

SUSTAINABILITY STEERING COMMITTEE CO-CHAIRMAN'S MESSAGE

“ More than a year after the start of the COVID-19 pandemic, we still find ourselves in challenging, uncertain times. COVID-19 has tested our resilience and forced us all to adapt. ”



**KLCCP Stapled Group
officially became a member
of the United Nation
Global Compact Malaysia
(UNGCMY) in June 2021**

It has also made many of us reflect on our pre-pandemic lives and questioned established ways of doing things. Nevertheless our commitment to being a leader in Environmental, Social and Governance (ESG) matters, both in the property sector and more broadly, remains unchanged. In our Sustainability Report (the Report), we describe our ESG targets and outline our progress to date.

PROGRESS IN 2021

The continued success of the Group throughout the pandemic has shown that our focus on balancing value and growth for our stakeholders is the correct one. We must continue to evolve, if we intend to remain both relevant and resilient in the coming years. To that end, our 5-year sustainability roadmap continues to guide us on our journey towards our goals of Building a Smart, Safe and Sustainable KLCC Precinct, Building an Agile, Inclusive and Sustainable Workforce in a VUCA World and Combating Climate Change and Reducing Environmental Impact.



ANNUAR MARZUKI ABDUL AZIZ
Chief Financial Officer

ZALINA IBRAHIM
Head, Health, Safety and Environment

Our achievements during the year under review have progressed commendably as we continued our digitalisation push through the establishment of DigiCo to provide oversight on all Digital Projects and ensure a strong governance structure on existing and future initiatives. Two Digital Focus Areas (DFA), namely Facilities Management and the IBCC Integration are towards their completion stage and our Parking Management enhanced its contactless and cashless payment systems.

Our commitment to our People has never been greater as we recognised the need to manage their mental health and wellness. Partnership programmes were instituted and a roll out of the Employee Assistance Programme (EAP) called KLCC MyWellness provided comprehensive and personalised professional coaching to improve their physical and mental health. More on our achievements can be found throughout the Report in our corporate website.

TRANSITION TO A CLEANER WORLD

Stakeholders have significantly raised the spotlight on environment and climate change. As part of our commitment to accelerate the transition to a low-carbon world, and in line with PETRONAS' ambition to reach Net Zero by 2050, we are taking action to better understand our carbon footprint towards a robust and practical strategy. During the year under review, as the Nation gradually reopened and businesses resumed operations, we witnessed an uptick in our environmental numbers.

Although warranted, we will look closely at our sustainability performance once our environmental numbers normalise and we are able to better assess the operating environment. Further, we have taken the decision to begin the groundwork in accessing our readiness towards reporting on the Taskforce on Climate-Related Financial Disclosures (TCFD). We believe these disclosures will increase awareness and understanding of climate-related risks and opportunities

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within the Group resulting in better risk management and more informed strategic planning. It will additionally, proactively address investors' demand for climate-related information in a framework that investors are increasingly asking for.

We continue to connect actively with our stakeholders both internally and externally and our proud moment came when we clinched the Platinum Award in the Asset ESG Awards 2021, for the second consecutive year for our excellence in ESG practices. We were also awarded the Sustainability Business Awards 2020/2021 Significant Achievement for Supply Chain Management and Business Ethics & Responsibility, The Royal Society for the Prevention of Accidents (RoSPA) Gold and Silver Awards for our Facilities Management and Car Park Management respectively while Mandarin Oriental, Kuala Lumpur was awarded the Green Hotel Standard 2020-2022 by Ministry of Tourism, Arts and Culture.

LEADING THE WAY

Our ambitions to evolve into a sustainability leader is based on integrating sustainability into our culture, so that everybody in the organisation understands sustainability and how we add value to society. We focus on gender diversity not through setting quotas, but by making sure that recruitment opportunities are equally available irregardless of gender. In health and safety, we aim for outstanding performance, staying ahead of the curve in terms of compliance and making sure we are a Group that our stakeholders can trust.

ACTIONING OUR COMMITMENTS

This year we take guidance from the World Economic Forum's Stakeholder Capitalism Metrics (WEF SCM) for our sustainability reporting as best practice for a more focused ESG impact reporting. This is particularly crucial as the call for greater sustainability disclosures are increasingly apparent and it is our commitment to position the Group as a transparent, responsive, and responsible organisation to enhance stakeholders' trust.

The recent update to the Malaysian Code on Corporate Governance (MCCG) issued by Bursa Malaysia, further reaffirmed the importance of ESG matters for an organisation. One of the areas covered is on strengthening Board oversight and integration of sustainability in the company's strategy and operation. This will see sustainability taking a more prominent role as organisations are required to address sustainability risks and opportunities to support its long-term strategy and success. Following this, the Board Risk Committee (BRC) was established on 9 December 2021 to provide direction, guidance, and oversight on Risk Management, ESG compliance and sustainability matters for the Group.

The COVID-19 pandemic has brought a wide range of ESG factors into sharp focus for corporates – including employee wellness and working conditions, access to healthcare, and environmental impact. COVID-19 has also made investment in the SDGs more urgent than ever. Investment in sustainable, innovative and resilient infrastructure is critical to pave the way for an inclusive post-COVID-19 economic recovery. KLCCP Stapled Group aims to play a positive and collaborative role, not only better and greener but with a greater social conscience, building on our deeply held beliefs within society.

SUSTAINABILITY RECOGNITION



The Asset ESG Corporate Awards 2021

- Platinum Award for Excellence in Environmental, Social and Governance (ESG)



MSOSH Occupational Safety & Health (OSH) Award 2021

- Gold Class 2 Award (Services Sectors)



Royal Society for the Prevention of Accidents (RoSPA) Health and Safety Awards 2021

- Gold Award – KLCC Urusharta Sdn Bhd
- Silver Award – KLCC Parking Management Sdn Bhd



Sustainability Business Awards Malaysia 2020/2021

- Supply Chain Management
- Business Ethics and Responsibility



Green Hotel Standard 2020-2022

by Ministry of Tourism, Arts and Culture