

CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT

SUSTAINABILITY FOR KLCCP STAPLED GROUP MEANS CARRYING OUT OUR BUSINESS IN AN ETHICALLY, SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE MANNER TO ENSURE CONTINUED GROWTH AND SUCCESS FOR THE BENEFIT OF BOTH THE PRESENT AND FUTURE GENERATIONS

We embed sustainability into our fundamental value chain and culture which is reflective of our commitment to longer term sustainability with a focus on the positive impact on the environment, community and society. Corporate Responsibility is taken on with passion and commitment, to ensure the realisation of the sustainable causes ultimately result in long term stakeholder value creation.

KLCCP Stapled Group Corporate Responsibility initiatives are guided by the PETRONAS Corporate Sustainability Framework and focuses on four key areas.



ENVIRONMENT

Promoting green initiatives, use of renewable energy and responsible water and waste management

COMMUNITY RELATIONS

Strengthening tenant relations and enriching lives of the community

SAFETY AND HEALTH

Preventing and eliminating injuries, health hazards and damage to property and conserving the environment

PEOPLE DEVELOPMENT

Embracing the company's Shared Values, providing continuous training and development programme for employees and reward and recognise high performing Business Units, Departments and Divisions

These focused four key areas have a material impact to facilitate group-wide implementation and are driven through a number of initiatives designed to create value for our stakeholders. With corporate conscience in driving all these initiatives, KLCCP Stapled Group has been able to move sustainability to the heart of corporate strategy and achieved competitive advantage in the financial year ended.



ENVIRONMENT

We acknowledge the need to safeguard and minimise the impact to the environment in the course of achieving KLCCP Stapled Group's objectives. We are conscious of our role in promoting the need for environmental protection and the importance of environmental and energy conservation

KLCCP Stapled Group continues to take proactive measures in environmental conservation, efficient use of energy, water and waste management and encourages its employees to participate in eco-friendly activities and conservation efforts.

In support of KLCCP Stapled Group's initiatives, KLCCUH, Suria KLCC and MOKUL have for many years implemented responsible energy management, water efficiency and environmental conservation programs in its many areas of operations and ensure that the best practices have minimum adverse effects on the general well-being of shoppers, guests and staff.



MOKUL participated in the tree planting event in conjunction with World Environment Day to create greater awareness amongst colleagues on environment conservation.



Environmental Sustainability

KLCCP Stapled Group's commitment towards promoting public awareness on environmental protection and the importance of environmental conservation is significantly reflected through its exemplary efforts in the upkeep and maintenance of the 50-acre KLCC Park. The KLCC Park signifies KLCCP Stapled Group's contribution towards social and community wellbeing by providing a green, convenient, tranquil and conducive destination in the midst of a bustling and dynamic city centre.

KLCCP Stapled Group also collaborates with local authorities and the KLCC community to observe effective compliance for provision of local facilities. The common cost sharing management policy between landowners of commercial properties for the upkeep and maintenance of the park continues to promote positive impact on the commercial environment for local and foreign tourists and shoppers.

Green Excellence

The PETRONAS Twin Towers has been the beacon in Malaysia's building industry for the last 18 years and in light of KLCCP Stapled Group's journey towards sustainability, has committed to minimise its impact to users and the environment. As owner, we have been entrusted by the tenants to obtain certification for the PETRONAS Twin Towers and Menara 3 PETRONAS as certified green buildings under GBI.

In the year under review, initiatives towards achieving the GBI certification for both the buildings were underway and entered the final phases. The initiatives involved replacement of lighting to LED, upgrading of Building Control System incorporating Energy Management System to suit GBI/LEED (Leadership in Energy Efficiency Design) requirements and replacement of flusho-meter valves with water efficient valves that could provide up to 30% saving. The design assessment submission has been completed and consultants for these initiatives have also been appointed.

In conjunction with the ASEAN Tourism Forum 2014, MOKUL was awarded the ASEAN Green Hotel Award 2014 for its efforts that go beyond conventional practices and on green and environment friendly measures in support of responsible tourism. The hotel adheres to green and sustainable practices and adopts energy conservation measures based on criteria and requirements enshrined in the ASEAN Green Hotel Standard.

Environmental Conservation

KLCCP Stapled Group embarked on several initiatives in promoting environmental conservation and played its part in driving environmental decisions and influencing environmental values and behaviors within the organisation.

Paper-free Board Meetings

Acknowledging the importance of environment conservation, KLCCP Stapled Group had implemented paper-free Board Meetings with effect from March 2014 wherein directors swapped wads of documents for tablet devices. KLCCP Stapled Group equipped its directors with digital devices to embrace the paper-free concept.

Use of Biodegradable & Eco-Friendly Products

Our asset management team at KLCCUH promotes the usage of biodegradable products and processes through mulching & composting for park and landscape services and also the use of organic fertiliser for landscaped areas. This effort is carried through and is embedded in our contracts with the landscape service providers.

At our hotel at MOKUL, yearly review of chemicals used in housekeeping, engineering and food & beverage are conducted and this resulted in the change of chemicals for use in guest rooms for this year. The Ecolab's Oasis Pro Range which is environmentally friendly was implemented in late January 2014. These chemicals are formulated with earth friendly formulas which are alkylphenol ethoxylate (APE)-free.

Reduction of Carbon Emission

In our bid towards a lower carbon economy, electric motorcycles are used in the patrolling of KLCC Park to reduce carbon emission. NGV Shuttle Buses are also used to shuttle passengers from the multi-level carpark to the surrounding areas and within the KLCC Precinct. The KLCC basement car park is equipped with Electric Vehicle Charging Station, made available to encourage the use of eco-friendly vehicles.

Recycling programs

The 3R practice of Reduce, Reuse & Recycle has been embedded and remains strong in the culture of KLCCP Stapled Group. Office waste recycling program is implemented at the PETRONAS Twin Towers, Menara ExxonMobil and Menara 3 PETRONAS whereby bins for the segregation of wastes (Glass, Plastic and Paper) are provided on every PETRONAS occupied floor and in the main corridors of the buildings.

With the success of the previous year's "Waste Not Want Not Charity Sale", MOKUL continued with this program, raising awareness amongst its colleagues on the need to Reduce, Reuse and Recycle. Suppliers supported by providing goods that were overruns, excess stock, and the funds raised were used for the charitable programs held throughout the year. MOKUL's towel recycling and reusing of bed linen as part of its sustainability programs continued to receive encouraging guest participation. Linen that is unable to be used in its original form is converted to smaller units so that it can be used for other purposes such as torn bed sheets into pillow protectors and frayed towels into cleaning rags.

Energy Conservation

KLCCP Stapled Group continues to support initiatives in the form of energy conservation and savings. During the year, KLCCP Stapled Group undertook new proactive measures and also continued to work with the initiatives which have already been implemented and generating savings in its continuous effort in promoting energy conservation at our various properties.

PETRONAS Twin Towers

Conscious of rising energy prices, KLCCUH has over the years worked diligently with the tenants at PETRONAS Twin Towers towards reducing their energy consumption through better discipline in order to mitigate the impact of increased utilities cost. An overall energy conservation initiative was put in place and is continuously observed, such as reducing the operating hours of air conditioning systems, discreet switching off of the office lighting during lunch time and 50% reduction in lighting levels for non-essential areas and external lighting. The implementation of T5 fluorescent bulbs from T8 fluorescent bulbs to save energy for PETRONAS Tower 1, yielded in efficient results. The initiative to replace T8 fluorescent tubes at PETRONAS Tower 2 to LED tubes is in progress.

Other energy wastage prevention programs that have been implemented at the PETRONAS Twin Towers include the installation of motion sensor save mode for escalators, motion sensor for enclosed rooms in offices, timers for water boilers, and strict enforcement for extra air-conditioning and lighting request procedures.

During the year, our car parking team, KLCC Parking Management Sdn Bhd embarked on a study on the Energy Monitoring System (EMS) for car park lighting. EMS is to monitor, measure and control the electrical parameter loads within the car park. The installation of meters was completed in November 2014 wherein 57 meters were installed from levels P1 to P4. Concurrently for Phase 1, the LED lighting was also installed at the basement carpark level P4 of PETRONAS Twin Towers covering 1,600 bays and 5,540 lights. As of December 2014, measurement of the energy lighting recorded a savings of 46%. The implementation of Phase 2 of the LED lighting for the remaining car park will commence mid-January 2015 and expected to be completed by mid-April 2015.



Suria KLCC

The business of Suria KLCC has been managed with a commitment to sustainability that is demonstrated through energy saving efforts and continues to achieve more environment friendly ways to conduct its business.

Suria KLCC has since 2008 invested in switching to energy saving lights within areas in the shopping mall. The shopping mall's lights are also programmed to automatically switch on and off during desired periods to avoid energy wastage.

The photovoltaic system on the rooftop of Suria KLCC which was installed in 2012 is capable of producing more than 600 megawatt-hours of solar energy annually. The photovoltaic system is set up on a 9,000 sq. meter area and uses six different types of solar technologies which have the potential

to harness the most energy from the sun. It continues to conserve the environment for future generations. The clean energy generated from the system contributes to the reduction of carbon emission of approximately 300,000 kg of carbon dioxide a year. It is able to generate a power capacity of up to 500,000kWh annually while electricity produced is equivalent to powering up to 250 households and 6,500 energy saving fluorescent light bulbs for 12 hours daily. To date, Suria KLCC achieves a 5% saving on its electricity cost.

Year	Energy Generated from SOLAR (kWh)
2012	529,470
2013	592,205
2014	551,162
Total	1,672,837

Mandarin Oriental, Kuala Lumpur

The Hyper-V project which was completed in the third quarter of 2014 entailed the virtualisation of 15 physical servers into 3 consolidated physical host servers. This resulted in lower energy consumption, better cooling in data centre, less emission, pollutants and waste, reduction of floor space used and maintenance cost saving of approximately RM40,000 per annum.

The incandescent lights in the kitchen standalone fridges and freezers were replaced with LED lights from March 2014. Carpark lighting on all 4 levels of the basement were also changed from fluorescent T8 to LED energy savings bulbs and anticipate to achieve a savings of an estimated RM52,000 per annum.

During the year, MOKUL also complied with the External Energy Audit pursuant to the Electricity Supply Act 1990 - Efficient Management of Electrical Energy Regulations 2008. Recommendations are reviewed by the Director of Engineering and the Corporate Responsibility Committee (CRC) members for further improvement.

Water Management

KLCCP Stapled Group continues to monitor its water usage as huge volumes of water is used throughout its operations. A number of initiatives were implemented to conserve and reduce water usage. At the PETRONAS Twin Towers and in working towards the GBI certification, the replacement of flusho-meter with water efficient valves, recycling of fire water and installation of metering and water leak detection system was initiated. It is anticipated this initiative will provide a 30% saving to the operating costs of the building.

At MOKUL, water best practices audits were introduced on a monthly basis with corrective and preventive actions being taken by various department heads. Since August 2014, individual meters have been installed in high consumption areas namely, the kitchens of Mandarin Grill, Lai Po Heen, the pastry kitchen and laundry to conduct performance readings against benchmarked parameters.

Waste Management

KLCCP Stapled Group is continually improving its efforts in waste reduction, recycling and recovery through strict compliance with regulations and internal procedures. We continued with our waste reduction activities to measure the impact in avoidance, reuse and recycle wherever possible. Ten scheduled wastes have been identified and managed according to the Environmental Quality Act & Regulations 2005. Handling, storage, and disposal of waste complies with safety requirements. Tracking of scheduled waste is also monitored in order to ensure that there is no unexpected activity.

Waste segregation is a much focused activity in our hotel. With proper waste segregation processes in place, MOKUL is able to monitor the Waste Intensity (weight of non diverted waste in kg vs guest room nights) and Waste Diversion Rate (weight of waste diverted from landfills and recycled). Key Performance Indicators (KPI) established helped to reinforce management objectives, targets and programs in the financial year ended. As at December 2014, MOKUL's waste intensity was at 3.52 kg per room guest compared to 3.54 kg in 2013 whilst Waste Diversion was at 14.16% compared to 14.22% in 2013.





MOKUL planted 1,000 trees of various species in the tree planting event at the Forest Research Institute of Malaysia.

Inculcating Eco-Minds

Earth Day 2014

KLCCUH, PETRONAS Twin Towers, Suria KLCC and MOKUL in its commitment towards energy conservation, participated in the Earth Day global event on 29 March 2014 by switching off the lights for one hour. This is to promote awareness towards a sustainable future.

Envirocomm 2014

A total of 45 employees from our asset management team at KLCCUH, participated in the Environmental and Community Outreach Program (Envirocomm 2014) in Kuala Sepetang, Taiping, Perak Darul Ridzuan on 28 & 29 November 2014. Envirocomm 2014 is an initiative spearheaded by the Quality HSE Section and supported by Group CSR KLCCUH, in collaboration with the Pusat Eko Pelajaran Hutan

Laut Matang, Kuala Sepetang. It focused on the Mangrove Reforestation Initiative which was developed as part of the effort to contribute towards the conservation of the coastal mangrove ecosystems, raise awareness on the importance of the mangrove ecosystems to the environment and the conservation efforts. Activities carried out included educational tour to *Hutan Paya Laut*, planting of *bakau minyak* seed, visit to the charcoal factory, cleaning of villagers' house, handing of contributions and telematch with villagers.

World Environment Day

MOKUL participated in the Tree Planting event in conjunction with World Environment Day in June 2014. The "Forrester for the Day" themed event at the Forest Research Institute of Malaysia (FRIM) was to create greater awareness amongst colleagues on the need to protect and preserve our environment. It involved planting of 1,000 trees of various species.



COMMUNITY RELATIONS

We recognise the importance in contributing towards the welfare of the community in which we operate in, and continuously identify opportunities to support charitable causes and initiatives in community development projects.

Being part of the society within which KLCCP Stapled Group operates in, we are conscious of our role in promoting social betterment of the community around it. KLCCP Stapled Group believes in engaging with our stakeholders and striving to enrich the community. We have the responsibility to ensure the interest and well-being of our stakeholders and community is optimised.



Suria KLCC's "Sunshine September" promotes awareness on autism and fund raising for the autistic community



Enriching Lives and Championing Community

KLCCP Stapled Group together with the efforts of our retail and hospitality team has touched the lives of many individuals through a variety of corporate social responsibility programs initiated throughout the years.

During the year, our retail team at Suria KLCC utilised the strength of its retail assets to bring to fruition its successful CSR program, Sunshine September, awareness on autism and fundraising for the autistic community. Suria KLCC succeeded in raising more than RM500,000 for the National Autism Society of Malaysia (NASOM). All proceeds raised will be utilised by NASOM to establish two intensive Intervention Program centres in Kerteh and Kajang, making it possible for more children to have access to early intervention programs. To date, Suria KLCC has raised RM1.4 million under this initiative since 2010.

In keeping with MOKUL's commitment of *"Doing More for a Sustainable Future"*, the Corporate Responsibility Committee organised several activities which included the involvement of our colleagues, business partners and the community.

With a common purpose and objective, the employees of MOKUL were actively engaged in supporting and working with the local communities. The hotel staff visited a children's home, Pusat Anbe Sivam, in August 2014 and participated in getting the Home into a more functional environment for the children by carrying out repairs, cleaning and painting the Home. Our business partners also assisted with more technical repairs of doors, walls, and donated fans, cabinets and air conditioners. For the Rumah KIDS orphanage, MOKUL invited the children to view the hotel premises and were given a talk on the hotel industry to create awareness for future career opportunities in the hospitality industry.

In support of Charitable Causes

KLCCP Stapled Group participated in the 2014 Bursa Bull Charge Run in October 2014 which brought together Malaysia's Capital Market players in a collaboration to raise funds to support eight charitable beneficiaries. The run was also to raise the bar in sustainability and inclusiveness. KLCCP Stapled Group sent in a team to participate in the run together with teams from 117 public listed companies.

Throughout 2014, MOKUL championed the cause for the Malaysian Nature Society (MNS). Donations were contributed from the sales proceeds of the Spa Earth Month Promotion and the Tropical Rainforest Spa treatment. MOKUL also held its inaugural charity run which attracted more than 450 participants. The proceeds from the run were also donated to MNS.

Festive Celebrations with the Under Privileged Community

On a yearly basis, KLCCP Stapled Group continues its commitment to social responsibility and has shared the festive joys with the under privileged. This year, the group hosted a *Majlis Berbuka Puasa* dinner for 32 children and guests from Rumah Bakti Al-Kausar. The children were treated to a tour of Aquaria KLCC and invited to dinner at Kuala Lumpur Convention Centre and were also given a token "duit raya".

Our retail team at Suria KLCC in living up to its theme of 'Always Something New' also celebrates the less privileged every year especially during festive seasons. This is our mall's way of giving back to the society, particularly to those in need.



Chinese New Year celebration

The children from House of Joy and Rumah Charis were privileged to watch history in the making with the longest Chinese horse painting in Malaysia and entertained by amazing acts of the Shaolin Martial Arts Troupe from China. They were treated to a dim sum dinner and the auspicious Yee Sang tossing at Spring Garden restaurant. The children were each given "ang pows" (red packets) to be spent on new clothes of their choice at Isetan departmental store.

Hari Raya celebration

50 underprivileged children from Rumah Titian Kasih orphanage, were celebrated to a shopping spree for new clothes in conjunction with the Hari Raya celebration. The children and caretakers enjoyed the Hari Raya themed performances such as a Melaka fusion dance medley and *nasyid* songs by a celebrity *nasyid* group. They were able to break fast at Chakri Palace restaurant with the *nasyid* celebrities.

Deepavali celebration

The Deepavali celebration provided excitement to 50 underprivileged children from Sinthamani Divine Life Ashram who had the opportunity to meet Miss India Malaysia 2014. The Miss India Malaysia 2014 shared her experience in the pageant as well as motivational messages for the children. The children were treated to a movie screening of 'Book of Life' at the TGV Cinema while enjoying popcorn and drinks. The home was presented with Isetan cash vouchers and then treated to a Deepavali themed feast at Chinoz on the Park.





Christmas celebration

In keeping with the spirit of bringing cheer to those in need, 50 orphans between the ages of 5 to 18 years, from Stepping Stones Living Centre were treated to a Christmas dinner at Chinoz on the Park and entertained by Christmas carolers and violinist performance. Accompanied by the employees of Suria KLCC, each child received a cash token for their Christmas shopping spree while the Home received shopping vouchers.

Our hotel, also showed its commitment and compassion to the underprivileged. For the Mooncake Festival, MOKUL invited 32 residents from four old folks home to a luncheon in the banquet room. The old folks from Little Sisters of the Poor, Rumah Orang Tua Ampang, Rumah Victory Elderly Home and TiRatana Home were entertained by a violinist and given the privilege of a front of the house tour. In December and in conjunction with its annual Children Christmas Day special, 30 children between the ages of 5 to 10 years from Rumah Keluarga Kami, Desa Amal Jireh, Rumah KIDS and House of Love were invited to participate in a Christmas cake decorating session with our chefs at MOKUL. The children were also entertained by Bricks for Kids where they were enlightened about sustainable initiatives.

Appreciating our Tenants and Valued Shoppers

We continue to build on our strong tenant relationship and appreciate our tenants for being supportive all these years. Tenants' Nite is a major event held annually since 2002 organised by our asset management team. This year, close to 600 tenants from PETRONAS Twin Towers and Menara 3 PETRONAS attended the Tenants' Nite held at the Kuala Lumpur Convention Centre where tenants, management and KLCC staff got together for a fun-filled night. The event was to pay tribute to the roles played by the tenant representatives and floor safety managers and assistants of each organisation within these buildings. Awards were presented for Top 6 Floor Safety Managers and Top 12 Assistant Floor Safety Managers for the PETRONAS Twin Towers and Menara 3 PETRONAS. The event also served as a platform to network and to further build upon the KLCC brand.

Our valued shoppers at Suria KLCC were not forgotten and for this year's Christmas celebration, Suria KLCC unveiled the tallest Christmas tree in Malaysia at the KLCC Esplanade as a gift to its valued shoppers and visitors who celebrated Christmas in the city with their family and friends. Standing at 32 metres in height, 14 metres in width and 12.2 metres in diameter, the Christmas tree was acknowledged by the Malaysian Book of Records as the tallest Christmas tree replica in Malaysia. Throughout the festive seasons during the year, our shoppers also stood to win gifts and were rewarded with their purchases at the mall.



SAFETY & HEALTH

We are committed to conducting our business activities in accordance with our policies on Health, Safety & Environment and safeguarding our business and assets. We provide our employees with a conducive work environment that complies with the highest standards of occupational safety and health regulations.

KLCCP Stapled Group continues with its efforts to ensure that the organisation's commitment to conduct business activities shall be in accordance with the KLCCP Policy Statement on Health, Safety and Environment. In line with the policy, we continuously take steps towards the conservation and preservation of the environment. KLCCP Stapled Group provides the resources, systems and training and communicates with employees, customers, suppliers and the public with regards to appropriate matters on health, safety & environment (HSE). The health & safety of all employees, its tenants and visitors to and within the buildings is paramount to KLCCP Stapled Group.

ZETO RULES

 <p>01 Work with a valid work permit (PTW) required by the job</p>	 <p>06 Use the correct personal protective equipment (PPE) when handling hazardous chemicals</p>
<p>02 Verify energy isolation before starting work</p> 	<p>07 Obtain authorisation before excavation or entering a trench</p> 
 <p>03 Obtain authorisation before overriding or disabling safety critical equipment</p>	 <p>08 Do not position yourself under a suspended load</p>
<p>04 Obtain authorisation before entering a confined space</p> 	<p>09 Do not smoke outside designated areas or bring potential ignition sources into process areas without authorisation</p> 
 <p>05 Protect yourself against a fall when working at height</p>	 <p>10 Do not use your mobile phone / walkie-talkie while driving, follow the speed limit and use your seat belt</p>



Safety & Health Performance

KLCCP takes pride in its zero fatalities achieved in the last 4 years. This achievement is the result of rigorous safety measures implemented throughout our businesses, as well as strengthening of KLCCP Stapled Group's safety culture and capabilities. For 2014, we recorded 3 Loss Time Injury (LTI) incidents with a Loss Time Injury Frequency (LTIF) of 0.14%, a reduction of 68% from 2013 whilst Loss of Primary Containment (LOPC) was maintained at zero.

Upholding Standards

KLCCP's Corporate Statement on HSE Policies was established in 2007 and formed the foundation to ensure the accomplishment of the HSE mission and vision. The HSE policy is a commitment from the top management to the employees, contractors, customers, suppliers and the public.

To demonstrate our seriousness and commitment towards HSE, KLCCP Stapled Group established various internal committees to review on HSE matters. The HSE Management Committee which reports to the Board of Directors provides leadership on HSE Governance and approves strategies as well as initiatives for group wide implementation. This Committee meets at least twice a year and is supported by the Group HSE Division. At the PETRONAS group level, KLCCP Stapled Group is represented at the Group HSE Technical Council and the PETRONAS HSE Executive Council where the technical meetings which are held quarterly, serves as a platform for information sharing group wide.

Performance Measurement and Monitoring

KLCCP Stapled Group's HSE performance is monitored and tracked on a monthly basis in accordance with the targets & standards set by the management apart from compliance to applicable regulatory requirements. The safety performance of KLCCP Stapled Group is measured by LTI, Major Fire Incidents, LOPC and Total Reportable Cases (TRC) which are benchmarked against industry best practice. KLCCP Stapled Group operates within the given regulatory limits.

HSE Management System (HSEMS)

Every business unit within KLCCP Stapled Group adopts the HSEMS used to ensure the HSE standard is in place. HSEMS consists of 8 main elements and comprise of 33 sub-elements. The main elements are leadership and commitment, policy and strategic objectives, organisation, responsibilities, resources, standards and documentation, hazards and effect management process, planning and procedures, implementation and monitoring, assurance and management review.

In line with KLCCP HSE Policy, inter-operational unit audits are conducted annually by the HSE team and non HSE trained personnel to monitor performance of the business units against the benchmarked KLCCP Stapled Group's HSE targets.

Zeto Rules

All KLCCP Stapled Group employees are required to understand, internalise as well as act upon KLCCP Stapled Group's health and safety rules such as Zero Tolerance, a principle to ensure all activities are carried out in a safe manner and where any non-compliance is not tolerated. ZETO Rules was introduced as a measure to avoid major accidents which may lead to fatalities and aim to improve the safety performance of KLCCP Stapled Group. Zeto Rules comprises ten mandatory safety rules to ensure high risk works are carried out in compliance with the safety procedures. The Zeto Rules applies to all employees in KLCCP Stapled Group, stakeholders, contractors as well as customers.

HSE Certifications & Achievements

Our continuous efforts and commitment in upholding the HSE standards have resulted in our subsidiaries attaining the following certifications and awards in the year under review. Our asset management team was bestowed the National Occupational Health &

Safety Excellence Award 2014 in the business services category, by the Ministry of Human Resource. KLCCUH also attained the ISO14001:2004 and OHSAS 18001:2007, recognition for its Environmental Management System and Occupational Health & Safety Management System. PETRONAS Twin Towers is OHSAS18001:2007 certified.

MOKUL received the ISO 14001:2004 Environment Management System certification in 2012 and is also certified to ISO 22000 - Food Safety Management System and OHSAS 18001 - Occupational Safety and Health Management System. MOKUL places great importance in consistent deliverance of quality products and services which include sustainable sourcing. Preferred suppliers are meticulously picked after stringent appraisal of their premises and products. Regularly scheduled and ad hoc visits to the suppliers' premises ensure that food and beverage products are processed under best food safety practices and in making purchasing decisions, our hotel gives preference to sustainable products.

HSE Trainings

In creating awareness on HSE and building upon the employees' and contractors' knowledge on health and safety management, in-house seminars are conducted regularly. For the year in review, trainings for employees included First Aid & CPR and Access Permit Co-ordination Training whilst Personnel Protection Equipment and Scheduled Waste trainings were conducted for the contractors. These seminars aim to provide employees, personnel and contractors with sufficient knowledge on workplace safety and health management.

Workplace Safety

KLCCP Stapled Group is committed in providing its employees with a conducive work environment that complies with the highest standards of occupational safety and health (OSH) regulations with zero tolerance for non-compliance. We are committed to providing, in collaboration with our employees, a safe, secure and conducive workplace culture and environment, where the values of mutual and reciprocal respect, trust and confidence are upheld and actively promoted.

Every KLCCP Stapled Group employee must conscientiously and diligently comply with all HSE requirements, measures, work rules, standard operating procedures and all applicable laws and regulations.



To further enhance and promote a more conducive, safe and healthy work environment, the HSE team conducts the "HSE Walkabout" with the objective to ensure KLCCP Stapled Group's operations comply to all HSE requirements. The exercise involves the top management, HSE personnel, HSE committee members and technical staff. The "HSE Walkabout" is also a tool to achieve the organisation's strategic objectives that is to champion HSE initiatives at all levels.

Inculcating HSE Capability & Culture

In its effort to create greater HSE awareness among the employees, KLCCP Stapled Group, through its intranet portal, publishes news and updates on HSE matters and HSE events. The HSE Bulletin published every two months is a medium where the HSE fraternity shares their activities, thoughts, news or articles. This is shared group wide and is uploaded onto the portal. We also adopt the PETRONAS HSE lessons learnt & HSE Alerts which is shared with all employees.

The HSE Appreciation Day luncheon held on 29 April 2014 at The Everly, Putrajaya was participated by 500 employees and contractors. The Appreciation Day was to award outstanding performances by individuals, business units and contractors. It kicked off with Le Tour de Safety which saw 80 participants taking part in the eco race by completing 8 check-points with various challenges. Other activities included a Road Safety Talk and a HSE Exhibition which showcased 15 booths from wellness to safety equipment.

Other CSR Initiatives undertaken to create greater HSE awareness include the WWF Talk, Health Screening, Blood Donation and Wellness Program, Health Risk Assessment Workshop, Development of HSE Performance Scorecard and Fatigue Management Talk by Occupational and Health Doctor.



PEOPLE DEVELOPMENT

We are committed in creating a conducive work environment and creating opportunities for employees to further nurture and develop their skills. KLCCP Staped Group places prime importance to human capital development and ensures a superior performance culture is instilled in all employees.



THE FOUR PHILOSOPHIES OF OUR HUMAN CAPITAL DEVELOPMENT

01

EMBRACE CORPORATE CORE VALUES

- We subscribe to the KLCCP Stapled Group Shared Values of Innovative, Cohesiveness, Loyalty, Integrity and Professionalism and exhibit these values in the value we create
- We are united in supporting each other's efforts towards the growth of KLCCP Stapled Group

02

INCLUSIVE AND DIVERSE CULTURE

- We value the diversity of our employees and treat all with dignity and respect
- We practice equal opportunities for professional and intellectual growth and development in a diverse workplace

03

DRIVE SUPERIOR PERFORMANCE

- We are growing towards a superior performance culture where we aim to position our mindset and behavior for an intensified business focus
- We recognise the personal value and contribution of every employee and reward based on performance

04

NURTURE LEADERSHIP AND TALENT

- We maximise the opportunities for success through training and development and in aligning employees' work contribution, personal and career development with KLCCP Stapled Group's objectives
- We believe in the right person having the right skills being placed in the right position at the right time



Embracing Shared Values

KLCCP Stapled Group has adopted the PETRONAS' Code of Business Ethics (CoBE) which seeks to ensure that the Company's or Groups' Directors, employees and third parties, which perform work or services for KLCCP Stapled Group, would act ethically and remain above board at all times. This is in line with KLCCP Stapled Group's Shared Values of loyalty, professionalism, integrity, cohesiveness and innovative. This is also reinforced to employees via the KLCC Group Induction Program for new employees. The Board also adopts the PETRONAS' Whistle-blowing Policy and the Anti-Bribery and Corruption Manual which provides and facilitates appropriate communication and feedback channels between management and its employees within KLCCP Stapled Group.

Employee Engagement

The Group CEO Townhall session held annually is a platform where top management collectively engage with employees from across the KLCCP Stapled Group. This promotes a better understanding of the organisation's goals, achievements and growth path to enable employees to share in the success of

KLCCP Stapled Group and to further boost morale, commitment and inspire the employees to continue to strive for excellence. This year's Townhall was held in conjunction with the launching of the Quality Day which reignited the message towards having the necessary mindset and added capabilities to tackle work in an enhanced structured manner that will yield strong, performing quality outcomes. Business growth, operational performance, future direction and staff concerns were addressed at the session.

The intranet portal is another avenue wherein our employees are kept abreast on internal news, events and announcements and simultaneously promotes discussion amongst them. Newsletters are also circulated and divisional meetings are held on a regular basis to foster effective communication.

On an annual basis, we conduct the Employee Feedback Survey which provides management with the knowledge and tools to build positive employee relations and a positive work environment. A total of 74% of our employees participated in the survey which measured employees' satisfaction of their work environment, job satisfaction and gave the employees an opportunity to voice their suggestions on improvements for the organisation. Key findings of the survey results are then shared with management and the employees with the necessary improvement action taken accordingly to continuously provide a conducive work environment which creates opportunities for employees to further nurture and develop their skills.

Performance Management

KLCCP Stapled Group is a performance-driven organisation and provides employment opportunities and career growth that allows employees to attain personal growth and development. The Employee Performance Management (EPM) system is a framework that enables employees to align their work contribution, personal and career development with the organisation's objectives. EPM focuses on the employees' contribution to the organisation's business plan and plans their future development with the organisation. The development of the Key Performance Indicators (KPI) to measure employees performance are jointly set between management and staff and periodic performance evaluation is conducted to provide feedback to the employees. Employees are rewarded with annual bonuses and salary increments based on their performance.

Nurturing Leadership and Talent

As our human capital is essential for the organisation to grow its business, remain viable and competitive, KLCCP Stapled Group places emphasis on capability development which includes functional skills, behavioural competencies, leadership and mindset.

KLCCP Stapled Group has been progressing towards institutionalise capability (IC) in the areas of Project Management, Property Development, Asset Management-Facilities, Asset Management-Marketing and Leasing and Investment Management. The objective of the IC was to develop a capability matrix for assessment in each of these five areas and on building the People Capabilities to support the overall IC goals. These People Capabilities form the foundation for KLCCP Stapled Group's organisational capability and will provide the competitive edge to the organisation.

During the year, the capability matrix for each of the capability areas were developed and a baseline capability for the various levels of staff were determined. The pilot project then kicked off with a selected group undergoing the assessment and gaps were then identified for these staff to be developed on.

In its effort to reduce the competency gap of employees as well as to enhance skills in leadership positions, KLCCP Stapled Group continued to invest significant resources in professional development of employees at all levels within the organisation. The training plan for each employee is developed at the beginning of the year based on functional and technical competencies to be upskilled. The continuous learning and development opportunity is given to the employees to enhance their knowledge and skills and competencies to discharge their duties as well as gearing them up in their career progression within the organisation.

In the year under review, KLCCP Stapled Group introduced a structured quality program inculcating the 5 Quality Principles for all employees within the group. The objective of the programme was to inculcate quality working mindset at all levels of the organisation. All employees within their respective organisation had to present an initiative which demonstrated the use of the 5 quality principles to the quality working committee.

Structured leadership programs such as Senior Management Development Program (SMDP), Leadership Excellence at PETRONAS (LEAP) and Senior Leaders as Coaches were also conducted to accelerate development of performing employees and empower them to build their careers within the organisation. In respect to



leadership development, "Senior Management Away Day" and "Leadership Away Day" programs were conducted for Senior Management and middle managers respectively to foster togetherness and collaborate amongst leaders of the KLCC Group to unite, achieve common goals and create legacies within the organisation.

Succession Management

KLCCP Stapled Group has established a framework for succession management and in 2014, embarked on a review of its current organisation structure and manpower requirement and strengthened the current

KLCC GROUP QUALITY POLICY

Our policy is to deliver products and services that meet the requirements of internal and external customers as promised. We are committed to providing high quality, innovative, reliable and cost effective products and services to our customers. We are committed to make quality a culture at every level of the organisation by practicing the five quality principles of:

1. Conformance to Requirement
2. Prevention
3. Right Things Right Every Time
4. Price of Non-Conformance
5. Proactive Leadership at All Levels

framework to ensure effective succession plan particularly in senior leadership positions. Critical positions and potential successors have been identified while career paths and focused interventions are being developed to ensure structured development and easing into critical leadership positions.

Employee Rewards & Recognition

The 7th Long Service Award ceremony was held to recognise and appreciate the long serving employees whose loyalty, unwavering commitment and sacrifices have played a key role in ensuring the sustainability of the organisation and its continued growth. The organisation todate has recognised a total of 235 employees who have served 10 to 25 years with the organisation. These employees continue to take pride in being part of KLCCP Stapled Group's fraternity.

KLCCP Stapled Group held its inaugural Performance Laureate Award 2014 to acknowledge and reward Business Units, Departments and Divisions within the organisation who have strived for outstanding performance and achieved highest standards of excellence in business conducts and practices. Ten awards were presented this year namely Best Project, Best Customer Orientation, Best BSC Performance, Best Quality initiative, amongst others.

KLCCP Stapled Group is committed to ensuring that the performance journey and culture will be a continuous process to develop a high performance organisation that embraces best practices and in turn develop a highly professional and competent workforce.

Employee Wellness

KLCCP Stapled Group acknowledges the importance of its employees' well-being and strive to ensure their welfare is well taken care of whilst in service to the organisation. Our employees are provided medical coverage that also cover their spouses and children. Full medical screening is also provided for employees above 35 years of age.

KLCCP Stapled Group respects its employees' rights to have a conducive work environment and work-life balance. Employees of KLCCP Stapled Group are encouraged to participate in sports, recreational and social activities held annually such as the Inter-Group sports competition under the Kelab Sukan dan Rekreasi PETRONAS Wilayah Tengah (KSRP) which included friendly matches with other sectors of the PETRONAS group for games such as futsal, netball, bowling, ping pong and badminton. These sporting activities encouraged the employees of KLCCP Stapled Group to be part of a healthy and integrated life and simultaneously promoted cohesiveness, team camaraderie and expanded the employee's social contacts with the PETRONAS group.

The employees were also feted at the *Majlis Berbuka Puasa* Kumpulan Syarikat KLCC, KLCC Group Hari Raya Gathering and the KLCC Group Annual Dinner and Awards Night. This provided opportunities for interaction and affinity amongst employees.

