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SECURITY, SAFETY AND HEALTH

**SECURITY, SAFETY AND HEALTH**

Safety is the pre-requisite for sustainable operations excellence and integrity. KLCCP Stapled Group has robust Health, Safety and Environment (HSE) policies and practices in place to minimise and prevent workplace injuries, accidents, medical illnesses and even fatalities. As a property owner, developer and manager, KLCCP Stapled Group imposes strict adherence to the Group’s HSE Policy in all areas of our operations. Our leadership’s commitment in enhancing and improving HSE is testament to this.

<p><b>SUSTAINABLE MATTERS</b></p>  <p>Supporting the UNSDGs</p> <p><u>Safety and Health Management</u></p> <p><u>Security Management</u></p>	<p><b>WHY IT MATTERS</b></p> <ul style="list-style-type: none"> <li>Protecting our people and caring for their well-being is essential to our business operations</li> <li>Safety at worksite is one of the highest safety issues due to increasing number of rate of work-related injuries, illnesses and inherent risks associated with working in the real estate sector</li> </ul>
<p><b>VALUES CREATED</b></p> <ul style="list-style-type: none"> <li>Strengthened HSE capability and culture and occupational health of employees within the organisation</li> <li>Sustained HSE excellence with every employee ensuring HSE accountability within the organisation</li> <li>Being the leader in the industry, surpassing our peers</li> </ul>	

**OUR APPROACH**

KLCCP Stapled Group is committed to conducting business in a manner that protects the health, safety and security of our employees, tenants, contractors, suppliers and the community who visit our properties. Our business activities are conducted in accordance with our policies on HSE and comply with the highest standards of occupational safety and health regulations.

We place utmost importance on safety management to prioritise safe work practices, building HSE capability and culture within our organisation and occupational health in sustaining ideal health levels of our employees, visitors to our properties and at project sites. Regular HSE programs are conducted to strengthen our HSE culture and capability and ensure our operations are carried out with the highest safety standards. We make continuous improvement in our HSE practices, measure and track our performance against industry best practices in our effort to raise the bar on HSE.

**3-Year (2016-2018) Sustainability Roadmap**

3-YEAR TARGET (against 2015 baseline)	STATUS	RESULTS
Zero Fatality at workplace	● ○ ○	Maintained zero fatality
Zero Loss of Primary Containment (LOPC)	● ○ ○	Maintained zero LOPC
0.7 Loss Time Injury Frequency (LTIF)	● ○ ○	Achieved 0.47 LTIF (below threshold limit of 0.7)

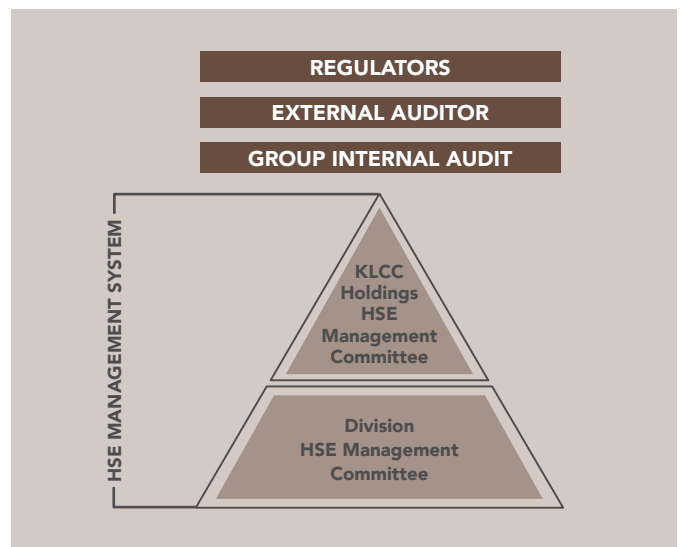
● ○ ○ Met 2018 target      ○ ○ ● 2018 target not met

**HSE GOVERNANCE**

KLCCP Stapled Group work jointly with the Department of Occupational, Safety and Health, Department of Environment, BOMBA and other certification bodies in enforcing the relevant acts and regulations to achieve appropriate standards in health and safety performance. A health and safety management audit is conducted by our external

auditors based on ISO 14001 and OHSAS 18001. It is a structured process of collecting independent information on the efficiency, effectiveness and reliability of our HSE practices and drawing up plans for corrective actions. The Group Internal Audit ensures all our HSE practices comply to the legal and conditions of contract in controlling risk and safeguarding against any harmful safety and health effects.

HSE at KLCCP Stapled Group is driven from the top through two HSE Management Committees (HSE MC) within the organisation subscribing to the HSE Management System (HSEMS). At the holding company level, the KLCC Holdings HSE MC is chaired by the CEO and its members comprise heads of business units and representatives from our joint ventures and hotel operations. Under KLCCP Stapled Group, we have a Division HSE MC chaired by the respective Division Heads and comprise representatives from the Employer and Employee.



These committees meet every quarter to proactively discuss on mitigating potential HSE risks and investigate root causes of incidents, and report back to Group level. The members of the committees actively undergo training on the roles and responsibilities of the National Institute of Occupational Safety and Health. With this governance structure, KLCCP Stapled Group ensures effective practice and implementation of HSE culture.

## SOCIAL SECURITY, SAFETY AND HEALTH

### SAFETY AND HEALTH MANAGEMENT

KLCCP Stapled Group has a robust safety system in place, demonstrating our strong commitment to uphold the KLCC HSE Policy which governs and reinforces our commitment towards safeguarding the employees, preserving the reliability of assets, facilities and operations. This is supported by our HSE Management System, HSE Mandatory Control Framework (MCF) and PETRONAS Technical Standards to strengthen HSE

Governance within the KLCCP Stapled Group while providing clear requirements on operational safety, environment and health for consistent and effective implementation.

Our employees, and third party personnel serving at our properties and development sites are mandated to comply with our standards and rules on HSE. We comply to the Zero Tolerance (ZETO) Rules, a principle to ensure all activities are carried out in a safe manner and where any non-compliance is not tolerated.

#### Key Initiatives for the Year

INITIATIVES	DETAILS	BENEFITS
<b>HSE MS Assurance Tier 2 Audits</b>	<ul style="list-style-type: none"> <li>KLCCP adopts the PETRONAS HSEMS. HSEMS integrates the Business Controls, Quality Management System and Risk Management into a single management system. It consists of 88 elements with 36 sub-elements</li> <li>The governance of HSEMS is conducted annually, through tier 2 assurance, a cross business assurance exercise</li> </ul>	Examines every stage in our HSEMS to measure our compliance with the controls, assess our effectiveness and draw up plans for corrective actions
<b>Top Management HSE Walkabout</b>	<ul style="list-style-type: none"> <li>Leadership walkabouts were conducted group wide by the Management Leadership Team – from project sites to plant environment and from buildings to parking management sites</li> <li>A total of 17 HSE Walkabouts were conducted in 2018 by the Management Leadership Team</li> </ul>	Promotes leadership visibility in driving HSE at our workplace and provides clarity to staff and contractors that they are not alone in preventing fatalities and accidents at workplace.
<b>Workplace Health Assessment</b>	<ul style="list-style-type: none"> <li>The workplace health assessment was conducted in accordance to DOSH requirements as minimum (industrial hygiene) identified workplace health risk through:               <ul style="list-style-type: none"> <li>Chemical health risk assessment</li> <li>Chemical exposure monitoring</li> <li>Noise exposure monitoring</li> <li>Indoor air quality                   <ul style="list-style-type: none"> <li>Monitoring and tracking were followed through in HSE committee meetings and monitored in Tier 2 HSEMS assurance exercise</li> <li>No health incidents recorded for the Group in year 2018</li> </ul> </li> </ul> </li> </ul>	Reduces and prevents occupational health disease incidents reported
<b>Emergency Preparedness</b>	<ul style="list-style-type: none"> <li>Fire drill held in Menara Dayabumi in May 2018</li> <li>Simulation exercises (dry run for responder deployment) held at PETRONAS Twin Towers to test the effectiveness of the Emergency Response Plan, Crisis Management Plan and Business Continuity Plan</li> </ul>	<p>Provides common understanding of emergency response management and consistent approach in managing risk to all employees</p> <p>Better able to respond and manage crises in the risk areas to protect and save people, environment, assets and reputation</p>
<b>Safety Engagement With Contractors</b>	<ul style="list-style-type: none"> <li>Programme on safe work practices towards achieving zero LTI included sharing on HSE best practices, lessons learnt and safety pledge on working safely. A total of 15 employees and 70 contractors attended the programme</li> </ul>	Better understanding of HSEMS, MCF and other HSE requirement translating to zero fatalities
<b>Investigations and Findings of Reported Incidents/Action Taken</b>	<ul style="list-style-type: none"> <li>Inclusion of new accident investigation analysis tools i.e. Tripod Beta for better analysis on human factor</li> <li>Standardisation of HSE incident management reporting at all operating units (OPUs), and incident investigation team appointment base on capability and competency</li> <li>All incidents are investigated with proper accident and root cause methodology to identify the cause of the incident</li> <li>The action items from incidents were discussed at various platforms i.e. within the HSE team, OPU level and tracked accordingly by corporate HSE</li> </ul>	Lessons learnt LTI incidents and dangerous occurrence/ near miss incidents were highlighted and shared with all employees within the Group for reflective learning

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### Strengthening HSE Capability and Culture

KLCCP Stapled Group continued to drive efforts towards values, attitudes, goals and proficiency of the organisation’s health and safety programs to strengthen HSE capability and culture among its employees and contractors. Our Management is committed to workplace safety and encourages the safety culture with everyone playing a part in keeping themselves and others safe.



#### CASE STUDY

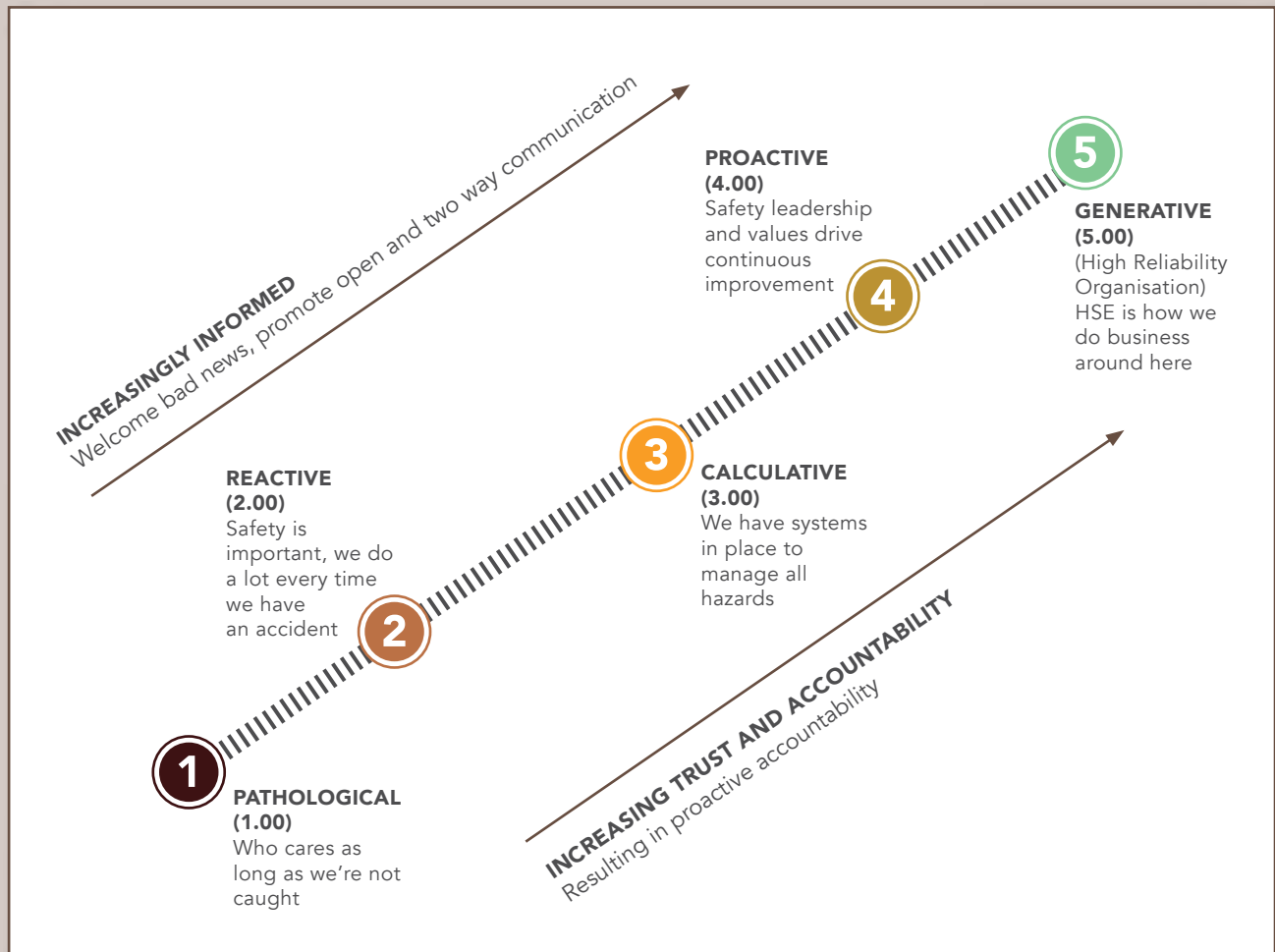
### HEALTH, SECURITY, SAFETY AND ENVIRONMENT (HSSE) MATURITY SURVEY 2018 IN COLLABORATION WITH GHSE PETRONAS

The PETRONAS Group is working towards a step change improvement in HSSE and it is perceived that behavioral and cultural issues need to be addressed to achieve this improvement.

In aligning ourselves to this initiative, KLCCP Stapled Group collaborated with Group HSSE PETRONAS to conduct a HSSE Culture Maturity Survey which was customised based on the Energy Institute’s “Understanding Your Culture Toolkit”.

The objective of the survey was to gauge the level of HSSE maturity culture in our organisation and to understand our strengths and areas of improvements.

The survey was conducted between 16 April and 4 May 2018 which saw a response rate of 67%. The results of this survey is tabulated and given a scoring of 1-5 for maturity levels; 1 – Pathological, 2 – Reactive, 3 – Calculative, 4 – Proactive and 5 – Generative.



KLCCP Stapled Group achieved a score of 4.11, reflecting a level 4 HSSE maturity of ‘Proactive’ which confirms that we are on track to develop a Generative HSSE culture within our organisation. Moving forward, our GHSE division will be using insights from this survey to develop action plans and intervention program to strengthen our HSSE culture within our organisation.

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For workplace safety, we continued our initiatives in ensuring strict adherence to ZeTo Rules, safety management systems, enforcing safety culture, compliance and leadership and lessons learnt. In 2018, numerous HSE programmes were conducted:

### Key Initiatives for the Year

INITIATIVES	DETAILS	BENEFITS
<b>Instilling HSE in each employee via Key Performance Indicators in Employee Performance Contract</b>	<ul style="list-style-type: none"> <li>Reporting on Potential Incident/Near Miss (PI/NM) of potential hazards or incidents at our properties or sites – there were 2,245 PI/NM reported in 2018</li> <li>Identified corrective actions are taken into account prevent injury/illness or recurring of similar incidents</li> </ul>	It encourages HSE excellence and awareness, making each employee responsible towards safety of the workplace
<b>HSE Awareness Programmes</b>	<ul style="list-style-type: none"> <li>HSE Awareness Session with staff – theory and practical.</li> <li>HSE induction for new staff, KLCCUH on-boarding training on daily basis for new tenants and contractors, Stress Management Training for Floor marshals and assistant floor marshals, sustainable development training, Mandatory Control Framework awareness training for KPM staff</li> <li>Education program – Re-inforce ZeTo Rules Training with consequence management for KLCCUH staff and HSE Fraternity</li> <li>Competency program- first aid training for first aiders, HSEMS Tier 2 auditor training, internal auditors training, ISO 14001 and OHSAS 18001 Lead Auditor trainings</li> <li>Training on identification of HSE risk – identifying the impact to people, environment, assets and reputation through hazard and effect management process (HEMP)</li> <li>Monthly KPM HSE Contest launched in February 2018</li> </ul>	An on-going initiative to train and educate our people, raise awareness, and develop HSE competencies within the organisation
<b>HSE Communication</b>	<ul style="list-style-type: none"> <li>Updates on HSE news, events and lessons learnt are published on the KLCC Group intranet portal</li> <li>HSE alerts on HSE incidents within the PETRONAS Group are communicated to all employees for awareness</li> <li>HSE sharing sessions with business units facilitated by the HSE team on environmental awareness and conservation, basic hazards and risk at workplace</li> </ul>	<p>Promotes awareness and understanding of health management and safety as well as specific risk issues</p> <p>Improves the overall effectiveness and efficiency of the implementation of the HSEMS</p>

### Performance for the Year

KLCCP Stapled Group maintained its impressive zero fatal incidents rate in 2018, stretching its record to 6 years. This was contributed by stringent safety measures implemented throughout our business operations. This achievement was also the result of employees' and leaders awareness and commitment towards the importance of upholding and embracing safety culture in all aspects of their work be it at site or offices.

	2018	2017	2016	2015	2014
	⇓	⇓	⇓	⇓	⇓
<b>FATALITIES</b>	0	0	0	0	0
<b>LOSS TIME INJURY (LTI) INCIDENTS</b>	5	9	4	8	2
<b>LOSS TIME INJURY FREQUENCY (LTIF)</b>	0.47	1.19	0.46	0.23	0.14
<b>LOPC</b>	0	0	0	0	0

During the year, KLCCP Stapled Group recorded 5 LTI incidents with a LTIF of 0.47 contributed by mishap of contractors at worksite. Our group has worked on the tightening of permit to work enforcement and intensified training development to reduce the LTI incidents. Loss of Primary Containment (LOPC) was maintained at zero.

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#### Independent Verification and Certifications

KPM received its ISO 14001:2015, ISO 9001:2015 and OHSAS 18001:2007 certification (renewal) in August and September 2018 by Llyod's Register

MOKL Hotel successfully received ISO 14001:2015, ISO 22000:2005 and OHSAS 18001:2007 certification (renewal) in September 2018 by SIRIM

MOKL Hotel successfully received ISO 14001:2015, ISO 22000:2005 and OHSAS 18001:2007 certification (renewal) in September 2018 by SIRIM



Top Management HSE walkabout

#### SECURITY MANAGEMENT

At KLCCP Stapled Group we have the responsibility of keeping our guests, tenants, customers and visitors safe by strengthening our security measures in light of the rising global security threats. It is even more so critical that we put in place the best security measures within and surrounding our premises as the KLCC Development is located in the iconic belt and receives millions of visitors each year.

We have in place a KLCC Precinct Security Master Plan comprising the Security Surveillance System for KLCC Precinct Common Area and we also collaborate with the Police and PETRONAS Group Security to manage the customers and visitors' safety and security across all asset classes. We also reviewed various measures to ensure security standards of all our assets in relation to monitoring systems, physical controls, emergency and crisis management plans and administrative systems are intact.

In 2019, we will be embarking on our initiatives to strengthen the overall security within KLCC Precinct in our efforts to safeguard our people and assets.

#### CyberSecurity

With cyber-attacks becoming more prevalent and damaging, KLCCP Stapled Group is working towards reinforcing our systems and procedures to detect, respond and mitigate potential cyber disruptions for upholding information security protection. Our ICT infrastructure is fully supported by PETRONAS ICT, and we adhere to the PETRONAS' Baseline Security policy requirements which are accredited by the International Organisation for Standardization (ISO) 27001:2013 – Information Security Management System. Our Business Continuity Plan also serves to mitigate security risk for our critical business applications.

#### Key Initiatives for the Year

INITIATIVES	DETAILS	BENEFITS
<b>Virtual Parking Management System</b>	<ul style="list-style-type: none"> <li>Our car parking management services company, KPM, implemented the first-ever virtual Parking Management System in Malaysia utilising a private cloud, which is centralised and located at our data centre managed by our internal ICT experts</li> </ul>	<p>A secured network for data storage and transfer, in combating cybersecurity risk</p> <p>Strengthening our Business Continuity Plan for critical business applications</p>