

# Sustainability Steering Committee Chairman's Message



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## Dear Stakeholders

2025 has been another successful year for the Sustainability Steering Committee (SSC) as we continued to strengthen KLCCP Stapled Group's sustainability platform, putting into action the Sustainability Plan 2030. In the process, we are seeing more positive outcomes from our social and environmental endeavours.

At KLCCP Stapled Group, we have always recognised the need to operate sustainably in order to protect the interests of our stakeholders and society at large. This commitment is encompassed by four pillars that support our sustainability performance – Planet, People, Peace and Prosperity. In 2024, to further integrate the four Ps into our strategy and operations, we launched our Sustainability Plan 2030. In the second year of its implementation, we are making very good progress on various initiatives under the plan, achieving and in some cases exceeding targets set leading towards goals outlined for 2030.

Given the increasing urgency to manage climate change and mitigate its associated risks, this continued to be one of our topmost priorities. We have strengthened our climate governance and data management to measure our performance. We have also reinforced our climate resilience strategy by identifying our most pertinent climate-related risks namely flooding and increasing regulatory requirements while assessing their financial impact as well as the opportunities they present.



As a result, we have greater clarity on what our material climate risks are and how best to manage them. This progress also places us on a strong path towards compliance with the National Sustainability Reporting Framework (NSRF), which requires listed companies in Malaysia to align our sustainability disclosures with the International Financial Reporting Standards (IFRS) S1 and S2 as set by the International Sustainability Standards Board (ISSB).

In fact, through earlier adoption of Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, we already have a robust foundation to report on climate governance, risk management and metrics. We are therefore quite confident of full compliance with the NSRF by the year 2027, meeting the deadline set for listed companies with more than RM2 billion in capitalisation.

## Energy efficiency, climate risk management and the integration of sustainability considerations into investment and asset management decisions will drive our sustainability direction.

Operationally, concerted efforts to minimise our carbon footprint have led to a 12% reduction in our Scope 1 and 2 emissions from the 2019 baseline. Broadly, this has been achieved via improved controls and closer monitoring of our asset performance. Our Asset-by-Asset Decarbonisation Plan is progressing well across our Office, Retail and Hotel segments as we work on the decarbonisation levers identified for each asset. These include improved energy efficiency, optimised building systems, operational enhancements and the use of renewable energy where feasible. The plan also enables us to continuously refine our emissions forecasting for better alignment between operational planning, capital allocation and the Group's 2030 and 2050 climate commitments. To recap, these are to reduce our Scope 1 and 2 emissions by 10% from the base year 2019 by 2030; and to become a net zero carbon emissions organisation by 2050.

In terms of Scope 3 emissions, in 2024 we had identified four categories that are relevant to decarbonising our supply chain, namely Purchased Goods and Services, Business Travel, Employee Commuting, and Downstream Leased Assets. Following a comprehensive materiality assessment in 2025, we have added four more categories to our list: Capital Goods, Fuel and Energy-related Activities, Waste Generated in Operations, and Use of Sold Products. We have also established data collection methodologies

for all categories. As Scope 3 emissions are largely from our suppliers, customers, tenants and partners, we are stepping up our engagement with them to encourage and support their energy transition.

Closer to home, we are deepening a sustainability culture in the KLCC Precinct via our flagship Sustainable September which brings together employees, tenants, customers and the wider community around various sustainability initiatives. This year, we extended our partnership to key collaborators beyond the Precinct, bringing on board Dewan Bandaraya Kuala Lumpur (DBKL) and the Forest Research Institute Malaysia (FRIM) to deepen our impact via various programmes. With FRIM, we planted 50 trees in KLCC Park. Meanwhile, our collaboration with DBKL drew city-wide attention and led to Sustainability September being featured at the ASEAN Sustainable Urbanisation Forum Business Assembly as a model that can be scaled for sustainable cities. To read more on Sustainable September's evolution, please refer to pages 156 to 159 of Integrated Report 2025.

Internally, SSC continues to review sustainability initiatives across the Group and engages with management to ensure that sustainability considerations remain integrated in business discussions and decision-making. We are also further enhancing awareness among employees and encouraging the adoption of a sustainable approach to everything we

do. The idea is to shift mindsets through training, campaigns, knowledge-sharing and dialogue such that sustainability-consciousness permeates our day-to-day actions, at work and beyond.

While we are pleased with our achievements to date, we recognise there is no room for complacency. As sustainability issues become even more critical, we need to step up all efforts to address areas within our control. Going forward, we will focus on further advancing the execution of our Sustainability Plan 2030, placing greater emphasis on measurable outcomes and performance consistency. Our key priorities will be to further strengthen our alignment with IFRS S1 and S2 requirements, especially on broader sustainability risks and opportunities that are material to the Group. We also seek to enhance our Scope 3 data quality and to elevate our decarbonisation initiatives where operationally and commercially feasible.

Energy efficiency, climate risk management and the integration of sustainability considerations into investment and asset management decisions will drive our sustainability direction. At the same time, the Group will engage more effectively with our stakeholders to foster a shared deepening of our sustainability culture. In this manner, we look forward to creating better outcomes for the Planet and People, achieving Peace and Prosperity for everyone.