

OUR STRATEGIC VALUE CREATION

STRATEGIC PILLARS

MAXIMISING VALUE OF INVESTMENTS

RESILIENCE IN SOFT MARKET CONDITIONS

CREATING VALUE THROUGH SUSTAINABILITY

EMBRACING DIGITAL FOR BUSINESS ENHANCEMENT

OUR CAPITALS AND INPUTS

F STRONG FINANCIAL POSITION

Total equity attributable to holders of Stapled Securities

RM13.0 bil

Total financings
RM2.3 bil

To read more, refer to A Statement from the CFO on pages 80 to 81 and KLCCP Stapled Group 5-Year Financial Highlights and Summary on pages 82 to 85

P PORTFOLIO OF DIVERSE, ICONIC ASSETS AND MANAGEMENT SERVICES

Iconic and high-quality assets

5 Offices | **2** Retails | **1** Hotel

Property Value
RM15.7 bil

To read more, refer to Our Iconic Portfolio on pages 16 to 22 and Operations Review on pages 90 to 115

K DEEP KNOWLEDGE AND STRONG CAPABILITIES

Deep real estate experience

Digital enablers to create value through innovation

To read more, refer to KLCCP and KLCC REIT Boards of Directors on pages 144 to 150 and Management Team on pages 152 to 154, Operations Review on pages 90 to 115 and Embracing Digital, Driving Innovation on pages 32 to 33

E ENGAGED AND INSPIRED EMPLOYEES

Total Employees

868 permanent | **106** contract

High performing people and future driven culture

To read more on Our People, refer to online Sustainability Report at www.klcc.com.my/sustainability.php

N NATURAL RESOURCES

50 acres of KLCC Park (green lung) with **1,700** trees

947,728 m³ of water used in our buildings

88,531,212 kWh of electricity used in our buildings

To read more on our Environmental practices, refer to online Sustainability Report 2020 at www.klcc.com.my/sustainability.php

R TRUSTED RELATIONSHIPS WITH STAKEHOLDERS

High integrity, trust and transparent communication with our key stakeholders

To read more, refer to Stakeholder Management on pages 60 to 65

MATERIAL MATTERS

Prosperity

Financial Sustainability
Economic, Social and Industry Growth

- Committed in ensuring business sustainability and delivering sustainable returns to holders of Stapled Securities
- Contributing towards industry and the nation's growth
- Digitalisation is key to future business success and keeping our assets relevant

Planet

Climate Change
Environmental Management

- We are concerned about our environmental footprint and committed to reduce environmental impact for our future generation

People and Partnership

Our People
Human Rights and Labour Practices

- Our people define the culture of the organisation and contribute towards business success
- We respect the rights and dignity of every individual within our business operations

Security, Safety and Health

- Our people are our invaluable assets and caring for their health, safety and well-being is paramount to our business operations
- The Group's data is highly confidential, and leakages of data could jeopardise the organisation's integrity

Customer and Tenant Management

- Our customers/guests and tenants inspire us to continue to create a collaborative, engaging and experiential lifestyles

Supply Chain Management

- Crucial to have a supply chain of credible suppliers
- Enables us to support diverse local suppliers
- Procuring high quality products and services is our priority

Corporate Social Investment

- Our way of giving back to the community
- Creating a positive and lasting social impact

Peace

Corporate Governance and Business Ethics
Risk and Crisis Management

- Best corporate governance practices reflect the Group's transparency and integrity
- An effective and sound risk management and internal control system supports our business strategy and underpins our business model

To read more, refer to Material Matters 2020 in our online Sustainability Report 2020 at www.klcc.com.my/sustainability.php

RISKS AND OPPORTUNITIES

Risks

- Unexpected increase in costs resulting from the pandemic
- Insufficient working capital to cover business obligations resulting in financial insolvency
- Inability to compete in a challenging market
- Lack of efficiency and competitiveness to survive in the digital era

Opportunities

- Reduce operating costs in order to conserve cash for survival
- Unlocking value through optimisation of our portfolio of assets
- Reshaping competitive edge by recognising our collective strength and leveraging on our core competencies to promote economic and industry growth
- Stay connected and accessible during the pandemic with the available digitalised services

Risks

- Negative impact to the environment and surrounding community resulting from our operations

Opportunities

- In support of the Government's initiatives towards achieving a low carbon economy status by 2050
- Be a responsible organisation who is committed to operate and grow in an environmentally responsible and sustainable development

Risks

- Higher attrition and failure to retain skillful and talented employees
- Employees not well-equipped with the skillsets required with advancements in technology
- Reputational damage if perceived to practice discrimination
- Threats to employees' health and safety - resulting from the global pandemic, work related illnesses, accidents and occupational hazards
- Threats to safety of our guests, tenants, customers, assets with rising global security risks and being located on the iconic belt
- Failure to keep pace or stay ahead of the rapid transformation of customer expectations and digital revolution
- Customers lack of confidence/trust in the safety and security of our facilities
- Compromised quality of our product and services from poor supply chain management
- Poor brand visibility and perceived negatively by stakeholders

Opportunities

- Transform our workforce with the right mindset and culture - to be empowered, agile and enabled in the VUCA world
- Maintain a healthy workforce and safe workplace for a sustainable business
- Upgrade data protection infrastructure to provide a secured network for data storage and transfer
- Differentiate customers/guests offering with focus on quality products/services, experience and convenience
- Boost shopper traffic, guests' arrival and sales during the pandemic
- Better collaboration with suppliers in managing procurement processes
- Enhance brand visibility and outreach to a wider community

Risks

- Heightened legal, regulatory and reputational risks
- Lack of control and strategic alignment leading to corruption, negligence, fraud and lack of accountability

Opportunities

- Good governance practices represent a critical benchmark in an organisation's success for growth, competitive advantage and management stability
- Promote trust and integrity through improved organisational efficiency and effectiveness in managing risks associated with bribery and corruption
- Engage shareholders in making investment decisions and promote management transparency

To read more on our operational risks, refer to Understanding Our Principal Risks on pages 74 to 79

VALUES CREATED

RM1.2 bil
Revenue

RM0.5 bil
Profit for the year

30.0 sen
Distribution per Stapled Security

F P

Reduced **4.2%**
Total GHG emission from 2019

RM1.8 mil
Energy cost saving since 2014 from the solar panel at the rooftop of Suria KLCC mall

Eliminated **68%**
single-use plastic in hotel operations

N

96% Employee retention rate

RM3.3 mil
Spent on staff learning and development

87% Hotel guest satisfaction score

Zero
Number of fatalities recorded since 2014

95% Products sourced locally

40%
Nominated suppliers in MOKL Hotel have accreditation in food safety requirement

RM95.3 mil
Spent on community investment and retail tenant assistance

K E R

43% Women directors on Board

ABMS ISO 37001:2016
Certification attained for KLCCP, KLCCRM, KLCCUH and KPM

K

TRADE-OFFS

STRONG FINANCIAL POSITION

Financial capital is applied to enable us to execute our growth strategy and in mitigating risks to sustain performance typically with positive impacts on Portfolio, Employees, Knowledge and Relationships capitals. This however may result in depletion of Natural resources.

PORTFOLIO OF DIVERSE, ICONIC ASSETS AND MANAGEMENT SERVICES

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, and grow our financial position.

DEEP KNOWLEDGE AND STRONG CAPABILITIES

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

ENGAGED AND INSPIRED EMPLOYEES

Investment in employees' continuous training and development as well as to support employees working from home during the pandemic have depleted our Financial capital. However, this will benefit our Financial, Portfolio, Natural and Relationships capitals in the longer term.

NATURAL RESOURCES

Utilisation of natural resources in our business operations negatively impacts the Natural capital. We manage our emission, electricity consumption and water use to minimise environmental degradation resulting in positive impact to Financial capital and indirectly boost other capitals that create value for our stakeholders.

TRUSTED RELATIONSHIPS WITH STAKEHOLDERS

Our commitment in providing tenant assistance and giving back to the community have reduced our Financial capital. Studier negotiations with stakeholders in our effort to preserve cash may impede relationship throughout our supply chain. However, this will uplift all our six capitals in the long run.