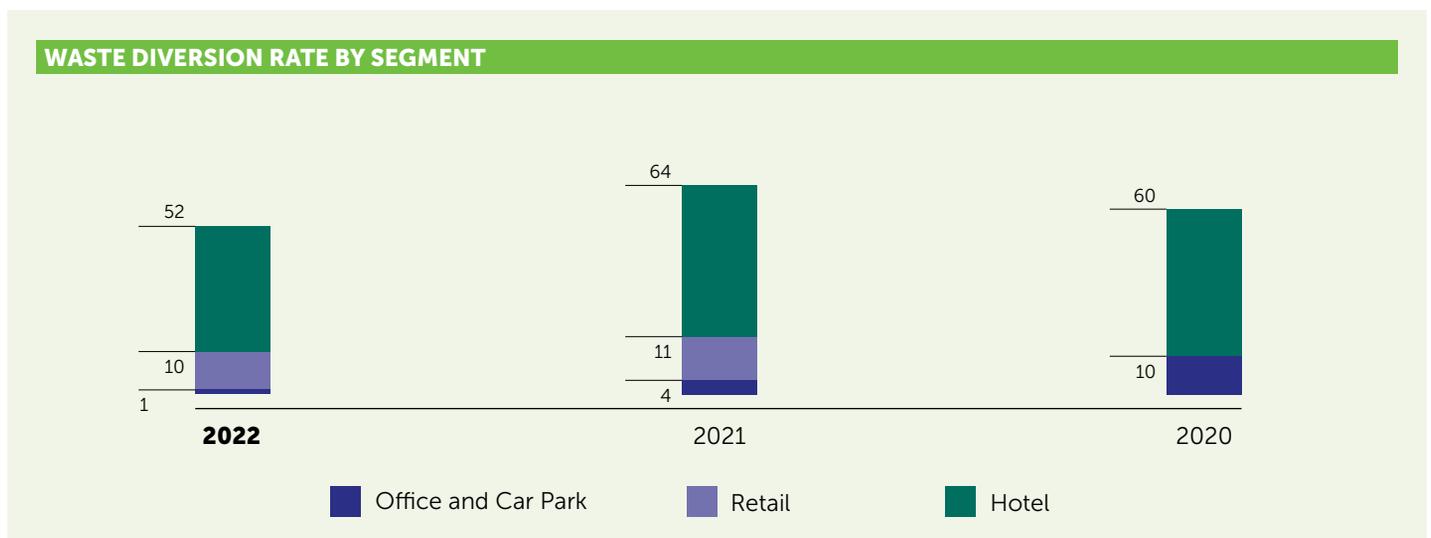
During the year, we have generated a total of 4,768 metric tonnes of non-hazardous waste, compared to 2,885 metric tonnes in 2021. 69% of the waste generated comes from the retail segment, this is due to the increased footfall to the mall post pandemic.



Diversion of Non-hazardous Waste from Disposal

Our operations in office, retail and hotel embarked on plastic and paper waste recycling, food waste recycling and composting practices etc. This practice supports the UNSDG12 on Responsible Consumption and Production. The waste diversion rates recorded in 2022 were 1%, for office, 10% for retail and 52% for hotel.

Our hotel segment recorded a relatively high diversion rate of 52%. The hotel has composted a total of 270 metric tonnes of food waste and turned them into garden waste and recycled a total of 66 metric tonnes of other wastes in 2022. The waste intensity per room is 1 metric tonnes per room per year.



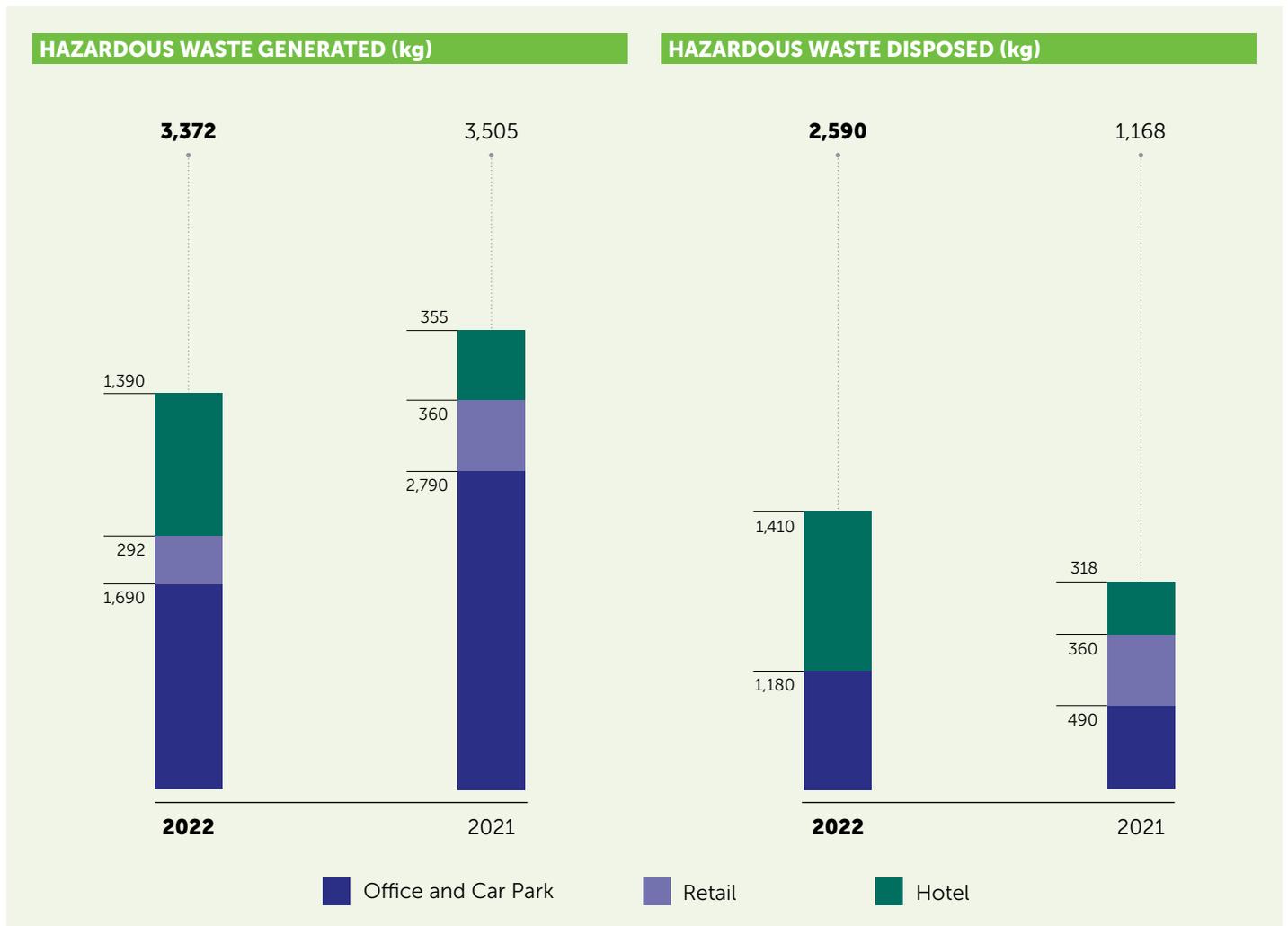
Waste Management Initiatives in 2022

Office	Retail	Hotel
<ul style="list-style-type: none"> Ongoing 3R campaign at all office buildings in collaboration with PETRONAS Encouraged contractor to use friendly material - green product for chemical and biodegradable plastic Encouraged internal contractors to participate in the recycle program 	<ul style="list-style-type: none"> Implemented waste sorting program to separate recyclable and non-recyclable items Carried out food waste recycling program for Level 2 Food Court tenants. The food waste collected was used to feed for the Black Soldier fly larvae, which in turn was converted as animal feed 	<ul style="list-style-type: none"> Continued enforcing waste segregation at source Conducted training on Waste Management Conducted online awareness training for employees on diligent practices of segregations and smart purchasing Eliminated 100% Single-Use Plastics in the operations mainly from guest rooms, Food and Beverage, Kitchen, and Spa Introduced QR code in guest room for digital access to hotel information, as a paperless initiative Provided an avenue for employees to donate their pre-loved items for resale in the "Waste Not Want Not Annual Sale" event

Hazardous Waste Management

Our operators manage the hazardous waste according to the Environmental Quality (Scheduled Waste) Regulations 2005. A Competent Scheduled Waste Manager is employed at every asset to ensure compliance to this regulation.

Hazardous wastes generated in our assets include used light bulbs and electronic wastes. The quantity generated in 2022 is 3.3 metric tonnes, lower than 3.5 metric tonnes in 2021.



PEACE

EMBODYING GOOD GOVERNANCE

At the core of everything we do, and the way that we do it, lies our commitment to the highest standards of governance excellence. It is not enough for us to deliver world class assets; we must do so while upholding standards of integrity and ensuring risks are managed at acceptable levels.

OUR ALIGNMENT TO THE UNSDGs



MATERIAL SUSTAINABILITY MATTERS

- Corporate Governance
- Business Ethics
- Cyber Security and Data Privacy

MAPPED TO OUR CAPITALS



RELATED PRINCIPAL RISKS

- Market
- Finance
- Asset Management
- Security

In this section

Corporate Governance

- Corporate Governance and Compliance
- Risk and Crisis Management
- Board Diversity

Business Ethics

- Integrity and Corruption Management

Cyber Security and Data Privacy

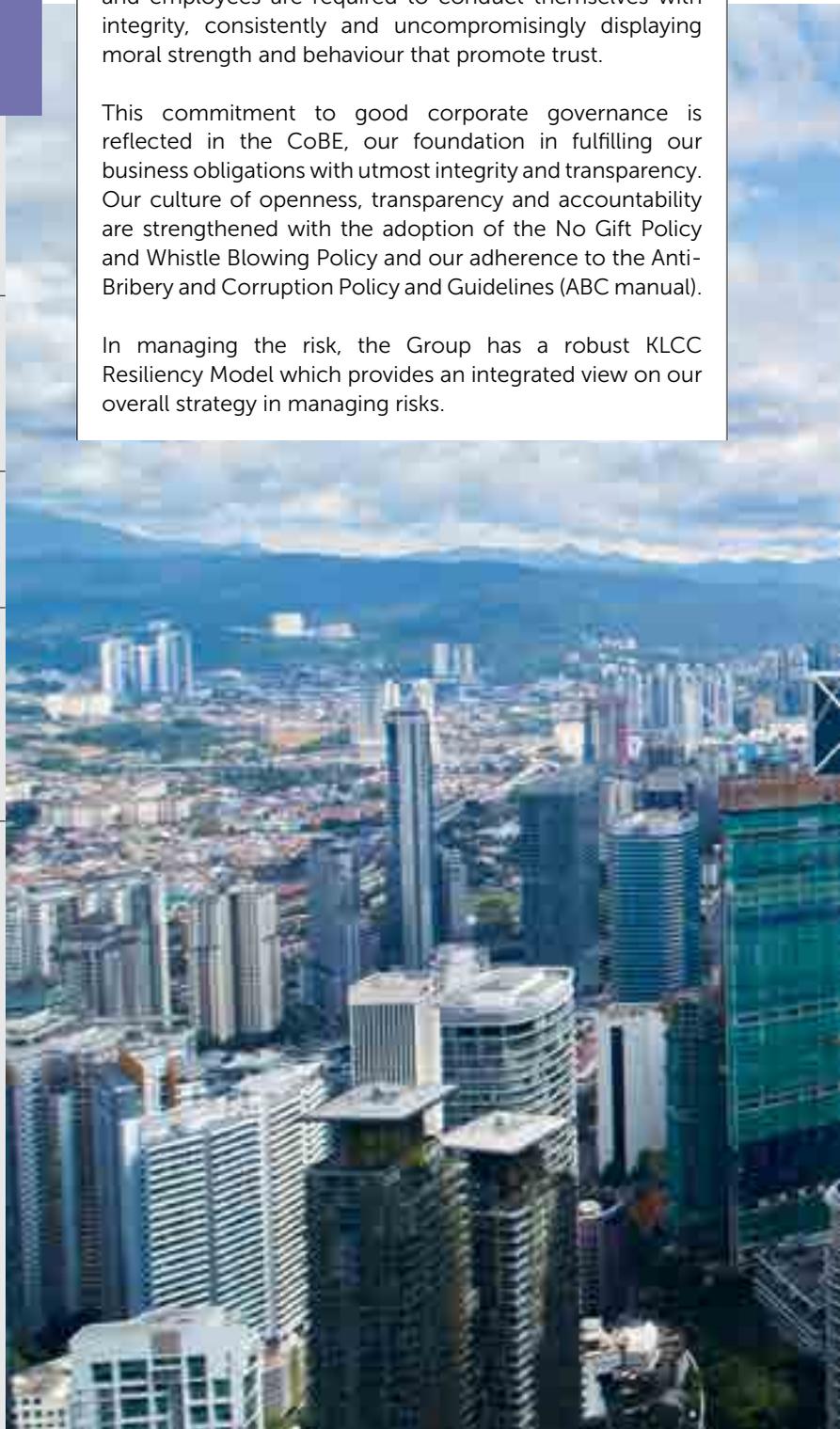
OUR APPROACH

Sound corporate governance underpins our values, culture, processes, functions and organisational structure.

We have a strong culture of entrenched values, which form the cornerstone of our behaviour towards stakeholders and against which, we measure practices and activities to assess the characteristics of good governance. Directors and employees are required to conduct themselves with integrity, consistently and uncompromisingly displaying moral strength and behaviour that promote trust.

This commitment to good corporate governance is reflected in the CoBE, our foundation in fulfilling our business obligations with utmost integrity and transparency. Our culture of openness, transparency and accountability are strengthened with the adoption of the No Gift Policy and Whistle Blowing Policy and our adherence to the Anti-Bribery and Corruption Policy and Guidelines (ABC manual).

In managing the risk, the Group has a robust KLCC Resiliency Model which provides an integrated view on our overall strategy in managing risks.



FOCUS FOR THE YEAR

Surveillance Audit by SIRIM to evaluate compliance of the Group's **Anti-Bribery Management System** to the requirements of ISO 37001:2016

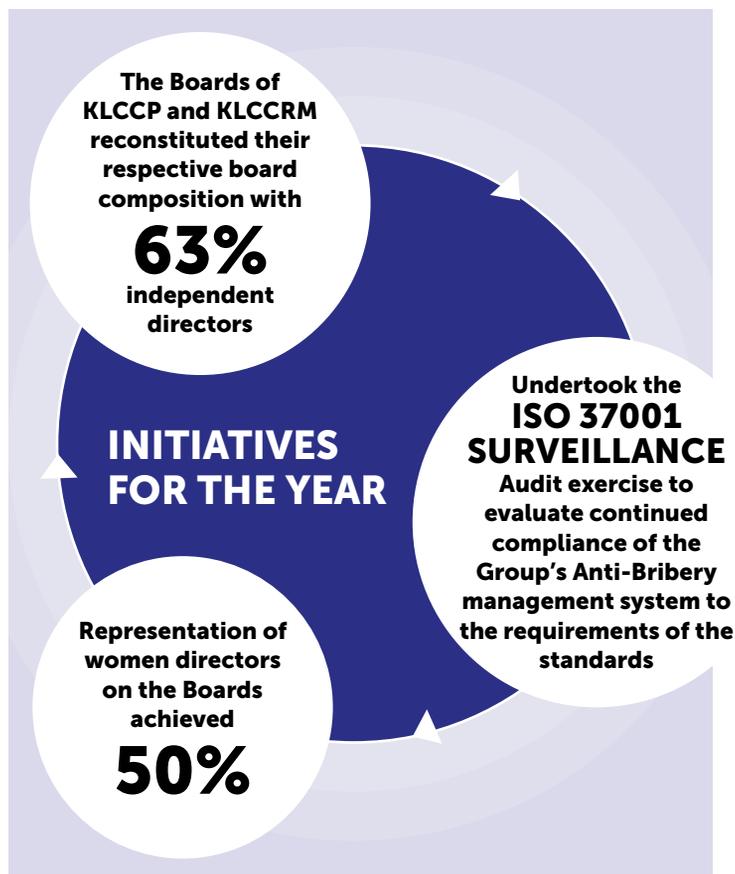
Review of the **Risk Appetite** to provide comprehensiveness to the current risk appetite statement in ensuring the risk exposure and type of risk to be pursued or retained by KLCCP Stapled Group in achieving its strategic objectives are properly defined



CORPORATE GOVERNANCE

Corporate Governance and Compliance

At the highest governance level, the Boards have the ultimate responsibility to monitor that the Group is operating as a responsible organisation. This includes considerations around climate-related risks and opportunities when reviewing the group's strategy. Principal and emerging risks are identified through robust assessments by the Boards and the various sub-committees. The Boards recognise that a balanced board is vital for sustainable value creation and that competency skills are adequately represented within the Board Committees. The Boards composition is both qualitatively and quantitatively balanced in terms of skills, gender, experience, tenure and independence. The Boards regularly review its own effectiveness and therefore undertakes a formal evaluation of its performance and that of its committees and individual directors once in three years.



PEACE

Stakeholder Engagement

Our Board is committed to continuous improvement in our corporate governance principles, policies and practices, and does so by remaining abreast of evolving regulations and best practices. This is further enhanced through engagement with regulators and industry bodies, and through seeking regular feedback from other stakeholders.

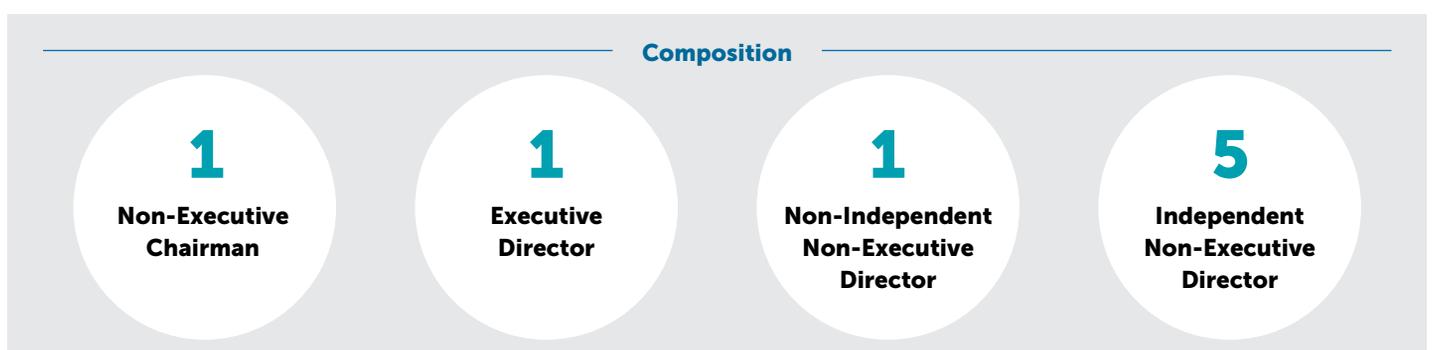
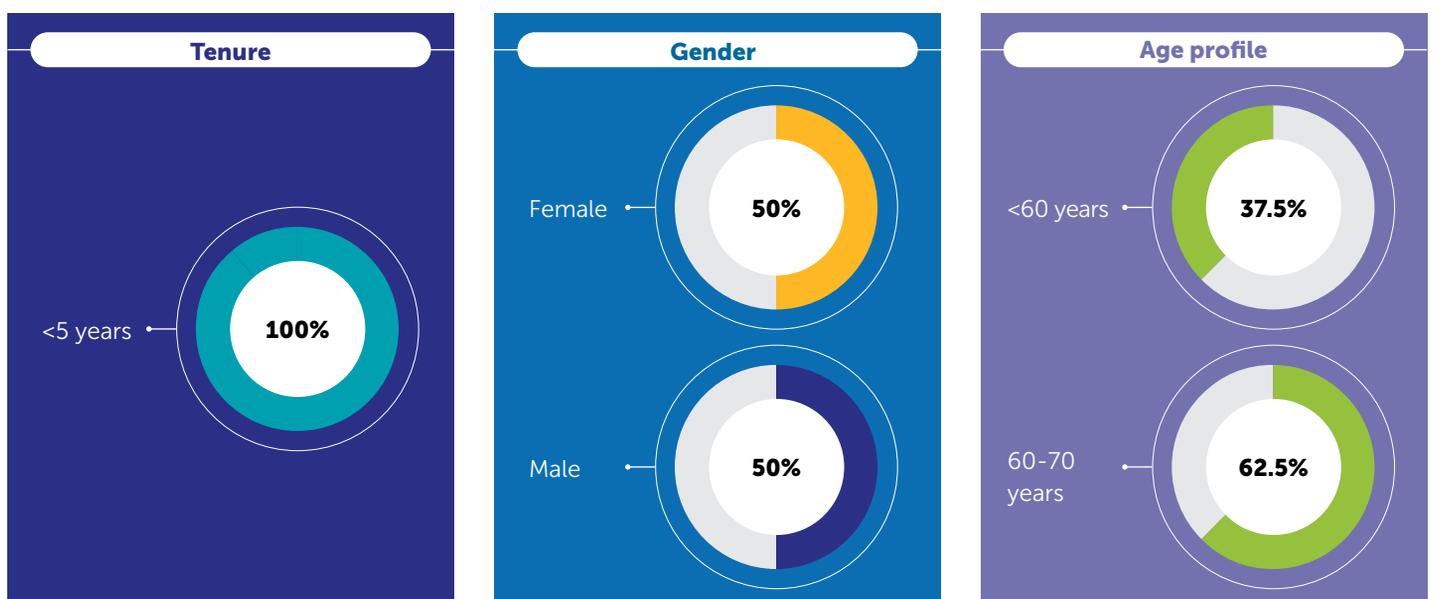
We establish and maintain proactive dialogue with all our stakeholders and recognise that stakeholder needs are dynamic and that we need to be responsive to the evolving stakeholder

landscape. We manage our stakeholders’ needs and expectations by taking into consideration their viewpoints towards more tangible business value creation.

Our Stakeholder Management framework, as set out on page 16 to 17 of this report demonstrate how we engage and create values for our diverse group of stakeholders. Communication with stakeholders is imperative in understanding and managing their expectations and provide new perspectives in generating positive impact to the organisation.



Board Diversity



RISK AND CRISIS MANAGEMENT

Risk management is an integral part of KLCCP Stapled Group’s business at both strategic and operational levels. An effective and sound risk management system is important for the Group to achieve its business strategies and objectives. The Group leverages on the KLCC Group Enterprise Risk Management Framework (the ERM Framework) which sets out the risk policy, risk governance and structure, risk measurement, risk operations and system. The ERM Framework is central to ensure the Group’s strategic and operational activities are within strategic mandates, risk appetites and corporate objectives.

KLCCP Stapled Group is committed to provide overall reasonable level of confidence that risks and their associated controls are adequately, effectively, and safely managed through assurance programs.

To support the above, there is an established Risk Management Oversight Structure encompassing the Boards, Board Risk Committee (BRC), and the Risk Management Committee (RMC). This structure assigns responsibility for risk management whilst facilitating the assessment and communications of risk matters from the operational levels to the Boards. The KLCCP and KLCCRM Boards developed the KLCC Resiliency Model that essentially covers the following three key areas to provide an integrated view on the overall strategy.

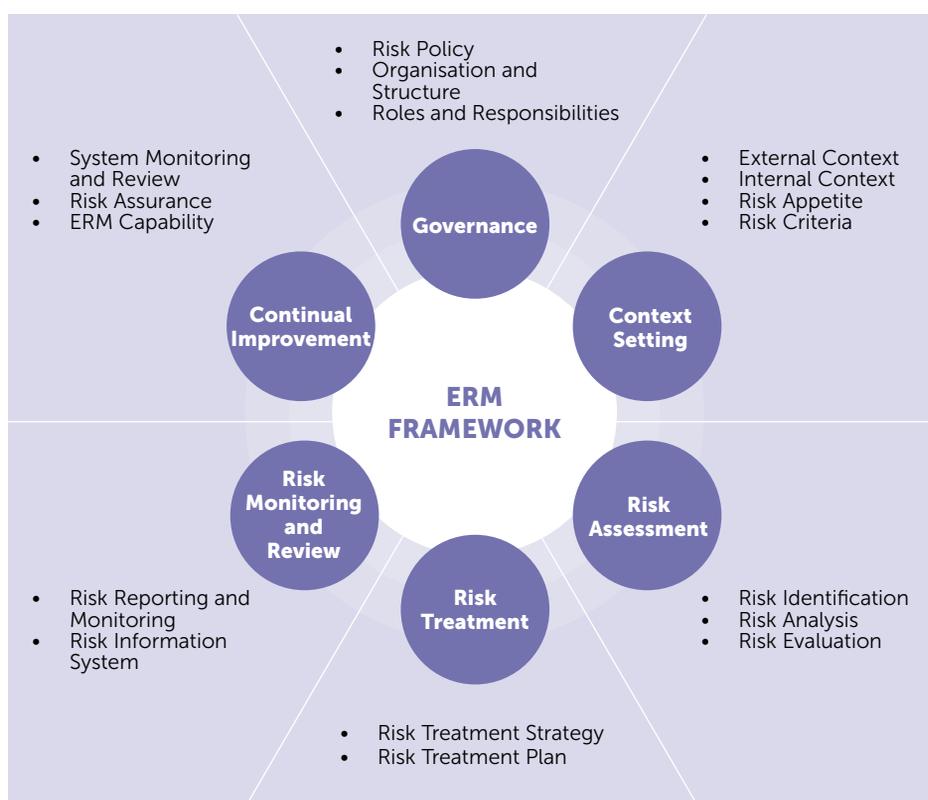


Enterprise Risk Management

The application of the ERM Framework is a structured and holistic approach to identify, assess, treat, and monitor risk aimed to reduce the likelihood and impact of all identified risks to enhance ability to achieve strategic objectives.

The ERM Framework is aligned to the ISO 31000 and is designed to manage risks in an integrated, systematic, and consistent manner. The ERM Framework sets out the six key elements comprising Governance, Context Setting, Risk Assessment, Risk Treatment, Risk Monitoring and Review and Continual Improvement.

Elements of the ERM Framework



The risk profiling exercise is carried out to provide a balanced view for informed decision making through richer risk conversations and considerations of risk reward trade-offs.

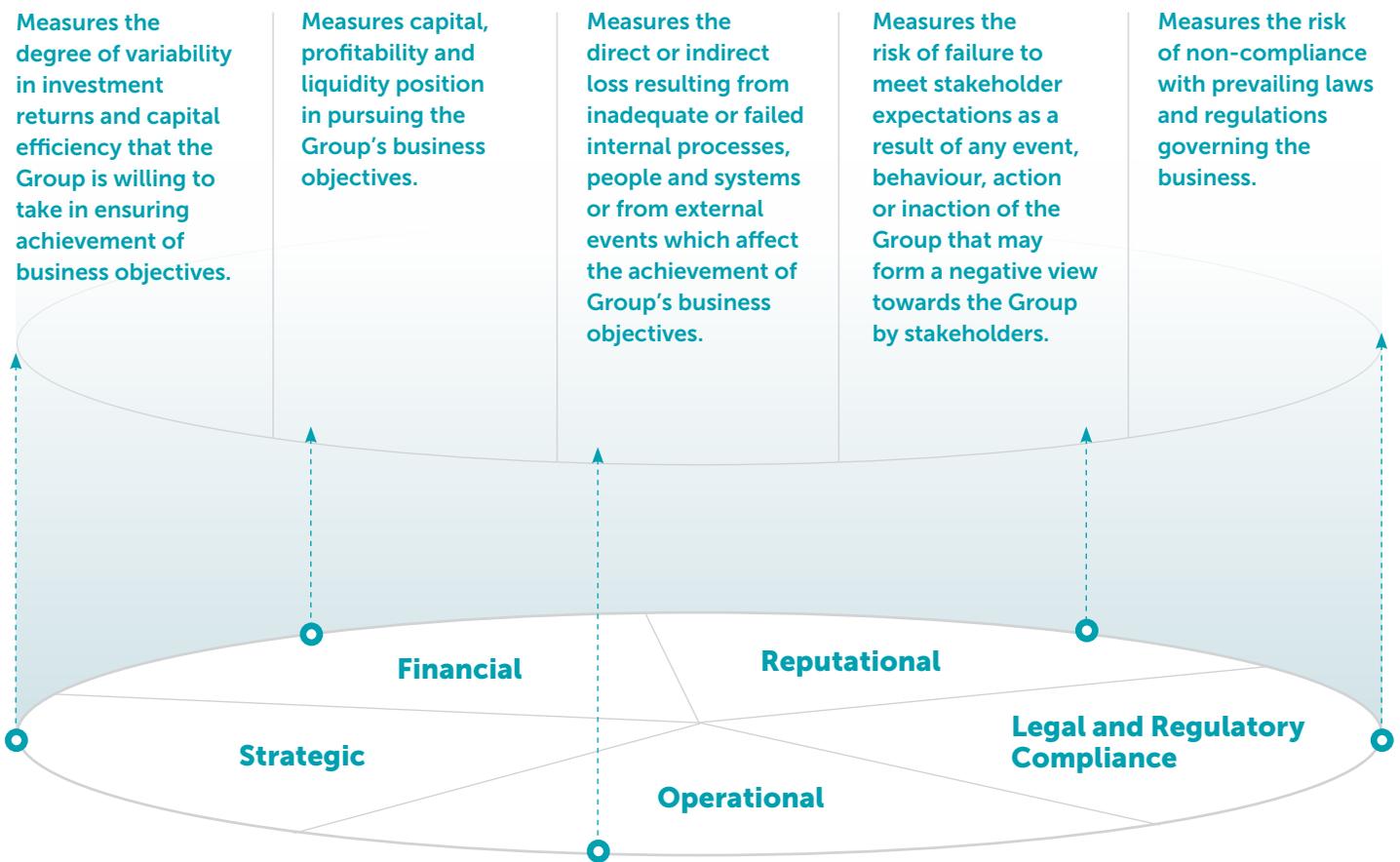


KLCCP Stapled Group utilises the INTERISK system as a risk tool to effectively manage and monitor risk profiles. It embeds the industry standard risk management process of ISO 31000. The INTERISK system drives active risk conversation/analysis monitoring through a dashboard, reinforces effective risk governance and assurance practices and provides a seamless flow of information and processes along the risk management value chain.

PEACE

Annual Review of Risk Appetite

- Governance, Risk and Assurance Department reviewed the risk appetite to provide comprehensiveness to the current risk appetite statement in ensuring the financial and non-financial risk exposure and type of risk to be pursued or retained by KLCCP Stapled Group in achieving its strategic objectives are properly defined. The annual review is crucial to reflect the threshold during this transitional period to the endemic phase.
- The updated risk appetite statement, risk tolerances and risk threshold were presented to the Risk Management Committee, Board Risk Committee and the KLCCP and KLCCRM Boards.
- The risk appetite covers five main areas:



Annual Review of Risk Profile

- Governance, Risk and Assurance Department facilitates and coordinates the risk profiling exercise to review, assess and update the principal risks to safeguard KLCCP Stapled Group's investment and key business activities. This is to ensure the risk exposures are relevant and up to date taking into account emerging risks and transitional period to the endemic phase.
- The updated risk profiles were presented to the RMC, BRC and the KLCCP and KLCCRM Boards.

Crisis Management

KLCCP Stapled Group has in place a comprehensive set of processes towards preparing the organisation to respond and manage a crisis event in order to protect and save people, environment, assets, and reputation.

The Crisis Management Plan (CMP) encompasses:

<ul style="list-style-type: none"> ▶ Objective and scope of emergency/crisis management plan ▶ Emergency/crisis team structure with roles and responsibilities ▶ Activation thresholds and protocols 	<ul style="list-style-type: none"> ▶ Communication process with updated contact numbers and integration with relevant parties - government authorities and relevant stakeholders ▶ Strategies and actions for responding to pre, during and post emergency/crisis ▶ Work flow and process for escalating relevant emergency/crisis information to potential impacted parties within KLCCP Stapled Group and resource requirement during emergency/crisis
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The CMP addressed the credible scenario in HSE and areas beyond HSE which are Finance, Human Capital, Digital, Facility Management, Legal and Regulatory in managing crisis.

The testing and exercising for CMP is conducted annually to ensure the readiness and effectiveness of the communication process and the recovery action plan in responding to the crisis. From this exercise, risk owners are aware of their roles and response preparedness in the event of emergency/crisis.

Testing and Exercising for Crisis Management Plan

During the year under review, KLCCP Stapled Group conducted the following activities to ensure readiness in responding to crisis:

- Tabletop incident command structure exercise at Menara 3 PETRONAS for tenants, floor safety managers and emergency management team.
- Emergency evacuation and fire drill exercise with floor safety managers and tenants at Kompleks Dayabumi and Menara Exxonmobil.
- Communication of Initial Action Plan on natural disaster namely flood to Hotel operator’s HSE team.
- Basic First Aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator awareness with floor safety managers and tenants at PETRONAS Twin Towers.
- Testing and exercising for all identified credible scenarios other than HSE, via walk through sessions with all risk owners in KLCCP Stapled Group.

Based on the above exercises, employees and tenants were trained for their respective roles and responsibilities in the event of crisis.



Crisis Management

KLCC Stapled Group has established a Business Continuity Plan (BCP) as part of its Business Continuity Management to manage any interruptions arising from any incidents affecting ICT, business supply chain, assets and people. The BCP is designed to provide guidance in resuming key business functions in the event the CMP is unable to contain a crisis event that may have a major or catastrophic impact on the business in terms of financial, operation and reputation.

The BCP is reviewed annually to meet changing needs by conducting Business Impact Analysis (BIA) for all divisions, departments and OPUs in accordance with BCM framework. Results are presented to the Risk Management Committee and the Approving Authority. The BIA ensures that critical business functions are identified, the impact of unavailability of the functions over time are ascertained, as well as prioritisation of timelines for resumption of activities and specifying Minimum Resources Requirements. People, equipment, assets, facilities, technology, vital record, interdependencies are to be allocated to recover and resume these functions following prolonged business disruptions.

The testing and exercising for Call Tree Verification exercise to validate that phone numbers and contact lists of relevant personnel and stakeholders are accurate and up to date, was conducted twice this year to ensure the effectiveness of communication to Critical Business Function (CBF) staff upon activation of BCP. This is to ensure that the CBF staff are contactable to carry out their designated roles accordingly. Based on the call tree verification exercises, CBF staff were trained to respond promptly to the activation of BCP.

PEACE

BUSINESS ETHICS



Integrity and Corruption Management

KLCCP Stapled Group is mindful of the threats of corruption and bribery to its operations. The risks vary across different landscapes including jurisdictions, business sectors, people and transactions.

The Group’s continuous effort in managing integrity risks within the organisation reflects our commitment to conduct business with high integrity and in support of the Group’s zero tolerance against all forms of bribery and corruption.

KLCCP’s Policy Statement on Anti-bribery and Corruption

has been reviewed and endorsed by the CEO. The policy states our commitment to comply with applicable laws and regulations, which include the CoBE, the Anti-Bribery and Corruption Manual. Consequence Management will be implemented on employees who failed to comply. The Group provides channels for employees and public to disclose improper conduct in the Group.

Anti-Bribery Management System

KLCC Property Holdings Bhd and its subsidiaries, are certified to ISO 37001:2016 Standard. The Group passed the surveillance audit conducted by SIRIM in November this year. The Surveillance Audit assures the adequacy and effectiveness of the Group’s management systems.

The Group governs its ABMS through a structure which encompasses:

- i. Governing Body (the Boards) who has the ultimate responsibility and oversight of the ABMS
- ii. Top Management, comprising Chief Executive Officer and Head Divisions, who ensure that the ABMS is implemented adequately to address the Group’s bribery & corruption risks, and
- iii. Compliance Function, who is dedicated to oversee the implementation of ABMS, review and report the ABMS performance to the Governing Body and Top Management

We implement our ABMS based on the MACC Act 694 T.R.U.S.T. Principles i.e. Top Level Commitment, Risk Assessment, Undertake Control Measures, Systematic Review, Monitoring & Enforcement, and Training & Communication.

T · R · U · S · T Principle

T

Top Level Commitment

R

Risk Assessment

U

Undertake Control Measures

S

Systematic Review, Monitoring and Enforcement

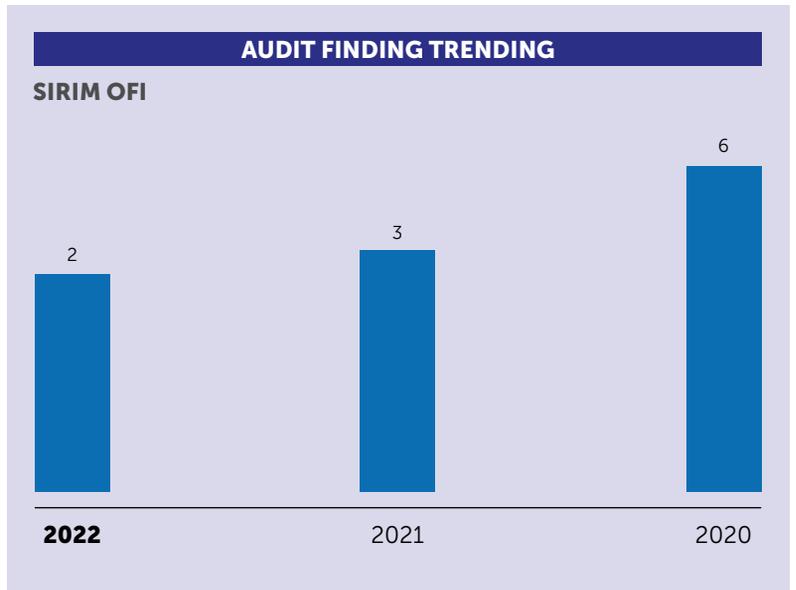
T

Training and Communication

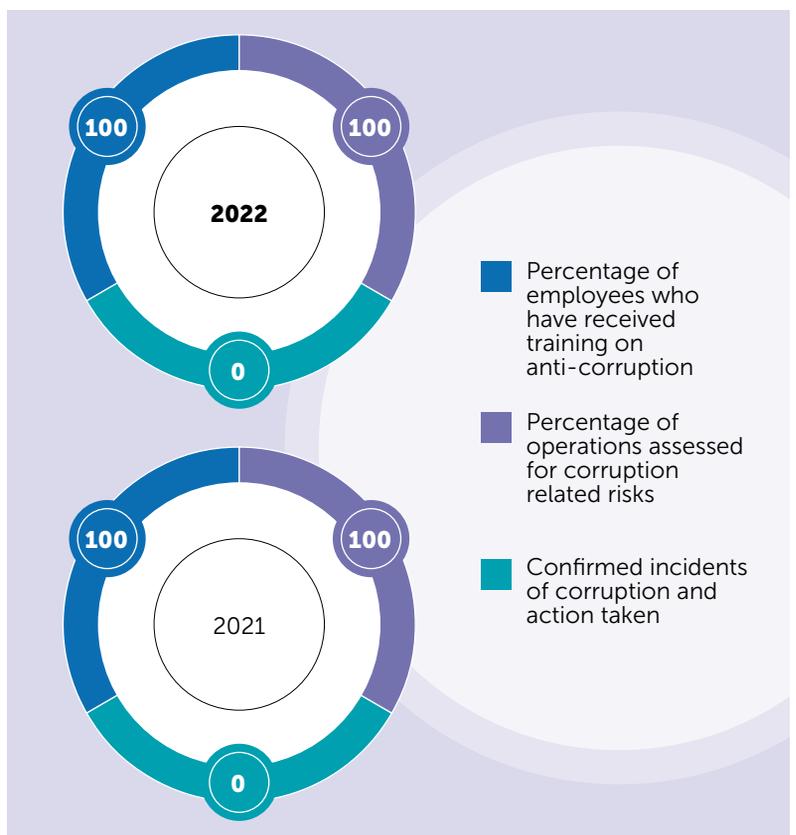
Actions taken in 2022

- T**
 - Endorsed the Policy Statement on Anti-bribery and Corruption in September 2022
 - Reinforced importance of integrity with Head of Divisions and operating units setting Tone from the Top during 'Leaders' Time Out' with respective constituents
- R**
 - Conducted risk assessment on bribery and corruption
 - Endorsed the Bribery and Corruption Risk Profiles for all entities
 - Risk Mitigation Owners are responsible to implement the controls
- U**
 - Continued implementing the No Gift Policy
 - Continued implementing the Whistleblowing Policy
 - Conducted the due diligence check during pre-employment for high-risk/sensitive positions
 - Obtained Integrity Pledge by all employees
 - Conducted due diligence on business associates
 - Obtained asset Declaration by employees
 - Continued implementing Limit of Authority
- S**
 - Conducted Compliance Function Review
 - Conducted internal audits in September
 - Conducted Surveillance Audit by SIRIM in November
 - Conducted Top Management Review in December
 - Conducted Governing Body Review in November
- T**
 - Conducted engagement on Corporate Governance and Integrity for Governance Body
 - Conducted integrity awareness induction for new employees
 - Conducted internal audit training for ABMS internal auditors
 - Conducted refreshers on ABMS for all employees
 - Communicated ABMS and related policies to third parties and service providers
 - Conducted competency training for Compliance Function
 - Communicated monthly Integrity Message to all employees

ABMS performance has improved over the years, evidenced by the zero Non-Conformance Report (NCR) and the declining number of Opportunities for Improvement (OFI) from SIRIM audits.



Implementation of the ABMS action plan is monitored by the Governance, Risk and Assurance Department via a digital dashboard, the "TRUST-T". "TRUST-T" is a digital tool that track, monitor and automate reminders to the OPUs to implement their planned programs. TRUST-T dashboards create insights on the overall ABMS implementation status in the Group.



PEACE



CYBER SECURITY AND DATA PRIVACY



Safeguarding the data within our stewardship throughout its lifecycle and ensuring ongoing compliance with data protection regulations globally remain a key priority for the Group. Our IT infrastructure is fully supported by Group Digital, PETRONAS. Through the cyber security alerts and other initiatives, we continue to educate and create awareness among employees on cyber threats.

As our employees are the first line of defence in keeping the organisation secure, it is important for them to understand the threats and be equipped with the necessary cyber security knowledge. We continue to create greater awareness and compliance on cyber security, via awareness training programmes. In dealing with external parties, we make transparent the Data Privacy Policy, requiring strict adherence such as incorporating Non-Disclosure Agreement (NDA) into Vendor Contract Agreements to prevent unauthorised usage

and leakage of confidential data. We have in place a series of system controls to provide further protection assurance, including robust validation of system access and obligations on external parties who may have the data access.

Our cyber security efforts are guided by the Enterprise Cyber Security Governance Framework (ECSGF) which aim to protect our systems and data from malicious attacks such as Ransomware and Phishing. The Enterprise Cyber Security Governance Framework, defines the guidelines, standards, policies and procedures required to ensure our risks are effectively managed and mitigated. In 2020, we developed the Cyber Security Action Plan in our effort to mitigate cyber security crime and to strengthen the existing system and procedures to address the root causes of cyber security issues resulting from poor enforcement, weak internal control, and acceptance culture.



CYBER SECURITY RISK MANAGEMENT INITIATIVES FOR THE YEAR

- Implemented PETRONAS Zscaler Internet Access (ZIA) to ensure secured browsing particularly by users on Work From Home (WFH) mode.
- Developed the Digital Project Management Framework (DPMF) that governs all IT and Operational Technology (OT) System processes for the Group's ICT Business As Usual (BAU) and Digital projects.
- Reviewed the KLCC Group Cyber Security Risk Profile to make it current and reflect latest cyber threats together with Group Risk Assurance team.
- Conducted Call Tree Testing to assess the effectiveness of communication amongst Division/Department Head, BCM Coordinator and CBF Staff in the event that a crisis occurred due to system disruption.
- Implemented Monthly Phishing Test and reported the Phishing Test Failure Rate to the Management.
- Conducted Cyber Security – Business Impact Analysis (CS-BIA) and Legal Regulatory Assessment (LRA) to assess the impact of system disruption in terms of Confidentiality, Integrity and Availability and Maximum Acceptable Outage (MAO). This is done during the Project Initiation stage of any ICT BAU and Digital Projects.
- Assessed on all critical Third Party vendors' applications to ensure Disaster Recovery (DR) and Backup Restore Procedure are incorporated into these applications.

CAPABILITY BUILDING FOR EMPLOYEES

- Organised the Global Cyber Security Month for the Group to raise cyber security awareness and adoption level to greater heights.
- Tracked and reported users' overall completion of cyber security training on SWITCH and MyLearningx PETRONAS e-Learning platforms.
- Conducted regular cyber security and Phishing Awareness Training for users (physically and virtually) targeted at users who failed the Phishing Test and not completed training materials on SWITCH and MyLearningx.

DATA SECURITY MANAGEMENT

- Enforced the Personal Data Protection Act (PDPA), General Data Protection Regulation (GDPR) and Payment Card Industry, and Data Security Standards (PCI DSS) to ensure compliance by vendors.
- 29 Enterprise Content Management System Representatives and Document Records Management Focals were upskilled on the best practices to support the principle of information Security and Risk Management;
 - Participants acquired the awareness on the importance of Enterprise Information Management in maintaining information Confidentiality, Integrity, and Availability.
 - Adherence to the Document Ownership Matrix and Information Classification Matrix will help the organisation prevent or reduce the likelihood of unauthorised access to data or record, and minimise the risk of critical data disclosure.

PROSPERITY

ADVANCING ECONOMIC RESILIENCE

We are committed to sustainable social and economic development across our business, operations and communities. We seek to share prosperity through our local hiring, investments in our operations and infrastructure, and contributions to non-profit organisations that help communities thrive and promote inclusive social development.

OUR ALIGNMENT TO THE UNSDGs



MATERIAL SUSTAINABILITY MATTERS

- Financial Sustainability
- Supply Chain Management
- Customer and Tenant Management
- Corporate Social Investment

MAPPED TO OUR CAPITALS



RELATED PRINCIPAL RISKS

- Finance
- Market
- Asset Management
- Facilities Management
- Supplier

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

Goal 1

Building a Smart, Safe and Sustainable KLCC Precinct

In this section

Financial Sustainability

- Delivering and Adding Value
- Digitalisation

Customer and Tenant Management

Supply Chain Management

Corporate Social Responsibility

- Investment in Local Communities
- Charity and Donations

OUR APPROACH

We constantly look to strengthen our portfolio to ensure it meets the changing needs of our customers and communities. We always bring social, economic, and environmental benefits to the areas where we operate. Great design increases efficiency, encourages people to spend time in our spaces and enables buildings to adapt to changing customer needs. We design with long-term value in mind. We design our buildings to support wellbeing and productivity. From office occupiers to brands and shoppers, we aim to provide our customers with exceptional experiences – creating value for our shareholders.





FOCUS FOR THE YEAR

Strengthening business resilience and continuity through close monitoring of our cash flow and cost optimisation

Enhancing customer and tenant communication in **building trust and elevating experience**

Progressing social agenda through community programmes for the needy and underprivileged



FINANCIAL SUSTAINABILITY

DELIVERING AND ADDING VALUE

In 2022, our total revenue amounted to RM1.46 billion. From this, about 22% went to purchasing costs and other operating expenses. The remaining RM1.14 billion were distributed to our employees, shareholders, and other providers of capital, paid in taxes to government, or retained in the company.

Prosperity Goes Beyond Profit

The Group has adopted the definition of prosperity from the WEF Stakeholder Capitalism Metrics framework: “An ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social, and technological progress occurs in harmony with nature.” Prosperity for us highlights the importance of prosperous societies and the role of businesses in fueling economic growth, innovation and shared wealth.

What Gets Measured Gets Done

Transparency through measurement is our key tool in running an accountable business. We use metrics from both reporting standards and ratings and have set up a system of establishing internal ownership of indicators in order to allow for systematic follow-up and improvement against best practices. We take guidance from the WEF Stakeholder Capitalism Metrics, with disclosures focusing on people, planet, prosperity, and principles of governance, as we support improved approaches on how to measure and drive sustainable performance.

PROSPERITY

VALUE GENERATION

Our Direct Economic Generated in 2022 is RM1.46 billion, which RM322.7 million went to Operating Costs and Expenses

Revenue



Operating Cost



Value Distribution

TO SHAREHOLDERS

RM660.5 million

was paid to shareholders. We aim to be an attractive investment for shareholders

TO GOVERNMENT

RM70.2 million

in income taxes was paid to the government

TO COMMUNITIES

RM17.0 million

was paid in donations, sponsorships, and rental assistance. RM15 million went to our retail tenants in 2022

TO EMPLOYEES

RM132.8 million

was paid in employee wages and benefits

TO BANKS

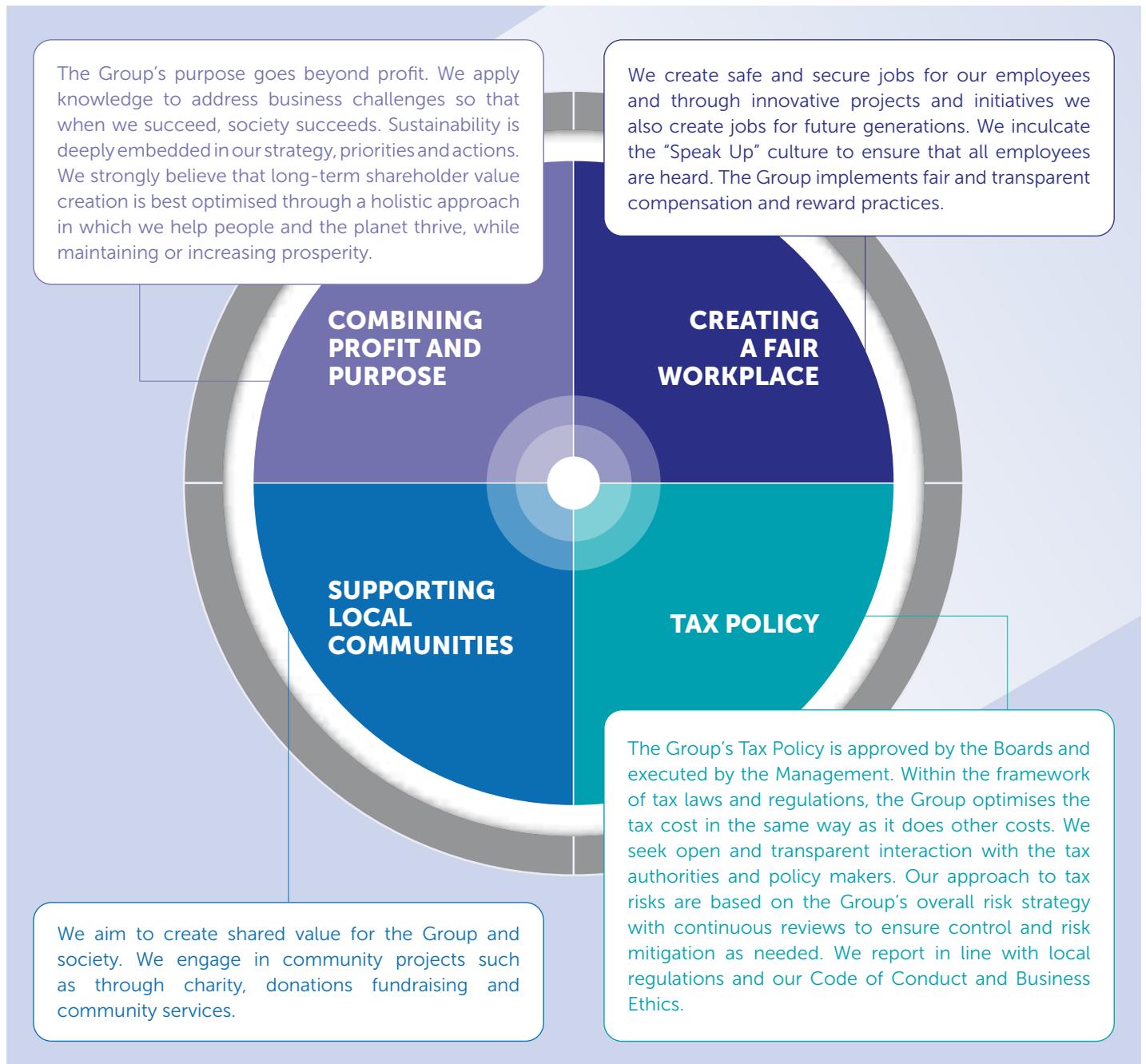
RM105.8 million

was paid in interest expenses to banks

TO KLCCP STAPLED GROUP

RM87.4 million

was retained in the company



DIGITALISATION

The world around us is changing at a great pace and we are in continuous dialogue with our customers as we strive to understand and prepare to meet the longer-term trends within our industry. By doing this we are able to ensure that our portfolio continues to meet the needs of, and play an integral part in, our customers' operations, and that our business remains relevant.

We have embedded a culture of continuous improvement within the Group and are constantly questioning how and why we do things while pushing ourselves to do better. This means we are constantly refining not just our existing portfolio but also how we design, plan and build our assets, with sustainability and technology at the heart of our thinking.

The creation of our Digital Roadmap (2020-2023) was an important part of this process, reflecting our belief that we should consider investments in data and technology in the same way that we consider investments in physical assets.

The industry within which we operate offers significant opportunities to make changes that not only help improve efficiencies, but also help us make better and more informed decisions. Key to this is a focus on enhancing operational excellence in the areas of project management, facilities management and safety and security.

PROSPERITY

— **Digital Project Management Framework (DPMF)**

- Set a standard reference for digital project procedures in guiding the Business Units and Operating Performance Units with the DPMF phases and process for accommodating any new digital request

— **KLCC Parking Alternative Cashless Payment Method**

- Collaborated with Setel Ventures Sdn Bhd (SVSB), a petrol epayment solution in Malaysia, to deliver a cashless and seamless parking payment experience for its customers with Setel mobile application
- KPM Converted 16,000 visitors into Setel users in 2022
- About 98% of customers paid their parking fare using digital solutions



— **KLCC Parking Management Solution (PMS 2.0)**

- Completed assessment of current KPM network, application and server infrastructure and provided full report including system High Availability (HA) and Disaster Recovery (DR) requirements on PMS adopting to PETRONAS and Industry standard

PMS 2.0 will enhance the efficiency of the Parking System in ensuring operations will run smoothly in the event of emergency and improve customers experience

— **MOKL Hotel – Paperless Initiatives**

- Introduced QR Code in all guestrooms’ TV. The service allows guests to access latest information of the Hotel, Digital Map, In-room Dining and Minibar menu, Shop MO and Digital Library

— **KLCC Digital DiReq**

- Launched the Service Request Management system (DiReq @Digital Requests) to better manage and organise KLCC Group employees’ requests for Digital related services

DiReq ensures requests from internal customers are managed, systemised and organised. Requests are categorised by workflows, therefore better tracked. Dashboard reports were built in for Management reporting



—● **Hot Desking Management System via PUSPA**

- In the new ways of working, it is not necessary that employees are desk bound or permanently assigned to a specific desk
- PUSPA allows staff to make reservations on specific dates when there is a need to be in the office and a desk is made available. PUSPA is able to show available desks where a staff can reserve for use over a specified period of time



—● **Enterprise Information Management**

- Established foundation for data governance across the Group
- Raised Data Management capability through upskilling to ensure continual data quality improvements in the organisation
- Built high quality Enterprise Data Hub and high-quality Enterprise Content Management
- Facilitated Digital Transformation journey through the provision of insights generated from connected network of information across functional business operations

—● **KLCC Parking Management Operations Dashboard**

- Created a reporting dashboard to track parking operations within KPM
- The dashboard provides real time monitoring and assist in decision making by leveraging on data analytics from multiple points within parking operations

—● **KLCC Group Procurement Integrated Dashboard**

- Created an integrated dashboard which displays real time status of procurement related requests
- This has replaced an existing manual system which requires several rounds of verification to ensure accuracy



CUSTOMER AND TENANT ENGAGEMENT

KLCCP Stapled Group believes in building a strong and trusting relationship with our customers and tenants as we continue to engage with them even during the difficult times. We value their patronage and take into consideration their feedback in our effort to expand our outreach and in building a shared sense of responsibility and progressing societal development. We conducted extensive engagements via numerous communication channels to promote social betterment, and to build strong tenant relationship, to meet the evolving customer behaviour and expectations.

We are also committed to provide the best customer experience and endeavour to exceed guests' expectations, through personalised services that cater to individual needs. We curated loyalty programmes to suit our guests and provide them with the best experience whether they are in offices, at our retail mall or during their stay at our hotel.

PROSPERITY

INITIATIVES FOR THE YEAR

HOTEL

Customer loyalty program - Fans of MO

- Benefits varies for members during and between stays includes complimentary wifi, dining benefits, and welcome amenity
- 48,000 guests signed up for the program this year
- 52% of the customers are repeat long-term guests

Guest engagement platform - helloMO

- helloMO is a guest messaging platform that MOKL Hotel uses to engage with guests prior, during and after their stay via instant messaging
- The helloMO is a centralised, intelligent messaging platform designed for leading luxury and resort properties around the world



Digital communication and marketing

- Collaborated with influencers/KOLs (Key Opinion Leader) for them to post on their stay or dining experience at MOKL Hotel to attract guests
- Performed social media campaigns on Instagram and Facebook, highlighting the hotel’s offerings such as room, dining or spa experiences



Little Explorer Club/Tatler House

- Launched Little Explorer Club on 29 October, featuring key parenting influencers Lily Shah and Happy Go KL who specialise in family-child oriented content
- Venue sponsorship for Tatler cover page photoshoot

PARKING MANAGEMENT



Communication with parkers on Car Park Operation Updates

- Released notifications via email, website and signages on car park operation updates

“Jump Card” service at NWD Car Park

- Introduced “Jump Card” to customers to ease exit from the car park

Customer Experience and Satisfaction

Hotel	Parking	Office
CUSTOMER SATISFACTION IN 2022		
<ul style="list-style-type: none"> Customer Satisfaction - 86% (online review and survey) Scored 84% on questions related to sustainability practices 	<ul style="list-style-type: none"> Customer Feedback / Evaluation Survey - 90% Customer Satisfaction Survey (First half 2022 - 81%, Second half 2022 - 85%) 	<ul style="list-style-type: none"> Tenant Satisfaction - 88%

SUPPLY CHAIN MANAGEMENT

Sustainable Procurement and Supply Chain plays a significant role in our sustainability practices. Recognising that we are in a position to influence our suppliers to adhere to our principles and values, we included in all our contracts with our contractors, consultants and suppliers (suppliers), the provisions requiring them to comply with our CoBE. We also promote transparent and fair practices by our supplier by including a provision on supplier code of conduct in the contract’s terms and conditions on fighting corruption, maintaining business ethics and prioritising HSE practices.

By doing this, we promote our sustainability standards beyond our own business, causing a ripple effect of change that we

hope will affect the way that suppliers deal not only with us, but with their other customers and their own suppliers as well. We believe procurement is one of the biggest levers to drive sustainability in our economy.

We are committed to doing business with other companies that share our values and beliefs. For effective sustainable supply chain management, we must secure buy-in from our suppliers to uphold our high standards.

In promoting sustainable procurement practices, we have a robust procurement process that covers every element of our value chain.

Sustainable Supply Chain and Ethical Behaviour	Supplier Audits
Suppliers’s Code of Conduct	Purchasing Policy and Scope
Suppliers Diversity and Local Procurement	Green Procurement

INITIATIVES FOR THE YEAR

Established Procurement Principle

- To secure “Best value for money” in procurement of goods and services while adhering to good governance and transparency

Implementation of Go-Anywhere Managed File Transfer

- Implemented the Go-Anywhere Managed File Transfer (GMFT), a service to facilitate the exchange of large files between staff and external parties in managing submission of tender documents
- Folders can be shared to other users via browser
- GMFT enables transfer of files above 5MB which also reduces cost and save time

Implementation of Digital Tender and Contract Document

- Replaced the current conventional practice of printed/ hardcopy tender and contract document with Digital Tender Document (eTD) and Digital Contract Document (eCD)

Due Diligence

- Due diligence is one of the Third-Party Risk Management (TPRM) Tools. It refers to process of researching and verification of pertinent information before entering into a contract with a third party
- In 2022, the Group conducted due diligence checking on all our suppliers

Supplier Performance Management

- Supplier Performance Management is a process where the performance of suppliers is monitored, evaluated (via Contractor/Consultant Performance Appraisal (CPA) and reported to the management
- The CPA is conducted twice yearly, i.e. January to June and July to December cycles

Procurement System and Application

- Evaluation of end-to-end digital procurement systems such as SMART by GEP or other end to end system

Category Management

- Maximising value by having a category-driven procurement e.g. stationery, Personal Protection Equipment (PPE), panel contractor, panel consultant

PROSPERITY



CORPORATE SOCIAL RESPONSIBILITY

KLCCP Stapled Group embraces social responsibility and maintains active engagement with our diverse group of stakeholders who have a direct or indirect impact to our business, reputation and our purpose in creating a sustainable future for all. We continue to establish mutually beneficial relationships through impactful communications and initiatives that suit the different needs of our stakeholders.

As a responsible corporate citizen, we recognise that we will be more enriched when those around us thrive. We have a duty to maintain the highest standards of social responsibility and integrity as an employer, a developer, a landlord and a solutions partner. We are aware that our buildings are part of the local community and of our city.

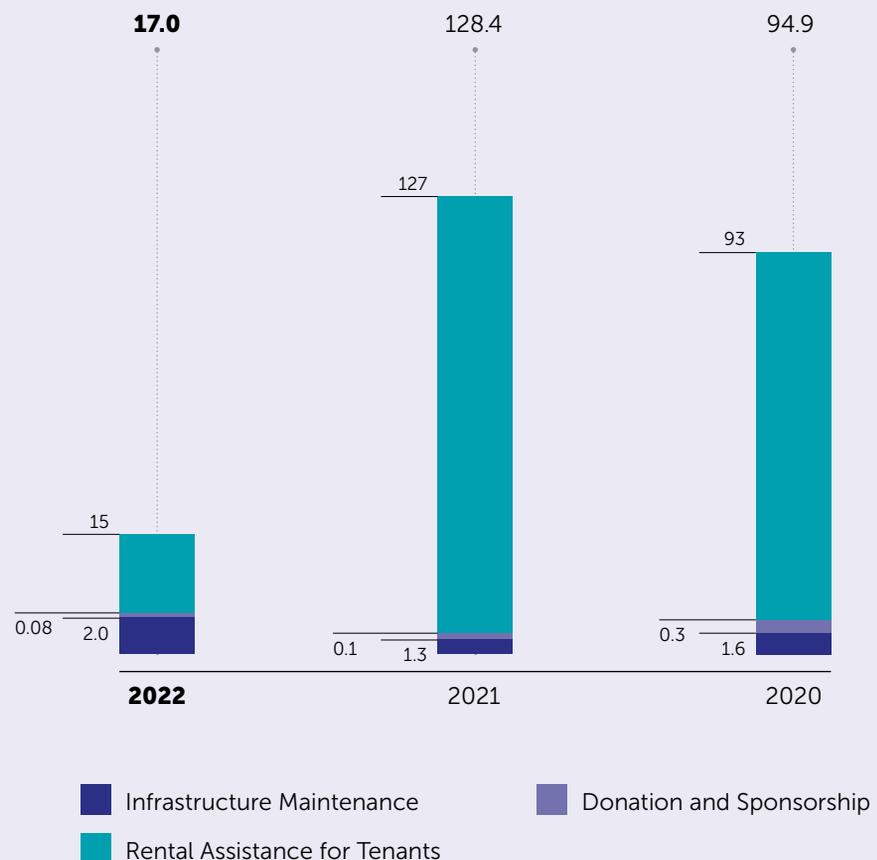
We strive to make our spaces better places to live and work in for our communities and recognise we can only do this if we foster and maintain strong community relationships, and listen to our stakeholders about what matters to them. Our community programmes are designed to ensure we make a positive contribution to the society in which we operate. We support our communities via projects such as fundraising events, community development and partnership in creating a conducive environment for all.

Through our community engagement initiatives, we ensure that we support local issues and, in particular, help the underprivileged and the needy. This year, we invested a total of RM17 milion corporate social initiatives which cover infrastructure maintenance, donation and sponsorship, and rental assistance to our retail tenants.

We maintain infrastructure that ease connectivity for public and community. These infrastructure comprise the KLCC Park, pedestrian bridges and tunnels surrounding KLCC Precinct and Menara Dayabumi.



CORPORATE SOCIAL INVESTMENT (RM 'mil)



Charity and Donations

INITIATIVES FOR THE YEAR



CHARITY/
DONATION DRIVES/
FUNDRAISING/
COMMUNITY SERVICE

• **Feed the Homeless with Reach Out Malaysia**

MOKL Hotel continued to support Reach Out Malaysia program donating of 30 packets of food to feed the homeless on Mondays, Thursdays and Fridays to be distributed in various areas of Kuala Lumpur

- 630 packets of food were donated between May and December this year for the homeless in Kuala Lumpur area

• **Waste Not Want Not - Mini Charity Sale at MOKL Hotel**

Pre-loved items were sold and proceeds given to helping the community

- Reduced environmental waste in the long run by diverting items from the landfill



• **Community Tree Planting at Kuala Langat Forest Reserve**

On 24 September, the Global Environment centre, in collaboration with the Selangor State Forestry Department and Sahabat Gambut Asli Temuan of Malaysia carried out the tree planting activity at the Kuala Langat North Forest Reserve

- 14 volunteers from MOKL Hotel participated in the Initiative
- About 450 Tenggek burung (Melicope lunu-ankenda) trees were planted at FC 6



• MOKL Hotel actively supported the **Blood Donation Campaign with the National Blood Bank** team consisting of doctors and nurses on 23 September 2022

- 35 donors from MOKL Hotel participated in the initiative



• **Flood Relief by Suria KLCC**

- Suria KLCC participated in a flood relief initiative in December 2022
- Donated food items and other self-care worth RM20,000 to the flood victims at Hospital Kuala Lumpur and Putrajaya



• **Contribution towards the Malaysian Aids Foundation (MAF) Post-Flood Relief Fund**

- Provided Emergency post-flood relief assistance for HIV/AIDS community situated at the one-stop support centre: shelter home in Kuantan, Pahang

• **Contribution towards Badan Kebajikan Kakitangan Melayu Dewan Bandaraya Kuala Lumpur (BKMDBKL) Welfare, Building and Educational Fund**

- Financial support of their employees in need

• **Contribution towards Polis Diraja Malaysia (PDRM) Police Administrative and Civilian Staff Union Welfare Fund**

- Contributed financial assistance for the administrative and civilian staff of PDRM through their educational and welfare fund

• **Contribution towards Ibu Pejabat BOMBA dan Penyelamat Malaysia: Firefighters' Welfare, Building and Educational Fund**

- Sponsored Persatuan Sukan, Kebajikan dan Kebudayaan (PSKK) Ibu Pejabat BOMBA dan Penyelamat Malaysia via participation in Charity Movie Screening

• **Contribution towards Yayasan Universiti Teknologi PETRONAS (UTP)'s Scholarships Fund through participation in Tapestry of Colour Charity Dinner**

- Boosted the university's growth and helped underprivileged UTP's deserving students

THREE-YEAR SUSTAINABILITY PERFORMANCE DATA

PEOPLE

HEALTH, SAFETY AND SECURITY		2022	2021	2020
Lost time injury (LTI) incidents	No of injuries	2	0	7
Lost time injury frequency (LTIF)	Frequency rate	0.26	0.00	0.78
Work related fatalities	Number of work-related fatalities	0	0	0
Loss of Primary Containment (LoPC)	Number of incidents	0	0	0
Potential incidents	Near-miss incidents reported	160	962	1662
HUMAN CAPITAL DEVELOPMENT				
Training and Development	Total investment per year (RM)('000)	1,042	600	3,300
	Total training hours per year (hour)	26,790	11,243	25,324
	Average training hours per year per employee	28	12	26
	Average investment (RM) per year per employee	1,079	650	3,388
	Total full-time employees (FTE)	966	913	974
	Percentage of FTE participating in the training and development programme	96	97	75
HUMAN RIGHTS				
Non Discrimination				
Responsible workplace practices	Total number of incidents of discrimination (to employees) and corrective actions taken	0	0	0
Gender Equality				
Workforce by Gender	Male	603	557	596
	Female	363	356	378
Employee Position and Gender Profile	Top Management (Male)	17	13	12
	Top Management (Female)	9	7	4
	Senior Management (Male)	95	151	148
	Senior Management (Female)	70	105	111
	Other levels (Male)	491	393	436
	Other levels (Female)	284	244	263
Directors by gender (percentage)	Male	50	56	57
	Female	50	44	43
Diversity				
Workforce by Ethnicity	Malay	707	685	716
	Chinese	153	133	148
	Indian	62	54	59
	Others	44	41	51
Workforce by Age Group	Below 30	248	175	222
	30-39	308	316	318
	40-49	248	247	268
	50-59	160	172	156
	60 above	2	3	10
Directors by Age Group (percentage)	Below 50	0	11	14
	50-59	37	33	14
	60 above	63	56	72

THREE-YEAR SUSTAINABILITY PERFORMANCE DATA

PEOPLE

LABOUR STANDARD AND PRACTICES		2022	2021	2020
Grievances	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	0	0	0
Responsible Employment	Permanent Employee	946	-	-
	Contract Employee	20	-	-
	Outsourced employee	341	-	-
	Total	1,307	-	-
	Percentage of employees that are contractors or temporary staff	30%	-	-
Total number of employee turnover by employee category	Temporary or contract staff	4	-	-
	Permanent Staff	17	-	-

PLANET

CLIMATE CHANGE AND ENERGY MANAGEMENT		2022	2021	2020
Green House Gas Emission (mtCO₂e)				
Scope 1	Office and Car Park	-	5	11
	Retail	834	576	1,512
	Hotel	-	997	1,139
	Total Scope 1	834	1,578	2,662
Scope 2	Office and Car Park	6,261	51,136	71,015
	Retail	26,496	22,321	24,577
	Hotel	-	8,060	7,622
	Total Scope 2	32,757	81,517	103,214
*Scope 3 (Downstream Leased Assets)	Office and Car Park	52,512		
	Retail	-		
	Hotel	10,836		
	Total Scope 3	63,348		
Total GHG Emission (Scope 1, 2 & 3)		96,939	83,095	105,876
Energy Management				
Energy Consumption (kWh) ('000)	Office and Car Park	78,317	68,572	69,865
	Retail	10,712	10,954	11,153
	Hotel	10,047	6,667	7,513
	Total Energy Consumption	99,076	86,913	88,531
Energy Intensity (kWh/m².yr)				
Office	PETRONAS Twin Towers (Tower 1)	115	88	115
	PETRONAS Twin Towers (Tower 2)	92	89	96
	Menara 3 PETRONAS	172	75	156
	Menara Dayabumi	105	98	97
	Menara Exxonmobil	213	184	96
Retail	Suria KLCC	64	169	31
	Lot C Podium	170		
Hotel	Mandarin Oriental, Kuala Lumpur	111	115	247
Renewable Energy				
Energy Generated from Solar (kWh)		415,241	470,770	473,978

Note:

* Starting 2022, we report GHG emission from assets which the Group does not have operational control as Scope 3 GHG Emission (Category 13 - Downstream leased assets). These assets comprise PETRONAS Twin Towers, Menara 3 PETRONAS, Menara Dayabumi and Mandarin Oriental, Kuala Lumpur.

THREE-YEAR SUSTAINABILITY PERFORMANCE DATA

PLANET

ENVIRONMENTAL MANAGEMENT		2022	2021	2020
Water Management				
Water Consumption (m ³)	Office and Car Park	490,248	311,244	455,868
	Retail	422,417	303,806	374,311
	Hotel	150,153	78,228	117,549
	Total water consumption	1,062,818	693,278	947,728
Water Intensity (m ³ per sq. meter Net Floor Area)	Office and Car Park	0.69	0.44	0.65
	Retail	2.51	1.81	2.23
	Hotel	1.67	0.87	1.30
Waste Management				
Non-Hazardous Waste Management				
Waste Generated (metric tonnes)	Office and Car Park	830	232	482
	Retail	3,291	1,879	1,964
	Hotel	648	275	194
	Total Waste Generated	4,768	2,386	2,640
Waste Disposed (metric tonnes)	Office and Car Park	823	223	434
	Retail	2,947	1,672	-
	Hotel	311	99	78
	Total Waste Disposed	4,081	1,994	511
Waste Diverted from Landfill (percentage)	Office and Car Park	1%	4%	10%
	Retail	10%	11%	-
	Hotel	52%	64%	60%
Hazardous Waste Management				
Waste generation (metric tonnes)	Office and Car Park	1.69	2.79	78.64
	Retail	0.29	0.36	0.26
	Hotel	1.39	0.36	0.20
	Total	3.37	3.51	79.10
Waste Disposed (metric tonnes)	Office and Car Park	1.18	0.49	2.36
	Retail	0.00	0.36	-
	Hotel	1.41	0.32	0.20
	Total	2.59	1.17	2.56

PROSPERITY

FINANCIAL SUSTAINABILITY		2022	2021	2020
Dividend (RM 'mil)		660.5	499.6	630.3
Taxes (RM 'mil)		70.2	81.9	87.9
Revenue (RM 'mil)		1.5	1.2	1.2
Infrastructure Maintenance (RM 'mil)		2.0	1.4	1.6
CORPORATE SOCIAL RESPONSIBILITY				
Total amount invested in the community (RM 'mil)		17.0	128.3	95.3
CUSTOMER AND TENANT MANAGEMENT				
Satisfaction Score (percentage)	Office	88	81	
	Retail	64	65	
	Hotel	87	87	
	Car Park	83	-	

SUSTAINABILITY BENCHMARKS AND CERTIFICATIONS

Sustainability Certifications	2022	2021	2020	2019	2018
KLCC Property Holdings Berhad					
ABMS ISO 37001:2016 (Anti-Bribery Management System)	Achieved in 2020. Valid until November 2023				
KLCC Urusharta Sdn Bhd					
Green Building Index PETRONAS Twin Towers	GBI Gold Rating				
Green Building Index Menara 3 PETRONAS	GBI Silver Rating				
ISO 37001:2016 (Anti-Bribery Management System)	Achieved in 2020. Valid until November 2023				
ABMS ISO 18788:2015 (Private Security Operations Management System Certified by SIRIM)	Achieved in 2019 (latest recertification in 2022. Valid until July 2023)				
ISO 14001:2015 (Environmental Management System)	Achieved in 2014, (latest recertification in 2020. Valid until 22 July 2023)				
ISO 9001:2015 (Quality Management System)	Achieved in 2005, (latest recertification in 2020. Valid until April 2023)				
ISO 45001:2018 (Occupational Health and Safety Management System)	Achieved in 2014, (latest recertification in 2022. Valid until October 2025)				
Mandarin Oriental, Kuala Lumpur					
ISO 14001:2015 (Environmental Management System)	Achieved in 2003, (latest recertification in 2022. Valid until October 2024)				
ISO 22000:2018 (Food Safety Management System)	Achieved in 2008, (latest recertification in 2022. Valid until October 2024)				
OHSAS 18001:2007/ISO 45001:2018 (Occupational Health and Safety Management System)	Achieved in 2014, (latest recertification in 2022. Valid until October 2024)				
Ministry Tourism, Arts and Culture Malaysia (Green Hotel)	Achieved in 2022. Valid until December 2025				
Ministry Tourism (ASEAN Tourism Standard)	Achieved in 2022 Valid until 2024				
KLCC Parking Management					
ABMS ISO 37001:2016 (Anti-Bribery Management System)	Achieved in 2020. Valid until November 2023				
ISO 14001:2015 (Environmental Management System)	Achieved in 2016, (latest recertification in 2022. Valid until September 2025)				
ISO 9001:2015 (Quality Management System)	Achieved in 2016, (latest recertification in 2022. Valid until August 2025)				
ISO 45001:2018 (Occupational Health and Safety Management System)	Achieved in 2016, (latest recertification in 2022. Valid until October 2025)				

STAKEHOLDER CAPITALISM METRICS (SCM) INDEX

A WORLD ECONOMIC FORUM (WEF) AND INTERNATIONAL BUSINESS COUNCIL (IBC) LED INITIATIVE

This year, we referenced our reporting to the World Economic Forum's Stakeholder Capitalism Metrics, mapping the 21-core metrics which are aligned to the UNSDGs.

WEF and IBC Core ESG Metrics

Theme	#	SCM metrics and disclosure	SCM sequence	Page reference and reasons for omissions, if applicable
PEOPLE – CORE				
Dignity and equality	11	Diversity and inclusion (%) Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	WEF11	41
Dignity and equality	12	Pay equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	WEF12	Information is not disclosed due to confidentiality constraints
Dignity and equality	13	Wage level (%) Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	WEF13	Information is not disclosed due to confidentiality constraints
Dignity and equality	14	Risk for incidents of child, forced or compulsory labor An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	WEF14	43 to 44
Health and well-being	15	Health and safety (%) The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	WEF15	44 to 47
Skills for the future	16	Training provided (#, \$) Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees).	WEF16	38 to 39

STAKEHOLDER CAPITALISM METRICS (SCM) INDEX

A WORLD ECONOMIC FORUM (WEF) AND INTERNATIONAL BUSINESS COUNCIL (IBC) LED INITIATIVE

Theme	#	SCM metrics and disclosure	SCM sequence	Page reference and reasons for omissions, if applicable
PLANET – CORE				
Climate Change	7	<p>Greenhouse gas (GHG) emissions</p> <p>For all relevant greenhouse gases (e.g., carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO₂e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</p>	WEF7	56 to 58
Climate Change	8	<p>TCFD implementation</p> <p>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.</p>	WEF8	Assessment in progress 13, 54 to 55
Nature loss	9	<p>Land use and ecological sensitivity</p> <p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	WEF9	Not applicable
Freshwater availability	10	<p>Water consumption and withdrawal in water-stressed areas</p> <p>Report for operations where material: megaliters of water withdrawn, megaliters of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	WEF10	Not applicable as we do not operate in regions with high water stress Water Consumption refer page 63

STAKEHOLDER CAPITALISM METRICS (SCM) INDEX

A WORLD ECONOMIC FORUM (WEF) AND INTERNATIONAL BUSINESS COUNCIL (IBC) LED INITIATIVE

WEF and IBC Core ESG Metrics

Theme	#	SCM metrics and disclosure	SCM sequence	Page reference and reasons for omissions, if applicable
PEACE – CORE				
Governing purpose	1	Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	WEF1	6 to 8
Quality of governing body	2	Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	WEF2	 151-161
Stakeholder Engagement	3	Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	WEF3	18 to 23
Ethical behaviour	4	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	WEF4	28 & 73
Ethical behaviour	5	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organisational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	WEF5	44, 66 & 71
Risk and opportunity oversight	6	Integrating risk and opportunity into business process Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	WEF6	 62 to 69

STAKEHOLDER CAPITALISM METRICS (SCM) INDEX

A WORLD ECONOMIC FORUM (WEF) AND INTERNATIONAL BUSINESS COUNCIL (IBC) LED INITIATIVE

Theme	#	SCM metrics and disclosure	SCM sequence	Page reference and reasons for omissions, if applicable
PROSPERITY – CORE				
Employment and wealth generation	17	Absolute number and rate of employment <ol style="list-style-type: none"> Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region. 	WEF17	41
Employment and wealth generation	18	Economic contribution <ol style="list-style-type: none"> Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organisation's global operations, ideally split out by: <ul style="list-style-type: none"> Revenues Operating costs Employee wages and benefits Payments to providers of capital Payments to government Community investment Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period. 	WEF18	78 to 79 84 to 85
Employment and wealth generation	19	Financial investment contribution <ol style="list-style-type: none"> Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. 	WEF19	88  74
Innovation of better products and services	20	Total R&D expenses (\$) Total costs related to research and development.	WEF20	No data present
Community and social vitality	21	Total tax paid The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	WEF21	78

GLOSSARY OF ABBREVIATIONS, TERMS AND ACRONYMS

Abbreviations	Full Term/Definitions
ACs	Audit Committee
ABC Manual	Anti-Bribery and Corruption Manual
ABMS	Anti-Bribery Management System
BAU	Business As Usual
BCM	Business Continuity Management
BCP	Business Continuity Plan
BEI	Building Energy Intensity
BIA	Business Impact Analysis
BUs	Business Units
CARE	Check Signal, Apply conversation, Reassure support and Ensure help
CBF	Critical Business Function
CMP	Crisis Management Plan
CEO	Chief Executive Officer
CMS	HSE Culture Maturity Survey
CoBE	Code of Conduct and Business Ethics
CO₂	Carbon Dioxide
CPA	Contractor/Consultant Performance Appraisal
CS-BIA	Cyber Security – Business Impact Analysis
CSR	Corporate Social Responsibility
DBKL	Dewan Bandaraya Kuala Lumpur
DPMF	Digital Project Management Framework
DR	Disaster Recovery
DRM	Document & Records Management
EAP	Employee Assistance Performance
ECSGF	Enterprise Cyber Security Governance Framework
EV	Electric Vehicle
eCD	Digital Contract Document
eTD	Digital Tender Document
EMS	Environmental Management System
EPM	Employee Performance Management
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
F&B	Food and Beverage
GBI	Green Building Index
GCEO	Group Chief Executive Officer
GDPR	General Data Protection Regulation
GEP	SMART GEP (System)
GHG	Greenhouse Gas
GHSSE	Group Health, Safety, Security and Environemnt
GM	General Manager
GMFT	Go-Anywhere Managed File Transfer
GSS	Group Strategy and Sustainability
HA	High Availability
HC	Human Capital
HSE	Health, Safety and Environment

GLOSSARY OF ABBREVIATIONS, TERMS AND ACRONYMS

Abbreviations	Full Term/Definitions
HSSE	Health, Safety, Security and Environment
HSEMS	HSE Management System
IBCC	Integrated Building Command Center
ICC	Integrated Command Centre
ICT	Information and Communication Technologies
ISO	International Organisation for Standardization
ISOC	Integrated Security Operation Centre
IT	Information Technology
KLCCP	KLCC Property Holdings Berhad
KLCCRM	KLCC REIT Management Sdn Bhd
KLCCUH	KLCC Urusharta Sdn Bhd
KG	Kilogram
KGLT	KLCC Group Leadership Team
KOL	Key Opinion Leader (Influencer)
KPM	KLCC Parking Management Sdn Bhd
KSRC	KLCC Sports and Recreation Club
kWh	Kilowatt hour
LED	Light-Emitting Diode
LDL	Leaders Develop Leaders
LOPC	Loss of Primary Containment
LRA	Legal Regulatory Assessment
LTIF	Lost Time Injury Frequency
MAO	Maximum Acceptable Outage
MCF	Mandatory Control Framework
MFA	Multi-Factor Authentication
MOKL	Mandarin Oriental Kuala Lumpur
m³	Cubic metre
M3P	Menara 3 PETRONAS
m²	Square metre
mtCO₂e	Metric tons of carbon dioxide equivalent
NDA	Non-Disclosure Agreement
NGOs	Non-Government Organisations
NRA	Noise Risk Assessment
NREB	Non-Residential Existing Building
NSOM	New Security Operating Model
NWD	North West District at KLCC car park
NZCE	Net Zero Carbon Emission
OT	Operational Technology
OPUs	Operating Business Units
PCI DSS	Payment Card Industry, and Data Security Standards
PDPA	Personal Data Protection Act
PDSB	PETRONAS Digital Sdn Bhd
PETT	PETRONAS Twin Towers
PMS	Parking Management Solution

GLOSSARY OF ABBREVIATIONS, TERMS AND ACRONMYS

Abbreviations	Full Term/Definitions
PUSPA	PETRONAS Unified Search and Personal Assistance
REIT	Real Estate Investment Trust
RMC	Risk Management Committee
SSC	Sustainability Steering Committee
SDG	Sustainable Development Goal
SGM	Senior General Manager
SM	Senior Manager
SIRIM	Standard and Industrial Research Institute of Malaysia
SVSB	Setel Ventures Sdn Bhd
TCFD	Task Force on Climate related Financial Disclosures
TPRM	Third-Party Risk Management
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Goal
WEF	World Economic Forum
WFH	Work From Home
ZIA	Zscaler Internet Access
3R	Reduce, Reuse and Recycle

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