

# SUSTAINABILITY STEERING COMMITTEE CHAIRMAN'S MESSAGE

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**DEAR SHAREHOLDERS,**

**In 2022, the world embarked on the recovery path - post pandemic transition. The recovery from the pre-Covid-19 era, however, has not been smooth due to the political and economic instability around the world, and the unpredictable effects of climate change. Closer to home, Malaysia experienced the worst flooding in recent years.**

**MOHAINEE BINTI TAHIR**

Head, Group Strategy and Sustainability

Despite the economic challenges, our commitment to being a leader in Environmental, Social and Governance (ESG) matters remain unchanged. In this Sustainability Report (the Report), we set forth our ESG targets and approach on the material sustainability matters and disclose our progress to date.

## SUSTAINABILITY STEERING COMMITTEE CHAIRMAN'S MESSAGE

Actioning our commitment on ESG management, the Group has established a department dedicated to ESG matters. This department is responsible to oversee and steer the day-to-day management on material sustainability matters in the KLCCP Stapled Group.

## 2022 HIGHLIGHTS

This year, the KLCCP Stapled Group has issued our inaugural statement of support for the Ten Principles of the United Nations Global Compact on Human Rights, Labour, Environment and Anti-Corruption, strengthening our commitment to contributing towards the United Nations Sustainable Development Goals (SDGs). The Report discloses our progress and contribution in achieving the SDGs.

The Group's 5-year Sustainability Roadmap continues to guide us on our journey towards our goals of Building a Smart, Safe & Sustainable KLCC Precinct, Building an Agile, Inclusive & Sustainable Workforce in a VUCA World, and Combating Climate Change & Reducing Environmental Impact.

Our achievements during the year under review have progressed commendably as we have accomplished remarkable traction towards these Goals.

Digitalisation initiatives continued to progress swiftly during the year. The Group has established information management dashboards and platforms - Procurement Integrated Dashboard, Parking Management Dashboard and Parking Management System 2.0 to provide real time information for effective monitoring and prompt responses by the process owners, to ultimately improve our stakeholders' experiences.

The Group continues to focus on people's wellness in 2022. A CARE program designed to improve awareness on mental illness, was rolled out to train our employees on the methods (Check Signal, Apply Conversation, Reassure Support and Ensure Help) to identify and manage colleagues under mental stress, and build resilience at workplace.

Online platforms promoting health and wellbeing are also made available. The "Central - Digital Workplace" offers weekly tricks and tips, recipes, courses, live events, and webinars to our hotel employees. Further, the Group initiated the KLCC MyWellness, a digital health care platform providing comprehensive mental health support for our employees.

Now that we are in the post pandemic transition era, physical sports activities came back in action in 2022. Our KLCC Sports and Recreation Club organised Bowling Tournaments, White Water Rafting and Cave Exploration for our employees, aimed to cultivate team bonding and a sense of belonging.

Upskilling and reskilling our workforce were another focus in 2022 as we want a high performing workforce to win in the future marketplace. The Group invested RM1.0 million on training and achieved an average of 28 training hours per employee in 2022.

We are on the right track to achieve our targets on carbon emission, resources consumption and waste disposal as articulated in the KLCCP Stapled Group's 5-year sustainability roadmap. This year, our records showed significant reduction from the 2015 base year figures. These numbers are higher than the 2021 record, but this is arguably due to the continued movement control order in 2021. Compared to 2015, the Group successfully reduced 33% GHG emission and 30% water usage. Our retail and hotel businesses successfully diverted 10% and 52% respectively, their waste, (mainly food wastes) in 2022.

## TAKING CLIMATE ACTION

We appreciate how urgent it is to take action on the impact of climate change on the economy and society. As a responsible organisation, we continuously analyse our business operations to mitigate climate change issues and identify opportunities to provide climate resilient facilities. The ESG agenda is a serious consideration in crafting our strategies. In demonstrating our commitment to the ESG agenda we undertake to provide a comprehensive disclosure of our ESG agenda and achievements to our stakeholders.

The Bursa Malaysia has revised the Main Market Listing Requirement to elevate the sustainability practices and disclosure (Enhanced Sustainability Disclosure) of listed entities. Climate-related disclosures are to be aligned with the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD Recommendations), by financial year ending on 31 December 2025 onwards. In preparation, we have undertaken numerous assessments to determine our readiness. The Group has established a sustainability governance structure and risk management processes to support the essential TCFD pillars. With that foundation in place, we plan to implement measures and targets in line with the TCFD recommendations. We shall report our progress in phases, commencing 2023.

## Charting our way towards Net Zero Carbon Emission (NZCE)

We have set the carbon reduction targets in the KLCCP Stapled Group 5-year Sustainability Roadmap (2019-2023) towards **achieving low carbon emission in the Group**. We are on track to achieve these targets in 2023. We have also streamlined our GHG emission data in 2022, pursuant to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004), to establish an accurate and verifiable database. This allowed us to credibly **determine our carbon emission reduction targets beyond 2023**.

Moving forward, we will chart the carbon reduction pathway for the Group, **aspiring to achieve a 25% reduction in 2030**.

Increasingly, affordable and scalable solutions are being made available. Collectively, as individuals or organised entities, we can leapfrog to cleaner, more resilient economies. The KLCCP Stapled Group is fully **committed to the ESG agenda - we are a solutions partner to all our stakeholders, enriching lives for a sustainable future**.