

THE PLACE

TOGETHER, LOOKING BEYOND



KLCCP STAPLED GROUP
SUSTAINABILITY REPORT 2020

T H E P L A C E

TOGETHER, LOOKING BEYOND

In our journey to look towards a better tomorrow, we needed to come together and reflect. **Reflect on our purpose** and where we are today in delivering our commitments.

Reflecting on the essence of partnership, we continued **constant communication with all stakeholders**, placing business continuity and the safety of our people at the forefront. We recognised our responsibilities beyond our own spaces and remained **committed towards supporting our stakeholders**, keeping our customers connected and our community safe.

Reflecting on delivering unique lifestyle choices, we continued our focus on **redefining customer experience** to meet the needs of the evolving trends and our customers' and guests' lifestyles. In providing a seamless digital experience for our people and our community, we **accelerated our digital journey** through enhanced digital infrastructure and innovative solutions in shaping our digital future.

Reflecting on the essence of dedication and commitment, we continued to **enrich and inspire our people** in order to stay competitive and relevant in our quest towards becoming an empowered and agile workforce and above all, we **acknowledged our frontliners** who are our heroes, who relentlessly carried out their responsibilities in ensuring the health and safety of our people and that of our community are protected.

The harsh and trying times was a test to our resiliency and perseverance but we are moving to **evolve and adapt** to the needs of the environment, create vibrant and inspiring spaces for our community and **deliver long-term sustainable value to our stakeholders**.

Together, looking beyond.

INSIDE THIS REPORT

ABOUT THIS REPORT

KEY MESSAGE

- 3 Sustainability Steering Committee Co-Chairman's Message

OUR BUSINESS

- 4 We Are KLCCP Stapled Group
- 6 Our Investment Proposition

SUSTAINABILITY @ KLCC

- 8 Our Sustainability Strategy and Approach
- 9 Our Reporting Journey and Milestones
- 11 Governance Structure
- 12 Sustainability Framework
- 13 Material Matters 2020
- 16 Stakeholder Management
- 22 Our Strategic Value Creation

2020 IN FOCUS

- 24 Progress To Date
- 25 Towards Supporting the United Nation's 2030 Agenda of 5Ps
- 27 Measuring Progress in Pursuing Sustainability Goals
- 30 Awards and Accolades
- 31 Sustainability Key Highlights

PROSPERITY

Advancing Economic Resilience

- 34 Our Approach
- 34 Financial Sustainability
- 35 Economic, Social and Industry Growth
 - Embracing A Digital Future
 - Commitment to Capital Market Development
 - Promoting Industry Growth through Affiliations

PLANET

Protecting Our Environment

- 40 Our Approach
- 40 Climate Change
 - Our Climate Change Journey
 - Greenhouse Gas Emission
 - Efficient Energy Management
 - Renewable Energy
- 43 Environmental Management
 - Water Management
 - Waste Management
 - Responsible Material Use
 - Biodiversity

PEOPLE AND PARTNERSHIP

Progressing Our Social Agenda

SECURITY, SAFETY AND HEALTH

- 50 Our Approach
- 51 Safety and Health Management
- 53 Security Management
- 54 Cyber Security and Data Privacy

OUR PEOPLE

- 56 Our Approach
- 56 Equality, Diversity and Inclusion
- 57 Women Empowerment
- 57 Skills and Capability Development
- 59 Talent Management
- 60 Workforce Engagement
- 61 Job Security
- 62 New Ways of Working
- 62 Human Rights and Labour Practices
 - Responsible Employment
 - Non-Discrimination

RELIABLE PARTNER

- 64 Our Approach
- 64 Supply Chain Management
 - Food Safety and Quality
- 66 Customer and Tenant Management
- 69 Corporate Social Investment

PEACE

Embodying Good Governance

- 72 Our Approach
- 72 Corporate Governance and Business Ethics
 - Anti-Bribery Management Systems
- 73 Risk and Crisis Management
 - Enterprise Risk Management
 - Crisis Management
 - Business Continuity Management
 - Integrated Assurance

SUSTAINABILITY PERFORMANCE DATA

ABOUT THIS REPORT

We are pleased to share our sustainability report which communicates our value creation efforts to our stakeholders addressing matters that are most material to them as well as our business. The Group's sustainability journey is detailed herein with insights into our performance on the Economic, Environment and Social (EES) aspects of our Group's operations.

SCOPE AND BOUNDARY

Our scope of reporting in the KLCCP Stapled Group's Sustainability Report 2020 underlines our sustainability performance as well as its strategies and practices, while highlighting the EES impacts of our business activities. Our scope of reporting for the year covers all of KLCCP Stapled Group's operations in Malaysia comprising office, retail and hotel assets as well as our operations in facility management and car parking management. The scope is in accordance with the reporting scope of our Integrated Annual Report.

PERIOD OF REPORTING

This report is based on KLCCP Stapled Group's financial year from 1 January to 31 December 2020.

GUIDELINES AND STANDARDS

- **Bursa Malaysia's Sustainability Reporting Guide**
- **FTSE4Good Themes and Indicators for Real Estate Holdings and Development Sector**

MATERIALITY

This report provides information on all those matters that we believe are key to KLCCP Stapled Group's ability to create value over time and which are likely to have a significant impact on our business and stakeholders. These matters were identified, prioritised and validated via a four-step materiality assessment.

THE REAL ESTATE LANDSCAPE

The domino effect of the COVID-19 outbreak which created widespread panic due to lockdowns, drop in oil prices, cautious consumer spending and elevated unemployment rate have hit the real estate market hard. Among the most impacted were the hotel and retail industries as movement and travel restrictions were imposed coupled with borders closure. Whilst companies were cutting costs and downsizing, retail tenants were seeking rental assistance and hotel operators had to succumb to a price war and operate at minimal capacity.

The year 2020 was indeed a tough and challenging year where businesses faced a never before experienced economic catastrophe and for the real estate and construction sector, the pandemic brought about adverse market instability, domestically and globally. The office segment faced downward pressure as demand was affected by the changes in working mode where working from home is now the norm. For the retail industry, the pandemic brought unprecedented uncertainty and changes to the industry. While some retailers thrived, some were struggling with rentals due to lockdowns and cautious consumer sentiment. Meanwhile, the hotel segment faced uncharted challenges with hotels shut or operating at a severely reduced capacity and further impacted by borders closure.

Despite these challenges, the real estate and construction sector is gearing towards recovery albeit the tough environment, with the need to adapt to the new ways of working where digital technology is critical for business continuity and to stay relevant.

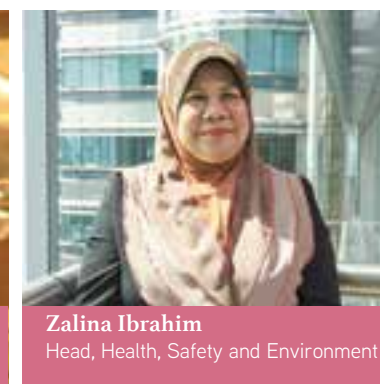
At the environment front, green economy is today a big agenda and countries around the globe are promoting the transition to low carbon economy in support of the United Nations Environment Programme (UNEP) and the Global Climate Action Agenda to accelerate the fight against climate change. Responding to this global call, Malaysia continued its effort in combating climate change by further reinforcing its commitment to being a key part of the global transition to a low-carbon, targeting towards reducing 45% GHG emissions intensity by 2030 and eventually to be a carbon-neutral society by 2050.

SUSTAINABILITY STEERING COMMITTEE CO-CHAIRMAN'S MESSAGE

The year 2020 started off on quite a different note than usual and at KLCCP Stapled Group, it was a time of many adjustments. Despite the need to adjust to different circumstances, we continued to operate albeit Working From Home and essential services operating under the new normal.



Annuar Marzuki Abdul Aziz
Head, Strategy, Finance and Investor Relations



Zalina Ibrahim
Head, Health, Safety and Environment

As the saying goes, "Sustainability is the New Normal". Countries all over the world are pledging for greener environment with companies re-focusing on green economy while ensuring business resiliency amidst the global health crisis, economic volatility, climate change risk, infringement in business ethics and integrity as well as the changing consumer behaviour and expectations.

While business continuity is crucial, at KLCCP Stapled Group, the health and safety of our people took priority during this time. Our immediate response to the crisis was the activation of our business continuity plan and the setting up of the KLCC Pandemic Preparedness and Response Team (KPRT) who played a pivotal role in implementing the Group's pandemic preparedness plan — reaching out to all employees working from home or working in the office on health management, keeping employees connected and informed of the latest development on the pandemic and ensuring a safe work environment for all.

Despite the challenging environment, we continued to progress our sustainability journey, pursuing our goals in the economic, environment and social spheres and tracking our sustainability performance via our 5-Year Sustainability Roadmap which covers three main goals – Building a Smart, Safe and Sustainable KLCC Precinct; Building an Agile, Inclusive and Sustainable Workforce; and Combating Climate Change and Reducing Environmental Impact. The new normal and the changing business landscape brought about by the pandemic also impacted our materiality assessment for the year where we identified new matters which are significantly important at this time and included them in our materiality list, namely cost containment, job security, new ways of working, tenant sustainability, customer confidence and marketing and promotions.

During the year, we also established our Digital Roadmap to accelerate our plans to integrate digital technology into our business operations, aligning to the new ways of working and implementing innovative solutions to provide efficient services and a seamless experience to our customers. The Group also rolled out its Policy Statement on Anti-Bribery and Corruption during the year and successfully attained the ABMS ISO 37001:2016 certification in December 2020.

As we continuously improve our sustainability practices, we constantly benchmark against top real estate players and corporates with good sustainability practices, both locally and globally. To further enhance our ESG communications, we subscribed to *ESG World*, an online platform, accessible from our website, which allows investors easy access to our ESG data to help them in their investment decisions. As a constituent of the FTSE4 Good Bursa Malaysia Index, we will continue to seek greater levels of transparency in reporting and communicating our ESG practices to our stakeholders worldwide.

During the pandemic we also reached out to the needy communities and extended support to the frontliners who tirelessly carried out their duties as well as employees who were affected by the pandemic. We contributed to University Malaya Medical Centre who needed equipment to treat COVID-19 patients, collaborated with *Komuniti Tukang Jahit*, a social enterprise, working for the benefit of the lower income group through the purchase of *batik* face masks and supporting our retail tenants by providing tenant assistance to help them in their recovery and preserve business continuity. We also put in place safety measures according to the COVID-19 SOPs in all our premises to provide the safest possible environment for our employees, tenants, shoppers and guests.

Despite the tough environment with many events postponed or conducted virtually, it was also a year that witnessed KLCCP Stapled Group receiving outstanding awards and recognition for our ESG practices, both locally and globally, notably the Platinum Award for Excellence in Environmental, Social and Governance (ESG) at The Asset ESG Corporate Awards 2020, Best Sustainability Leadership for Facilities Management awarded to KLCCUH by the Malaysia Green Building Council, the RoSPA Health and Safety Awards for our facilities management and car park operations and our KLCC Park, being awarded the World's Top Urban Park (Silver Award) at the International Large Urban Parks Award 2020. We are greatly humbled by these achievements as they serve as an inspiration to us in our continued pursuit of operational excellence and best global ESG practices.

Similar to last year, we are publishing this online Sustainability Report to provide you with deeper insights into our sustainability performance for the year, best practices and our aspirations in enriching the lives of our community towards building a sustainable future for all.

WE ARE KLCCP STAPLED GROUP

SHARED VALUES

INNOVATIVE

Trend setting mentality through creation of new products, ideas and ways of doing

COHESIVENESS

United in purpose and fellowship

LOYALTY

Loyalty to corporation and nation

INTEGRITY

Honest and upright

PROFESSIONALISM

Committed, proactive and always striving for excellence

CULTURAL BELIEFS

CUSTOMER FOCUSED

I deliver solutions from the customer lens

INNOVATE NOW

I challenge norms and push boundaries

BE ENTERPRISING

I seek opportunities and make them happen

SPEAK UP

I express my views openly

COURAGE TO ACT


I take action to progress with pace

OUR PURPOSE

WE CREATE PLACES PEOPLE LOOK FORWARD TO, PROGRESSING LIFESTYLE FOR A SUSTAINABLE FUTURE


WHO WE ARE

Malaysia's largest REIT and only Stapled Security in the country, comprising KLCCP and KLCC REIT. KLCC REIT focuses on active asset management and acquisition growth strategies, whilst KLCCP is the development arm of the Stapled Group. At the forefront of Malaysia's real estate industry, our unique structure allows us to maximise the value we create for all our stakeholders.

 To read more, refer to A Strong Corporate Structure on pages 26 to 27


WHAT WE DO

We own, manage, develop and invest in a portfolio of premium assets comprising office, retail and hotel properties in the heart of Kuala Lumpur. This is complemented by our award winning asset management services provided by KLCC Urusharta Sdn Bhd (KLCCUH) and KLCC Parking Management Sdn Bhd (KPM). This synergy of property investment and asset management strengthens the earning potential of our stable of iconic properties.

 To read more, refer to Operations Review on pages 90 to 115

HOW WE DO IT

We are committed to creating a progressive lifestyle experience within the KLCC Precinct while enhancing the value of our property portfolio. We are focused on optimising sustainable value creation through a strategic approach that capitalises on our unique Stapled Group structure and our competitive differentiators, well positioned for the future.

 To read more, refer to Our Strategic Value Creation on pages 72 to 73

KOMPLEKS DAYABUMI
An integrated office and retail development
(located outside the KLCC Precinct)

MENARA 3 PETRONAS
Premium office and retail space, seamlessly connected to Suria KLCC

MANDARIN ORIENTAL, KUALA LUMPUR
A 5-star award winning luxury hotel

MENARA EXXONMOBIL
Office tower tenanted by major oil and gas corporations

PETRONAS TWIN TOWERS
An iconic landmark, the world's tallest twin towers

MENARA MAXIS*
Home to one of the leading communications service provider in Malaysia

SURIA KLCC
The premier shopping destination in the heart of Kuala Lumpur

7 Properties

11.9 million
Gross Floor Area (sq. ft.)

RM15.7 billion
Property Value

Diversified
office-focused REIT

* KLCCP owns a 33% stake in Menara Maxis

 OFFICE AND RETAIL  OFFICE  RETAIL  HOTEL

OUR INVESTMENT PROPOSITION

BUSINESS HIGHLIGHTS

TRIPLE NET LEASE (TNL) EXTENSION

for PETRONAS Twin Towers and Menara 3 PETRONAS for a further term of

15 years

KLCCP STAPLED GROUP

REVENUE

(2019: RM1.4 bil)

RM1.2 bil

PROFIT FOR THE YEAR

(2019: RM0.9 bil)

RM0.5 bil

PROPERTY VALUE

(2019: RM15.9 bil)

RM15.7 bil

NET ASSET VALUE PER STAPLED SECURITY

(2019: RM7.32)

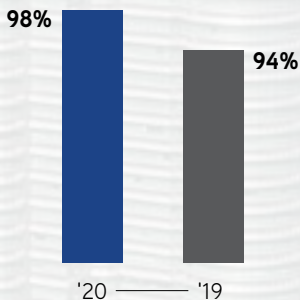
RM7.21

DISTRIBUTION PER STAPLED SECURITY

(2019: 38.0 Sen)

30.0 Sen

PAYOUT RATIO



BROUGHT ONBOARD

40 NEW RETAIL TENANTS

many of which are first stand-alone stores in Malaysia and exclusive to Suria KLCC

97%

RETAIL OCCUPANCY
(2019: 99%)

87%

HOTEL GUEST SATISFACTION SCORE

for bespoke hotel experiences

100%

TICKETLESS AND CASHLESS PAYMENT

at North West Development (NWD) car park

PILOT LAUNCH OF

Integrated Building Command Centre (IBCC)

to manage our facilities in real time and leverage on the power of data

SUSTAINABILITY

68%

ELIMINATION OF SINGLE-USE PLASTIC IN HOTEL OPERATIONS
(2019: 65%)

Zero

FATALITY
(2019: Zero)

0.13

LOST TIME INJURY FREQUENCY (LTIF)
(2019: 0.78)

RM3.3 mil

SPENT ON STAFF LEARNING AND DEVELOPMENT
(2019: RM1.8 mil)

100%

PARTICIPATION OF EMPLOYEES ON E-LEARNING PLATFORM

64%

EMPLOYEE SATISFACTION SCORE
(2019: 62%)

74%

CUSTOMER SATISFACTION SCORE
(2019: 76%)

RM95.3 mil

SPENT ON COMMUNITY INVESTMENT AND RETAIL TENANT ASSISTANCE
(2019: RM2.0 mil)

43%

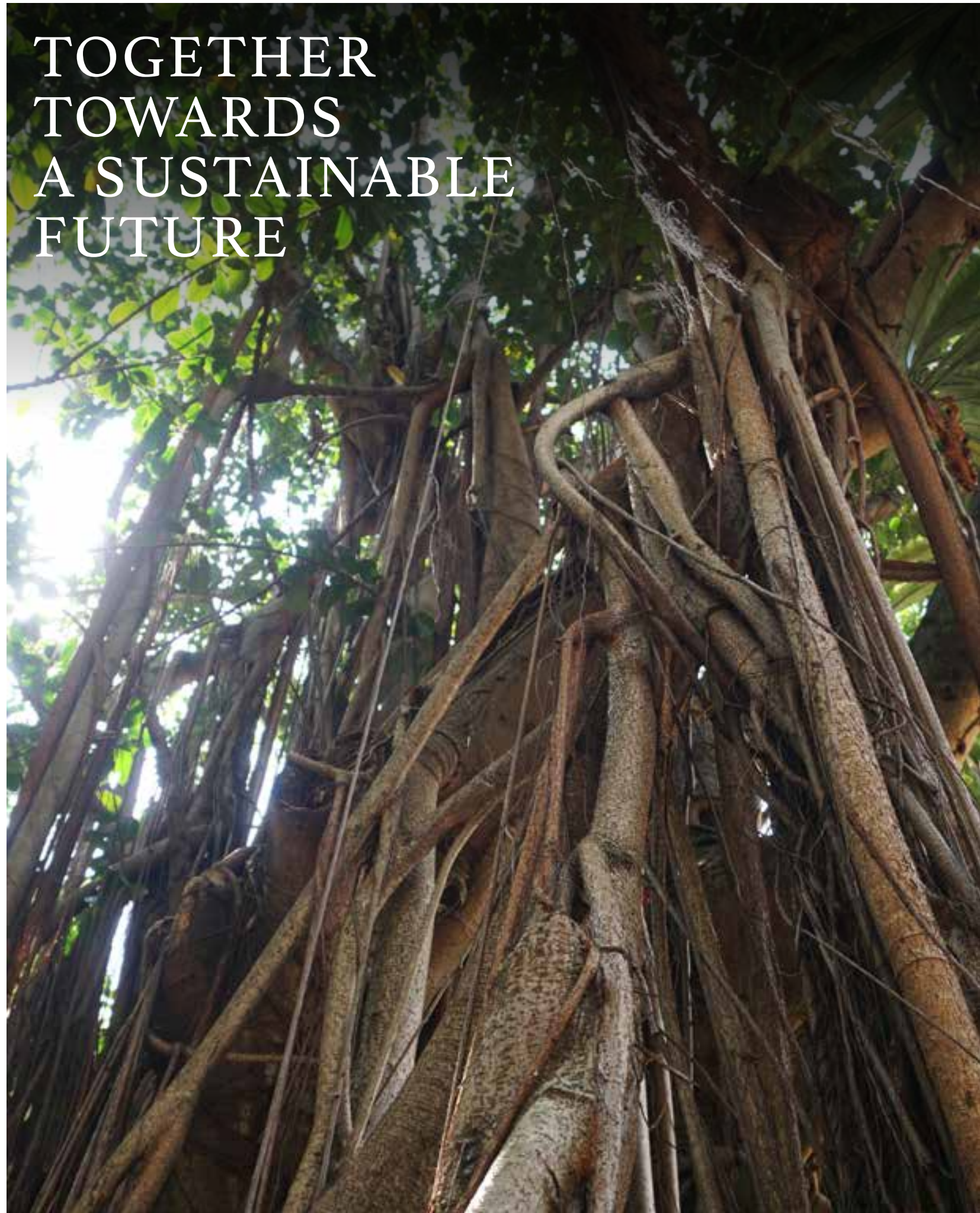
WOMEN DIRECTORS ON BOARDS
(2019: 29%)

ATTAINED

Anti-Bribery Management System (ABMS) ISO 37001:2016 Certification

for KLCCP, KLCCRM, KLCCUH and KPM

TOGETHER TOWARDS A SUSTAINABLE FUTURE



OUR SUSTAINABILITY STRATEGY AND APPROACH

With growing awareness and greater emphasis on sustainability, KLCCP Stapled Group stayed focused on its effort in pursuing the sustainability agenda, embedding sustainability in all aspects of its businesses, simultaneously supporting its stakeholders and business partners to ensure business continuity and sustainability.

As one of the leading real estate players, we continue to manage our business in a responsible manner taking into consideration the risks and opportunities impacting our business and the industry at large. We strongly believe that sustainability is a force that will shape the future of our business and the way we live. Thus, we continue to focus on addressing our material matters which impact our businesses and stakeholders.

KLCCP Stapled Group's ultimate objective is to create, deliver and share value with our stakeholders, to be future ready and be part of a sustainable society. As we progress towards achieving this objective and to further strengthen our sustainability approach, we continue to advance our sustainability journey, aligning to our corporate strategy, culture and values which are deeply embedded in our business model. Our 5-Year Sustainability Roadmap (2019-2023) which is aligned to our strategies in future-proofing our purpose, is our commitment towards advancing sustainability focusing on 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.

Guided by our purpose, we champion sustainability development premised on our strategies and initiatives to drive our sustainable goals, economically, environmentally and socially (EES) taking into

account Corporate Governance issues and opportunities that matter most to our stakeholders. We continue to track our sustainability performance against our five prioritised United Nation's Sustainable Development Goals (UNSDGs) to accelerate our commitment in contributing towards a lower-carbon future through efficient energy use and reducing the footprint of our operations, provide access to a safe, secure and conducive environment for our community to work, live and conduct leisure activities, creating growth opportunities, and operating with the highest standard of integrity and respect for human rights.

In pursuing our sustainable development goals, we are also guided by the PETRONAS Sustainability Agenda, where the commitment to conduct and grow the business is focused on four Sustainability Lenses of Continued Value Creation; Safeguard the Environment; Positive Social Impact and Responsible Governance, in ways that strike a balance between economic pursuits and good Environmental, Social and Governance (ESG) practices.

Our efforts in advancing sustainability practices are supported by the strength of our Sustainability Steering Committee (SSC) comprising members of our senior leadership, who drive our sustainability agenda and progress of the Group's sustainability performance. Toward this end, we will continue to work collaboratively with our stakeholders including our shareholders, investors, customers, suppliers and our communities to create positive outcomes and a lasting legacy. As aptly reflected in this year's theme, **"The Place: Together, Looking Beyond"**, we endeavour to move forward to ensure business stability and at the same time, collaborating and caring for our community to create a sustainable future together.

Our Alignment to the United Nation's 2030 Agenda of the 5Ps

PROSPERITY




Ensure all our stakeholders enjoy prosperous and fulfilling lives and that economic, social and technological progress can benefit all in the long run




To read more, refer to pages 33 to 38

PLANET

Protecting our planet through responsible environmental management and taking urgent action on climate change to support the needs of present and future generations








To read more, refer p to pages 39 to 48

PEOPLE AND PARTNERSHIP

Ensure our people fulfil their potential in dignity and equality and in a healthy environment.


Collaborate with our community towards a sustainable future and continue to build trust with our diverse group of stakeholders

To read more, refer to pages 49 to 70

PEACE

Embracing a corporate culture encompassing values, exemplary attitude and behavior in all areas of conduct

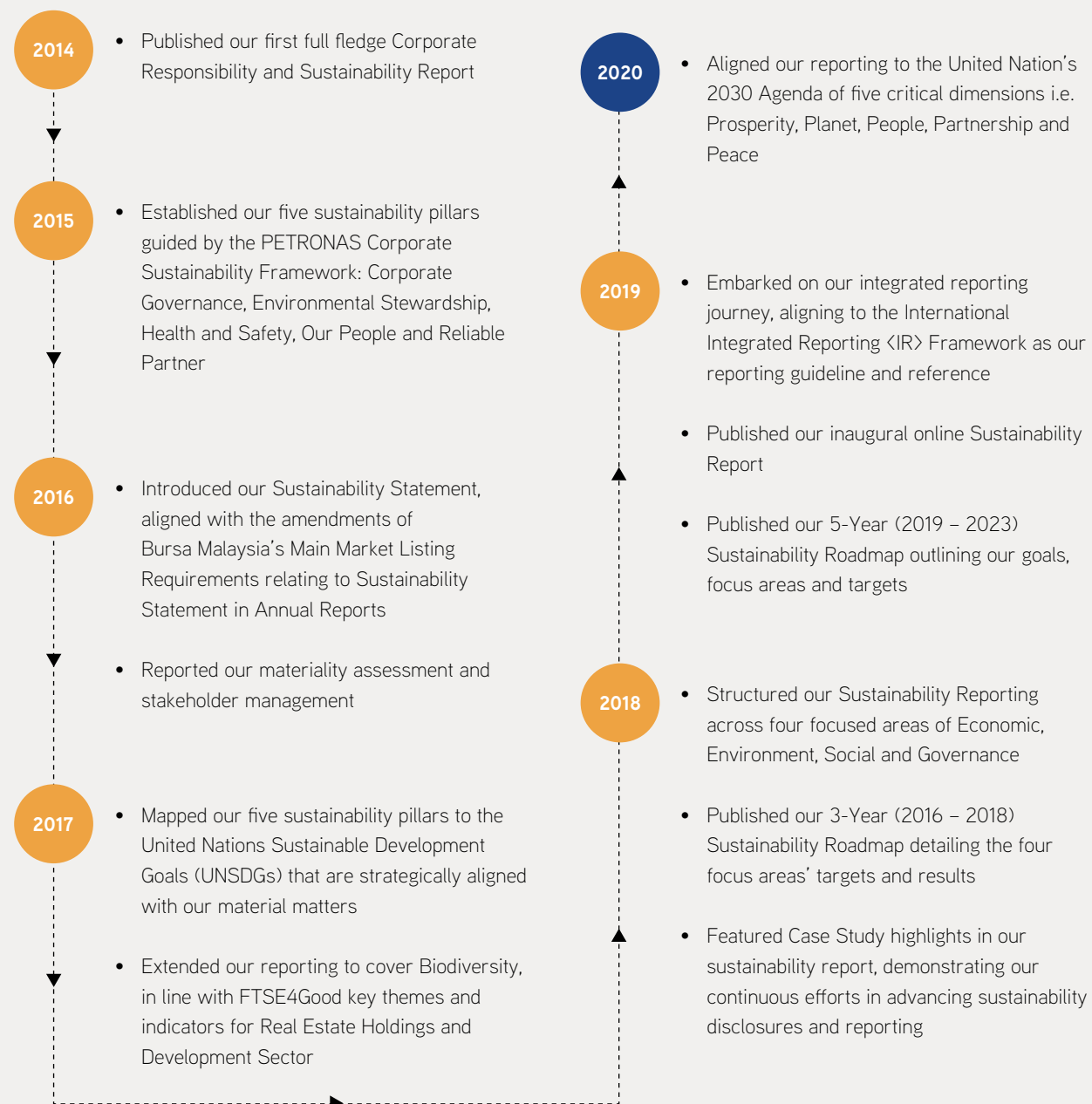


To read more, refer to pages 71 to 76

OUR REPORTING JOURNEY AND MILESTONES

We continue to progress our sustainability journey in our pursuit to advance our sustainability reporting and practices. This year, we aligned our reporting to the United Nation's 2030 Agenda across five critical dimensions - Prosperity, Planet, People, Partnership and Peace, in line with our commitment to contribute towards the five prioritised United Nation's Sustainable Development Goals.

OUR REPORTING JOURNEY



OUR MILESTONES

- 1st Malaysian REIT included on FTSE4Good Bursa Malaysia Index
- Attained Provisional GBI Certification for PETRONAS Twin Towers (Gold) and Menara 3 PETRONAS (Silver)
- Inclusion of Biodiversity theme into our Corporate Sustainability Framework
- Established our 5-Year Sustainability Roadmap aligned with prioritised UNSDGs
- Attained full GBI certification for PETRONAS Twin Towers (Gold) and Menara 3 PETRONAS (Silver)
- Positioned within the Top 11th percentile among our supersector peers under the FTSE4Good Index Series



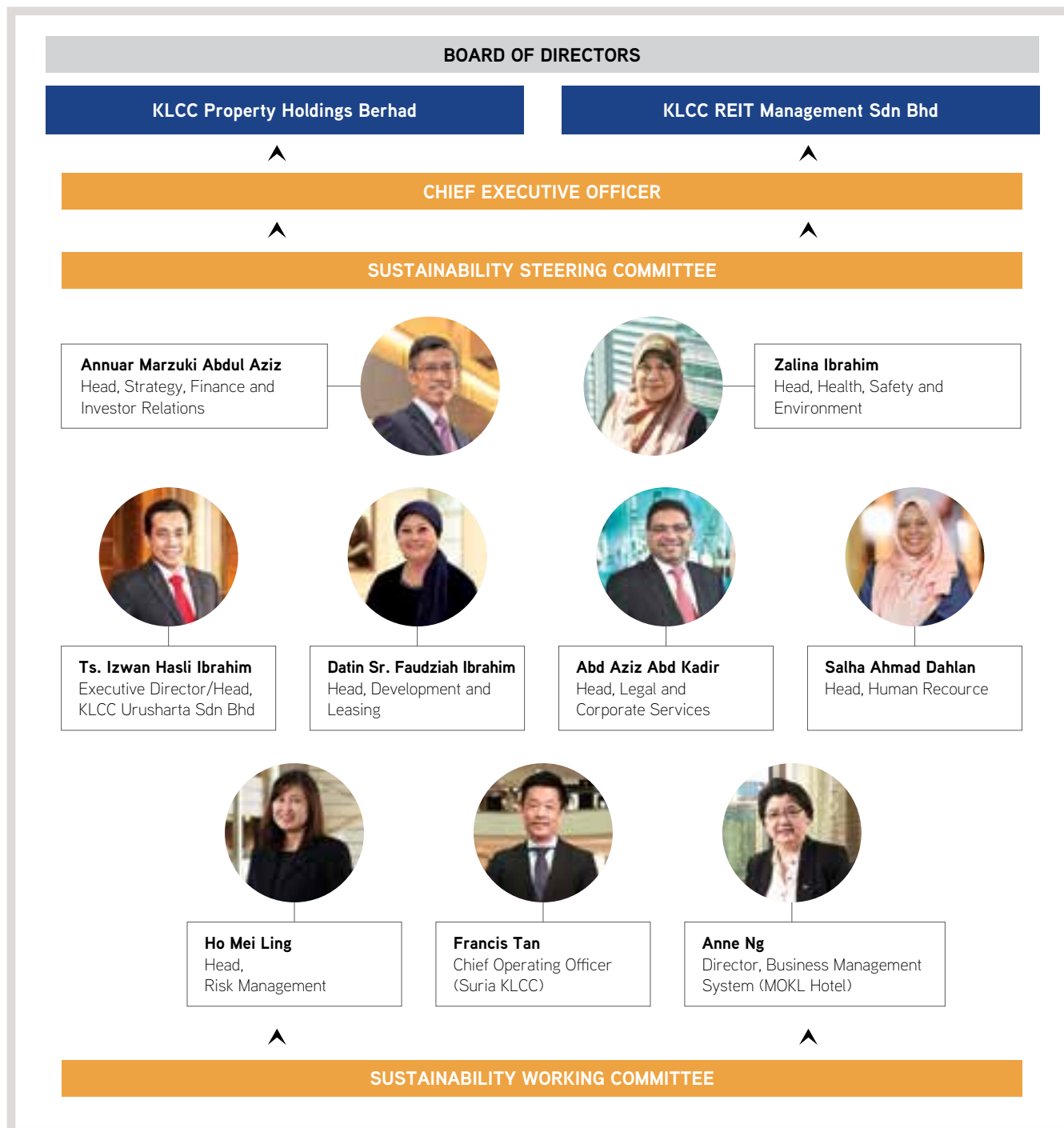
- Formalised the Sustainability Governance Structure and formation of Sustainability Steering Committee (SSC) and Sustainability Working Committee (SWC)
- Developed a Sustainability Framework and a 3-Year Sustainability Roadmap
- Conducted the first Materiality Assessment with SSC and SWC
- Inclusion onto FTSE4Good Emerging Index – One out of only two Malaysian companies in the real estate and construction sector
- Conducted our inaugural online Materiality Assessment survey covering employees of KLCCP Stapled Group and our business partners, Suria KLCC and MOKL Hotel
- Maintained our inclusion on the FTSE4Good Emerging Index and FTSE4Good ASEAN with an improved score
- Attained ABMS ISO 37001:2016 certification
- Ranked in the Top 8th percentile among our supersector peers under the FTSE4Good Index Series
- Rated in the Top 25% amongst 240 listed companies in the FBM EMAS

GOVERNANCE STRUCTURE

The Sustainability Steering Committee (SSC) is co-chaired by Annuar Marzuki Abdul Aziz, Head of Strategy, Finance and Investor Relations and Zalina Ibrahim, Head of Health, Safety and Environment. Members of the SSC comprise heads from all major business functions which ensures the development of sustainability strategies representing the wider interests of the Group. This year, the SSC welcomed two new members, Ts. Izwan Hasli bin Ibrahim, Executive Director/Head of KLCC Urusharta Sdn Bhd and Salha Ahmad Dahlan, Head of Human Resource.

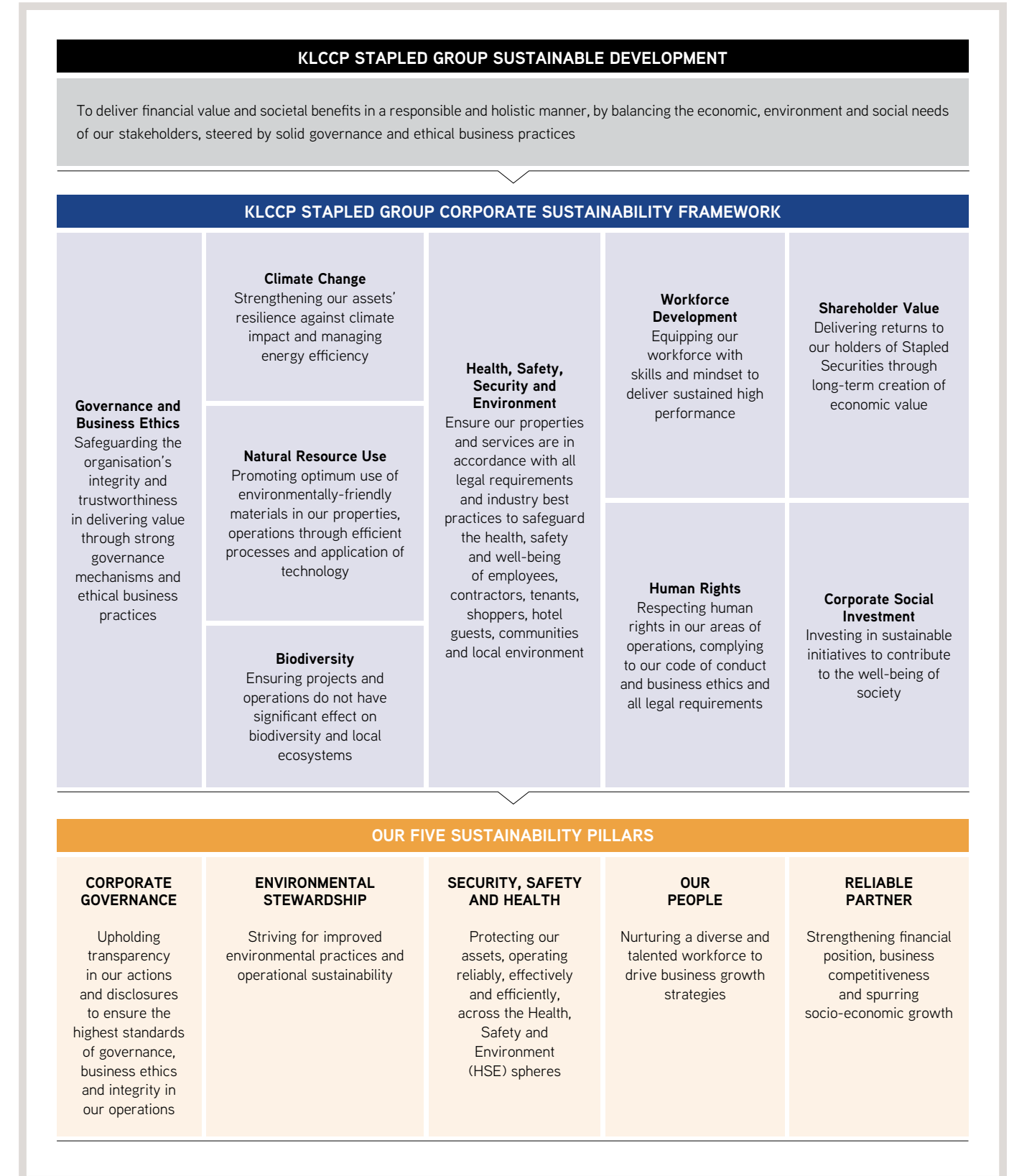
The SSC is supported by a working committee in ensuring sustainability is integrated throughout our business operations. The CEO is responsible for driving the implementation of sustainability strategies for KLCCP Stapled Group and reports the progress to the Boards of KLCCP and KLCCRM (the Boards) annually and seeks their advice on related issues. The Boards represent the highest authority and is ultimately accountable for managing sustainability matters within the Group.

SUSTAINABILITY STEERING COMMITTEE



SUSTAINABILITY FRAMEWORK

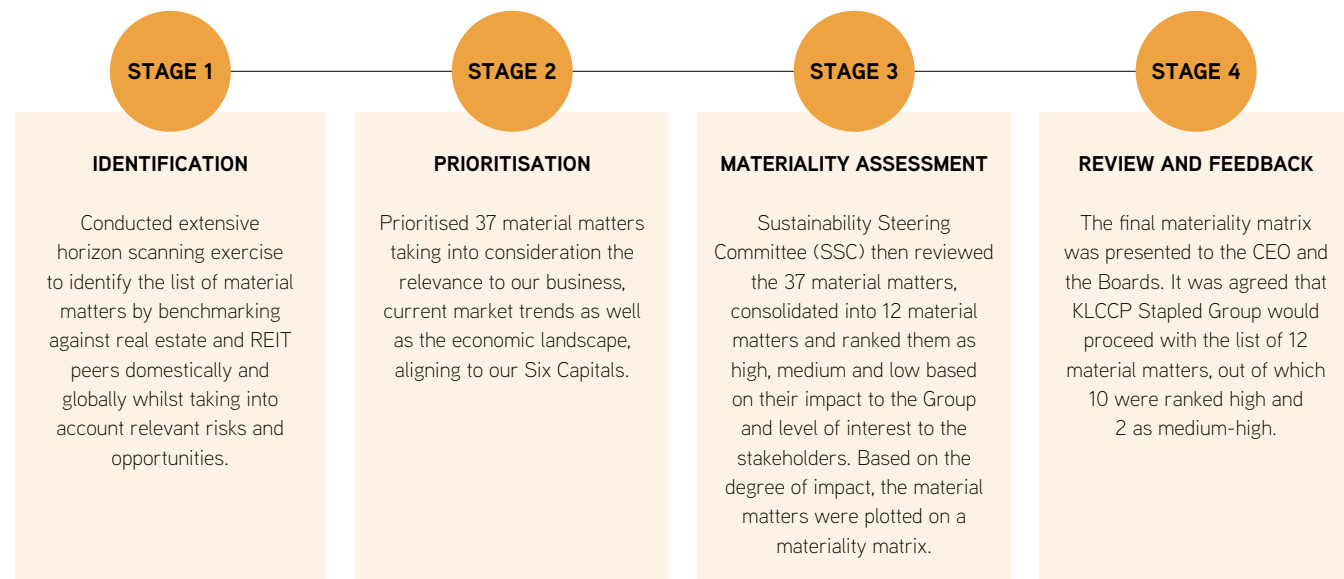
KLCCP Stapled Group's Corporate Sustainability Framework (CSF) encapsulates our principles on sustainability and aligns to our priority areas under the EES sustainability spheres. The CSF serves as a guide in managing the strategic and operational risks and opportunities which supports our business strategies, sustainability approach and objectives in nine focused areas – Governance and Business Ethics, Climate Change, Natural Resource Use, Health, Safety, Security and Environment, Workforce Development, Human Rights, Shareholder Value and Corporate Social Investment.



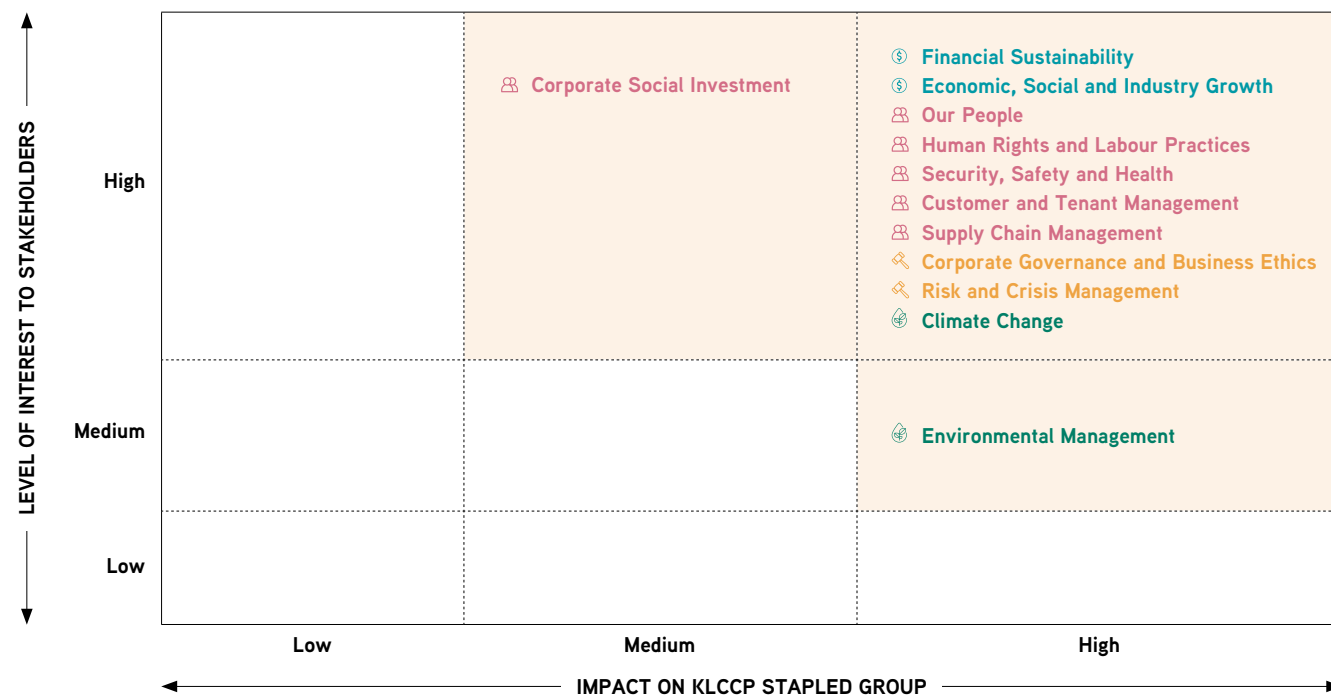
MATERIAL MATTERS 2020

The principle of materiality is becoming the essential filter to determine which ESG indicators will be most significant to stakeholders. In identifying the material matters, we evaluated our sustainability context, stakeholder issues and the associated risks and opportunities for KLCCP Stapled Group to streamline our actions to benefit all stakeholders concerned. We considered both internal and external factors affecting the industry in our review and assessed its impact on our business and stakeholders. Overall, the 2020 list of material issues are broadly similar to our 2019 material matters with few emerging new and significant material issues taking into account the impact from the COVID-19 pandemic. We identified six new material matters - cost containment, job security, new ways of working, customer confidence, tenant sustainability and marketing and promotions, making it 37 material matters altogether.

Our Four Stages of Materiality Assessment





Materiality Matrix 2020



🏠 Prosperity
🌱 Planet
👥 People and Partnership
🕊️ Peace

	Material Matters	Risks	Opportunities
PROSPERITY	Financial Sustainability <ul style="list-style-type: none"> Sustained Returns and Profitable Growth Capital Management Business Strategy and Innovation Cost Containment 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
	Economic, Social and Industry Growth <ul style="list-style-type: none"> Contribution to Nation Building and Industry Growth Digitalisation 	<ul style="list-style-type: none"> Lack of efficiency and competitiveness to survive in the digital era 	<ul style="list-style-type: none"> 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
PLANET	Climate Change <ul style="list-style-type: none"> GHG Emission Efficient Energy Management Renewable Energy 	<ul style="list-style-type: none"> Negative impact to the environment and surrounding community resulting from our operations 	<ul style="list-style-type: none"> 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
	Environmental Management <ul style="list-style-type: none"> Water Management Waste Management Responsible Material Use Biodiversity 		
PEOPLE AND PARTNERSHIP	Our People <ul style="list-style-type: none"> Equality, Diversity and Inclusion Skills and Capability Development Talent Management Workforce Engagement Women Empowerment Job Security New Ways of Working 	<ul style="list-style-type: none"> Failure to retain employees Employees not well-equipped with skillsets required with advancements in technology Reputational damage if perceived to practice discrimination Financial and emotional stress in employees leading to lack of productivity 	<ul style="list-style-type: none"> Transforming our workforce with the right mindset and culture - empowered, agile and enabled in the VUCA (Volatility, Uncertainty, Complexity and Ambiguity) World Elevating women leadership within the Group, in line with the nation's aspiration Keeping the organisation intact and producing satisfied employees resulting in high productivity Assisting the nation and organisation in flattening the COVID-19 curve
	Human Rights and Labour Practices <ul style="list-style-type: none"> Responsible Employment Non-Discrimination 	<ul style="list-style-type: none"> Unable to minimise or manage the spread of COVID-19 at workplace 	
	Security, Safety and Health <ul style="list-style-type: none"> Safety and Health Management Security Management Cyber Security and Data Privacy 	<ul style="list-style-type: none"> Threats to employees' health and safety - global pandemic, work related illnesses, accidents and occupational hazards Threats to safety of our guests, tenants, customers and assets with rising global security threats and being located on the iconic belt Cyber disruption to data security 	<ul style="list-style-type: none"> Maintaining a healthy workforce and safe workplace for a sustainable business Leadership commitment in heightening safety standards within our operations Engaging with stakeholder and community to create awareness and ensure accountability Upgrading data protection infrastructure to provide a secured network for data storage and transfer

	Material Matters	Risks	Opportunities
PEOPLE AND PARTNERSHIP 	Customer and Tenant Management <ul style="list-style-type: none"> • Tenant Engagement • Customer Experience and Satisfaction • Tenant Sustainability • Customer Confidence • Marketing and Promotions 	<ul style="list-style-type: none"> • Failure to keep pace or stay ahead of the rapid transformation of customer expectations and digital revolution • Impedes market leader position from intensifying competition and disruption to business trends • Losing tenants as they are unable to sustain during the pandemic • Customers/guests avoiding the mall/hotel resulting in loss of business • Losing customer/guest loyalty and reduced sales 	<ul style="list-style-type: none"> • Reimagining office spaces to meet the evolving needs of our tenants • Reconfiguring layout and repositioning retail with refreshing tenant and trade mix to drive footfall and maintain competitiveness • Differentiate the consumer offering with a focus on experience and convenience • Innovating hotel's services and offerings to provide quality guest experience • Retaining tenants with the extension of rental assistance to support their business recovery • Boost shopper traffic, guest's arrival and sales especially during the pandemic
	Supply Chain Management <ul style="list-style-type: none"> • Local Procurement Management • Responsible Product Sourcing • Food Safety and Quality 	<ul style="list-style-type: none"> • Lead to potential conflict of interest, corruption and unethical practices • Quality and safety of our products and services at stake 	<ul style="list-style-type: none"> • Own a database of reputable and reliable suppliers • Better collaboration with suppliers in managing procurement processes • Wide selection of suppliers for the procurement of quality products and services at lower cost
	Corporate Social Investment	<ul style="list-style-type: none"> • Result in unfavorable image for the company 	<ul style="list-style-type: none"> • Enhance brand visibility to a wider community • Increase employees' awareness and involvement in corporate social investments • Giving back and creating a positive and lasting impact to the community especially during the onset of the pandemic
PEACE 	Corporate Governance and Business Ethics <ul style="list-style-type: none"> • Corporate Governance and Compliance • Business Ethics, Integrity and Corruption Management 	<ul style="list-style-type: none"> • Heightened legal, regulatory and reputational risks • Lack of control and strategic alignment leading to corruption, negligence, fraud and lack of accountability 	<ul style="list-style-type: none"> • 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
Risk and Crisis Management <ul style="list-style-type: none"> • Risk and Crisis Management 			

STAKEHOLDER MANAGEMENT

WORKING CLOSELY WITH OUR STAKEHOLDERS FOR A SUSTAINABLE FUTURE TOGETHER

Our key stakeholders are defined by their significance, interest, impact and influence on our businesses. Every group of our stakeholders is important to us and we continue to engage them to address their concern, obtain their views and feedback on areas of interests and manage their expectations.

Especially during these trying times, we aspire to maintain a trusted and long-lasting relationship with our stakeholders. We engaged and updated them on our operations, performance and plans via both formal and informal channels. By engaging effectively with our stakeholders, we will not only contribute towards improving our performance but also enriching the lives of our community. Our objective of delivering on our strategy is driven by our purpose to create value for our stakeholders. We aim to achieve profitable growth and create long-term value for our stakeholders and our community at large. The spread inset shows a summary of our stakeholder engagement, why they are important to us, our value proposition to them, how we responded to them and the values we created.

Our shareholders, investors and business partners define the trust, reputation and credibility of our organisation and provide access to funding to grow our business

Our employees are the Group's greatest asset. Through their dedication, passion and belief in our shared values, we deliver desired results

The Government, local authorities and regulators provide the regulatory framework in which we operate in respect to compliance and risk mitigation

Our tenants, customers and guests drive the pace of the market dynamics that underpins the growth and success of our business

Our suppliers and service providers drive our sustainable value chain with valued expertise and support, contributing to the quality of services and products we procure

Our community define our social relevance, how we connect and foster goodwill and deliver a lasting positive impact by addressing their needs

The media shapes market perception and is a key multiplier of information to the public and builds positive dialogue with our organisation

STAKEHOLDER MANAGEMENT

	SHAREHOLDERS, INVESTORS AND BUSINESS PARTNERS	EMPLOYEES	GOVERNMENT, LOCAL AUTHORITIES AND REGULATORS	TENANTS, CUSTOMERS AND GUESTS	SUPPLIERS AND SERVICE PROVIDERS	COMMUNITY	MEDIA
HOW WE ENGAGE	<ul style="list-style-type: none"> Annual General Meeting Business Partners' Board Meetings Investors and analysts' briefings Results announcements Investor relations events Corporate website Annual report 	<ul style="list-style-type: none"> Townhall session by CEO Dialogue and engagement Training/workshop/teambuilding Emails/HR Careline/memos Intranet communication Employee satisfaction survey Health and recreational activities 	<ul style="list-style-type: none"> Feedback/updates/appeals through emails/letters Participate in formal meetings, policy briefings, forums and consultations HSE inspections of business premises Event collaboration with government departments to support industry/economic growth Collaboration with local authorities in managing the safety and security of KLCC Precinct Site visits 	<ul style="list-style-type: none"> Customers/tenants feedback management - hotline, surveys, email queries Campaigns/promotions Awareness campaigns on environmental conservation i.e. waste recycling, zero single-use plastic Loyalty programmes Dialogue and engagement sessions Social media Website 	<ul style="list-style-type: none"> Meetings and workshops Safety briefings Evaluation/performance review Corporate presentations Supplier training programmes Supplier evaluation and audit 	<ul style="list-style-type: none"> Various CSR and sustainable development programmes in the areas of education, health, environment and special community needs Engagement via emails/letters/social media/website/leaflet/kiosks Annual events i.e. National Day, New Year Countdown, festive celebration, etc 	<ul style="list-style-type: none"> Press releases Emails Press conferences Interviews Media events
KEY TOPICS AND CONCERNS	<ul style="list-style-type: none"> Financial management Business resilience and sustainability ESG practices Business strategy and long-term growth Current and future project development Governance practices Negative reports in social media 	<ul style="list-style-type: none"> Company's long-term growth and performance Skills and capability development Career progression Employee benefits Security, safety, health and wellbeing Work life balance Job security 	<ul style="list-style-type: none"> Contribution to economic, and industry growth Compliance to government policies, laws and regulatory requirements eg. reporting frameworks COVID-19 Bill 2020, Employment Act Adoption of best practices Compliance to COVID-19 Standard Operating Procedures (SOPs) 	<ul style="list-style-type: none"> COVID-19 safety measures Security within the KLCC Precinct Customer satisfaction on product and services offered Product safety Promotions/rewards Tenant assistance packages for retail tenants Online payment options Condition of the amenities provided in our properties 	<ul style="list-style-type: none"> Fair competition and compliance to procurement guidelines Potential business opportunities Transparency of tender processes Company's compliance with laws and regulations Contract extension/expiry Prompt issuance of payment 	<ul style="list-style-type: none"> Contribution to the community through donations and sponsorships Health and safety measures and environmental impact within and around business operations 	<ul style="list-style-type: none"> Financial performance, growth strategy and future plans Media investment i.e. media buy, subscription of media service Participation in events and engagement with media
OUR RESPONSES	<ul style="list-style-type: none"> Continued to update through quarterly results announcement, analysts' briefings, one-on-one teleconference/videoconference, Board meetings and AGM Updated Economic, Environmental, Social and Governance practices through our Sustainability Report, corporate website and emails Developed and implemented robust corporate strategies providing clear business direction 	<ul style="list-style-type: none"> Updated employees through internal communication platforms on financial performance, growth plans and employment matters Offered employees structured training and leadership programmes, workshops and on-the-job-training to equip employees with the relevant skills Employees' career progression was raised to be discussed on a quarterly basis by the Human Resource Planning and Development Committee Conducted various HSE awareness programmes and sharing sessions Ensured the health and safety of our people with stringent protocols and measures 	<ul style="list-style-type: none"> Briefing to the relevant ministries, government departments and agencies on KLCC Development and other areas of interest Monitored compliance through periodic internal assessment Reported on compliance in Annual Report and corporate website 	<ul style="list-style-type: none"> Provided safe, convenient and experiential environment for customers/guests Enhanced security features within KLCC Precinct Broadened retail offer and introduced a diverse mix of prominent local and international brands to cater to lifestyle and trends Offered various experiential reward-driven campaigns and promotions to attract customers/guests Improved service quality and launched tantalising dining/banqueting experience across all F&B outlets at our hotel Embarked on digitalisation initiatives to enhance customer/guest experience 	<ul style="list-style-type: none"> Provided equal opportunities for eligible suppliers to present their proposal Request for information to meet the project/service requirements 	<ul style="list-style-type: none"> Conducted CSR programmes i.e fundraising activities, internship for university students, environmental conservation programmes, and maintenance of public amenities Enhanced security measures within KLCC Precinct 	<ul style="list-style-type: none"> Issued press releases on quarterly results, events and notifications Emailed response on specific media queries i.e. project development, financial/industry performance, growth prospects Participated in media events Purchased advertorial space
ENGAGEMENT/SUPPORT AND CONTRIBUTIONS DURING COVID-19	<ul style="list-style-type: none"> Conducted first ever virtual AGM with participation from over 300 shareholders Engaged with over 200 institutional investors, analysts and fund managers via virtual engagements - teleconferencing, videoconferencing and webinars Communicated timely and transparent real-time data on the impact of the pandemic to the organisation 	<ul style="list-style-type: none"> Conducted first ever virtual CEO Townhall to communicate company's performance, future plans and address employees' concerns. Also shared on the COVID-19 health crisis, the challenges and its impact to the Group and for all employees to comply to the SOPs to ensure a safe working environment Engaged via Microsoft Teams for various meetings/discussions Utilised e-Learning platform i.e. Harvard ManageMentor (HMM) and HMM Spark providing new learning concept of "learning anywhere, anytime" and explore self-learning experience Made available external consultation avenues for employees who require assistance on mental and physical health Introduced virtual sports/workout sessions towards building a healthy and productive work life balance Carried out awareness and information sharing on COVID-19 via a dedicated COVID-19 section on our intranet portal Retain staff employment for the year MOKL Hotel supported part-time/contract staffs with basic food supplies on a monthly basis between April to June 2020 Provided mandatory COVID-19 screening for all employees prior to return to work in office - spent over RM360,000 for this initiative Provided executive employees with a one-off reimbursement on internet data plan during MCO period exceeding RM70,000 	<ul style="list-style-type: none"> Provided updates to regulators on information pertaining to COVID-19 related financial impact and sustainability of REITs Implemented containment strategies initiatives and adhered strictly to the COVID-19 SOPs and health and hygiene protocols throughout our business operations Supported the Government's "Buy Malaysian Product" campaign by sponsoring venue for the event launch and product display at Suria KLCC by the local entrepreneurs to further promote their brands to a wider market 	<ul style="list-style-type: none"> Installed thermal imaging camera for temperature checks, markings for social distancing and complied with all relevant COVID-19 SOPs Continued tenant support by extending various assistance packages on a lease by lease basis to affected retailers exceeding RM90 million Engaged through social media, video messages, digital advertising and e-flyers to communicate updates on safety measures, campaigns, sales and product promotions Collaborated with brand ambassadors and influencers to create awareness on health and safety in the mall to restore shopper confidence Introduced 40 new tenants which are first stand-alone stores in Malaysia and exclusive to Suria KLCC, elevating shopper experience Suria KLCC organised a Welcome Back campaign by rewarding shoppers with shopping vouchers MOKL Hotel tailored value for money staycation programmes for the domestic leisure guests MOKL Hotel implemented the 'We Care' programme with stringent protocols to further safeguard the comfort, health and safety of hotel guests and employees Innovated F&B service offerings at MOKL Hotel - 1st to introduce assisted buffet arrangement, prioritising guests' health and safety 	<ul style="list-style-type: none"> Utilised online platform i.e. email for bid submission by vendors Conducted virtual awareness sessions on procurement procedure and implementation of Anti-Bribery Management System Monthly engagement with suppliers on HSE related matters which include COVID-19 SOPs for our business operations 	<ul style="list-style-type: none"> Monetary donation to University Malaya Medical Centre (UMMC) to purchase personal protective equipment (PPE) and medical equipment to treat COVID-19 patients Extended support to frontliners by distributing food packages for their contribution during the pandemic Collaborated with <i>Komuniti Tukang Jahit</i> (KTJ), a social enterprise working for the benefit of the lower-income earners (B40) by purchasing their hand-sewn batik masks to be included into the essential kits which were given complimentary to shoppers at Suria KLCC Implemented safety measures by placing custom-made signages and markers for social distancing within the KLCC Precinct 	<ul style="list-style-type: none"> Communicated via emails as main medium of communication Issued press release on quarter financial results Issued press release on re-opening of children's playground at KLCC Park in September 2020
VALUES CREATED	<ul style="list-style-type: none"> Delivered stable returns to holders of Stapled Securities - distributed 98% of distributable income amounting to a full year dividend payment of RM541.6 million Promoted transparent practices which contributed to better-informed investment community through engagement with institutional investors, analysts and fund managers. Identified opportunities for operational excellence and long-term growth plans Enhanced brand positioning to sustain competitive advantage by communicating our business strength and future prospects 	<ul style="list-style-type: none"> Promoted inclusivity through fair employment practices and gender equality by providing equal employment opportunities and career progression Provided a healthy, safe and inspiring work environment creating an agile and enabled workforce. Achieved an employee satisfaction score of 64% Provided competitive salaries and benefits, aligned to industry's best practices and market benchmarks with reviews conducted annually Created opportunities for our employees to grow and develop, personally and professionally. RM3.3 million was spent on learning and development with 75% employees underwent training during the year Enriched our employees through participation in sports, recreational and environmental conservation activities Recognised our employees for good performance and achievement through focused recognition Created a greater sense of purpose, belonging and pride in the company Ensured long-term employment from hire to retire 	<ul style="list-style-type: none"> Complied to policies, regulations, guidelines and standards set forth in relation to the industry and our operations and provided regular feedback/data to regulators for analysis and in promoting the REIT industry Ensured payment of taxes due to the Government. Total taxes paid for the year amounted to RM72.1 million Provided business opportunities for local entrepreneurs through Government's campaigns and programmes Advanced industry standards through adoption of best practices across our operations Supported the Government's aspiration towards achieving a neutral carbon economy by 2050 through our focused initiatives on energy efficiency and reducing our carbon footprint throughout our operations. Reduced our GHG emission by 4.2% in 2020 compared to 2019 due to reduced building occupancy and operational capacity 	<ul style="list-style-type: none"> Provided a safe and secured place for our tenants, shoppers and guest to work, shop and stay Delivered high service level standards and enhanced customer experience by successfully transitioning the NWD car park to ticketless and cashless Supported our retail tenants towards business sustainability to weather the crisis, recover quickly and rebuild loyal customer base maintaining Suria KLCC's occupancy at 97% Offered our tenants, customers and guests with reliable professional services, reimagined shopping experiences and innovative trend setting products and services resulting in a customer satisfaction score of 74% and guest satisfaction score of 87% Attractive and competitive offerings meeting customer and guest expectations on value for money Rewarded our customers through experiential reward programmes and campaigns resulted in increased footfall in the mall 	<ul style="list-style-type: none"> Provided opportunities to grow business through sustainable procurement Increased local procurement from 90% in 2019 to 95% in 2020 providing bigger business opportunities for local vendors Initiated knowledge sharing creating the opportunity to innovate and improve products and services tailored to business requirements Instilled a culture of sustainable procurement through the supply of environmentally friendly products Promoted a culture of ethical practices by complying to our Code of Conduct and Business Ethics (CoBE) resulting in zero bribery incident Provided support for local suppliers in our hotel operations achieving accreditation of suppliers in food safety of 40% 	<ul style="list-style-type: none"> Supported the growth of local businesses particularly during the pandemic Enriched the lives of our community through our Corporate Social Responsibility (CSR) programmes focusing on the needy and underprivileged society. Invested RM1.6 million on community programmes and social development for the year Enhanced skills and capabilities and provided exposure to the working environment within our industry for our communities through our CSR programmes in the area of education Provided a greener environment and improved societal well-being through various environmental conservation programmes and initiatives Established strategic partnerships with charity organisations, thus creating an avenue for us to reach out and empower our community Provided a healthier, cleaner, safe and secure environment at KLCC Precinct for our community to enjoy leisure activities such as to shop, dine or jog and exercise at the KLCC Park Maintained public infrastructure, providing convenient access and building-to-building connectivity - pedestrian tunnels connecting the KLCC LRT station to Suria KLCC and Kompleks Dayabumi connecting to the National Mosque and pedestrian bridge connecting Kompleks Dayabumi to Pasar Seni LRT station 	<ul style="list-style-type: none"> Fostered good relations with the media by providing timely response to their queries Provided accurate information for error-free reporting thus reflecting integrity of the media Issued six press releases for the year

OUR STRATEGIC VALUE CREATION

STRATEGIC PILLARS

OUR CAPITALS AND INPUTS

MATERIAL MATTERS

RISKS AND OPPORTUNITIES

VALUES CREATED

TRADE-OFFS

MAXIMISING VALUE OF INVESTMENTS

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 of the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html

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 of the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html

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 of the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html

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 pages 55 to 62

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 pages 39 to 48

R TRUSTED RELATIONSHIPS WITH STAKEHOLDERS

High integrity, trust and transparent communication with our key stakeholders

To read more, refer to Stakeholder Management on pages 16 to 21

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 on pages 13 to 15

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 of the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html

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

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.

EMBRACING DIGITAL FOR BUSINESS ENHANCEMENT

CREATING VALUE THROUGH SUSTAINABILITY

RESILIENCE IN SOFT MARKET CONDITIONS

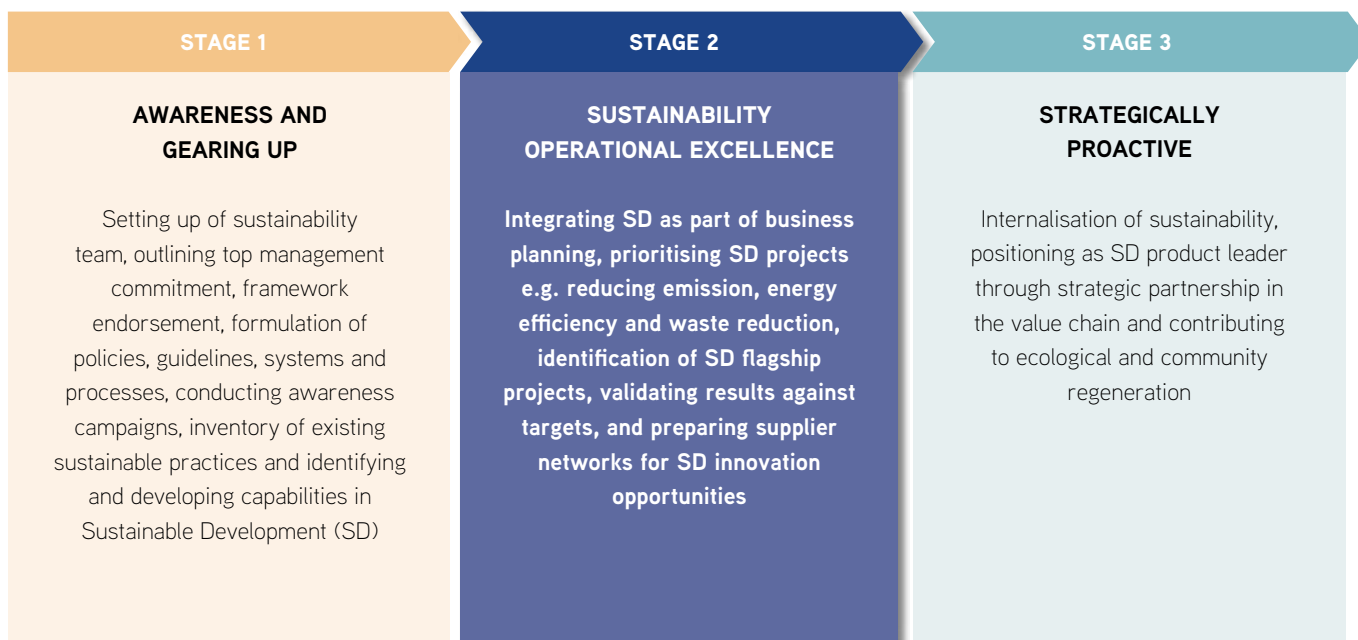
PROGRESS TO DATE

Our Sustainability journey which began in 2004 when we first started operations has been a colourful and eventful journey, challenging yet very rewarding. Sustainability has become a huge part of our operations underpinned by our Sustainability Framework and our sustainability pillars. We embarked on a longer-term view of sustainability and began our journey in embedding it into our business model and strategies. We officially commenced our sustainability reporting journey in 2014 where we framed our Sustainability Journey in three stages, reflecting our commitment towards achieving our goals to deliver long-term values for our stakeholders.

In 2019, we aligned our sustainability goals to five prioritised UNSDGs where we believe we can make the most difference to our stakeholders. This is part of our strategy for KLCCP Stapled Group's long-term success in creating economic value.



We have today progressed well into Stage 2 of our Sustainability Journey which sees us strengthening our operational excellence through the implementation of our digital agenda and prioritising our Sustainability Development projects in reducing emission and energy consumption, reducing water use and responsibly managing our waste. These developments are steering us towards Stage 3 of our journey as sustainability is now considered in almost all aspects of our business operations.

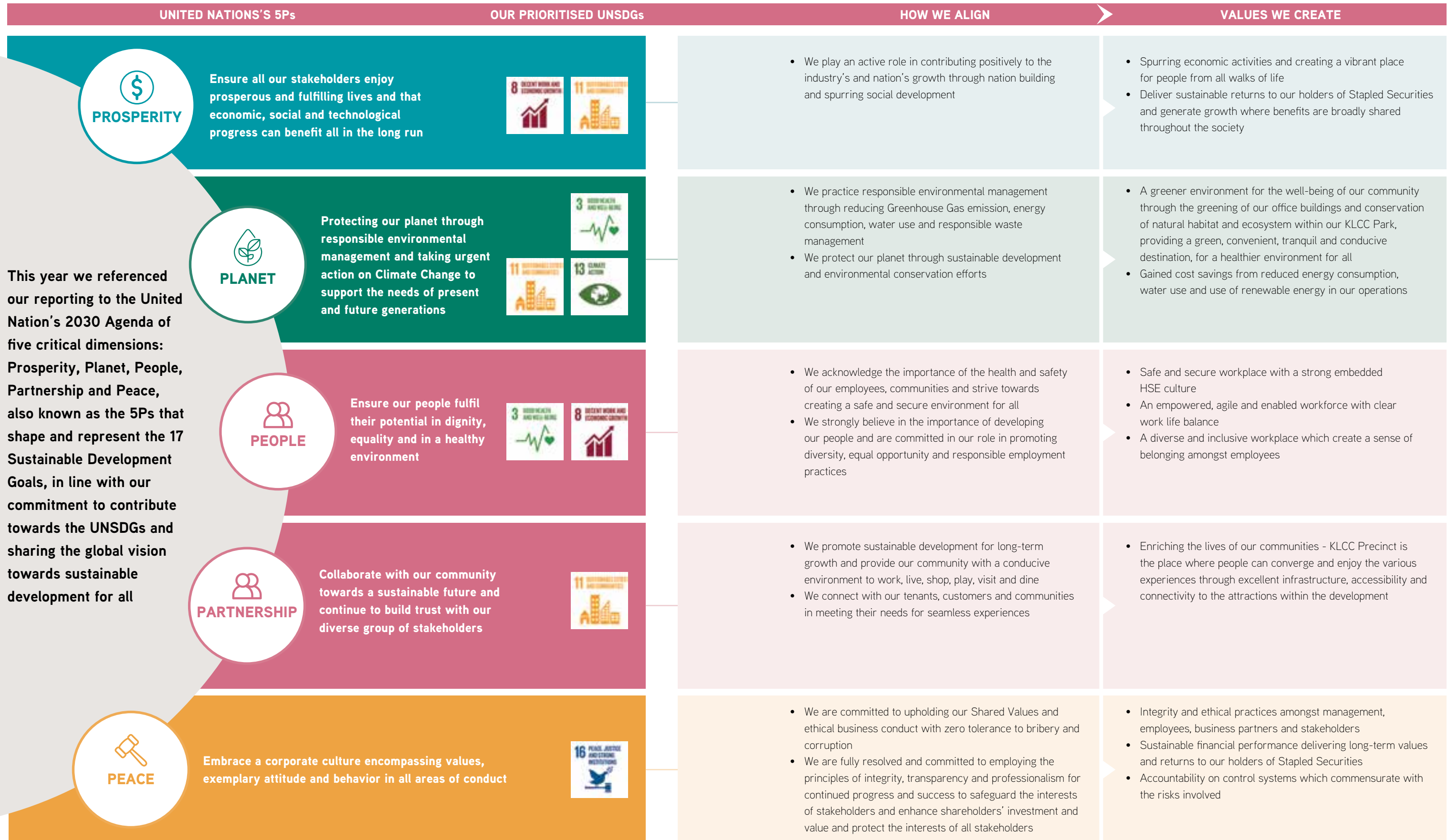


We are already in the second year of our 5-Year Sustainability Roadmap which clearly defines our three main goals and targets — Building a Smart, Safe and Sustainable KLCC Precinct, Building an Agile, Inclusive and Sustainable Workforce in a VUCA (Volatility, Uncertainty, Complexity and Ambiguity) World and Combating Climate Change and Reducing Environmental Impact. In this report, we clearly outline the 2020 targets and the achievements against the targets set.

 To read more on our 5-Year Sustainability Roadmap, refer to Measuring Progress in Pursuing Sustainability Goals on pages 27 to 29

We are also working towards aligning to the Task Force for Climate-Related Financial Disclosures (TCFD) recommendations in our reporting going forward, to provide useful climate-related financial information to our investment community.

TOWARDS SUPPORTING THE UNITED NATION'S 2030 AGENDA OF 5Ps



This year we referenced our reporting to the United Nation's 2030 Agenda of five critical dimensions: Prosperity, Planet, People, Partnership and Peace, also known as the 5Ps that shape and represent the 17 Sustainable Development Goals, in line with our commitment to contribute towards the UNSDGs and sharing the global vision towards sustainable development for all

MEASURING PROGRESS IN PURSUING SUSTAINABILITY GOALS

As we progress towards advancing our sustainability practices, we continue to track our performance under the identified goals as outlined in our 5-Year Sustainability Roadmap which is aligned to the five prioritised UNSDGs.

2020 target met ■
2020 target not met ■

5-YEAR SUSTAINABILITY ROADMAP (2019 – 2023)

GOAL 1: Building a Smart, Safe and Sustainable KLCC Precinct					
OUR CAPITALS	MATERIAL MATTERS	FOCUS AREAS	5-YEAR TARGET (2019-2023)	2020 TARGETS	2020 ACHIEVEMENTS
<p>F</p> <p>R</p> <p>P</p> <p>K</p>	Financial Sustainability	Digital Infrastructure	To be a digitally competent organisation	Set up of a Digital Committee	<ul style="list-style-type: none"> Appointed Digital Head to lead the Group's Digital Initiatives and established a Digital Committee to shape the business digital adoption and key focus areas
	Economic, Social and Industry Growth	Innovative Customer-Focused Solutions		Establishment of Digital Roadmap (2020 – 2023)	<ul style="list-style-type: none"> Established Digital Roadmap (2020 – 2023) with five digital focus areas: <ul style="list-style-type: none"> Integrated and Human Intuitive Building and Facilities Management State-of-the-Art Parking Solutions Innovative Product and Service Management Predictive Engine and Smart Tenancy Solutions Agile and Intelligent Project Management
	Security, Safety and Health	Data Analytics		Roll out of Microsoft Office 365 (M365) to 100% of employees	<ul style="list-style-type: none"> Successfully rolled out M365 to 100% of employees to enable digital ways of working as well as facilitate remote working
	Customer and Tenant Management			Launch of Integrated Building Command Center (IBCC)	<ul style="list-style-type: none"> Successfully conducted the pilot launch of IBCC to manage our facilities in real time and leverage on the power of data for a more efficient service delivery
	Risk and Crisis Management			Transition of Northwest Development (NWD) car park to 100% ticketless and cashless	<ul style="list-style-type: none"> Successfully achieved 100% implementation of ticketless and cashless parking solutions at NWD car park

5-YEAR SUSTAINABILITY ROADMAP (2019 – 2023)

GOAL 2: Building an Agile, Inclusive and Sustainable Workforce in a VUCA (Volatility, Uncertainty, Complexity and Ambiguity) World					Supporting the UNSDGs
OUR CAPITALS	MATERIAL MATTERS	FOCUS AREAS	5-YEAR TARGETS (2019-2023)	2020 TARGETS	2020 ACHIEVEMENTS
E	Our People	People and Culture Fit	Achieve a succession planning ratio of 1:2	Succession planning ratio of 1:1.3	<ul style="list-style-type: none"> Achieved a succession planning ratio of 1:0.7
	Security, Safety and Health	Empowered, Agile and Resilient Workforce	Review and assess five core capabilities in enhancing capability development	Conduct 100% review of the five core capabilities for career development	<ul style="list-style-type: none"> Established Capability Development Working Committee to steer organisational capability development and review capability inventory and standards Completed review of five core capabilities conducted on employees
	Human Rights and Labour Practices	Work Life Integration	Inculcate digital native mindset, healthy and ethical workforce	Launch Innovation Hub, a design thinking platform to solve and prototype business-focused solutions	<ul style="list-style-type: none"> Launched Innovation Hub in September 2020 and rolled-out the first phase of the lab. Concluded four business cases for prototyping
		HSSE Maturity Culture		100% employee participation on e-learning platform – Harvard ManageMentor (HMM)	<ul style="list-style-type: none"> 100% participation of employees on HMM e-learning platform
				Implementation of group wide Anti-Bribery Management System towards achieving ISO 37001:2016 certification	<ul style="list-style-type: none"> Attainment of ABMS ISO 37001:2016 certification by KLCCP, KLCCRM, KLCCUH, KPM and six other subsidiaries
			Achieve Generative HSSE Culture	20% employee outreach of targeted HSSE Generative Culture program	<ul style="list-style-type: none"> 2% employee outreach of targeted HSSE Generative Culture program in effort to strengthen HSSE culture – low engagement due to cancellation of many initiatives resulting from the impact of the pandemic

MEASURING PROGRESS IN PURSUING SUSTAINABILITY GOALS

5-YEAR SUSTAINABILITY ROADMAP (2019 – 2023)

GOAL 3: Combating Climate Change and Reducing Environmental Impact


Supporting the UNSDGs 

2020 target met ■
2020 target not met ■


OUR CAPITALS	MATERIAL MATTERS	FOCUS AREAS	5-YEAR TARGETS (2019-2023) ¹	2020 TARGETS ²	2020 ACHIEVEMENTS ³	
N	Climate Change	Carbon Emission	To reduce carbon emission: • Office: 8.0% • Retail: 18.0% • Hotel: 3.0%	Reduction in carbon emission • Office: 4.8% • Retail: 3.0% • Hotel: 16.8%	■ Delivered improved carbon efficiency where we achieved a reduction of 21.2% for office, 24.1% for retail and 54.5% for hotel	
		Energy Consumption				
	Environmental Management	Water Usage				
		Waste Generation	To reduce energy consumption: • Office: 6.8% • Retail: 5.0% • Hotel: 1.8%	Reduction in energy consumption • Office: 4.8% • Retail: 4.3% • Hotel: 1.0%	■ Drove down energy consumption in our operations by 19.6% for office, 27.6% for retail and 45.7% for hotel with the continuous implementation of energy efficient initiatives	
	Removal of Single-Use Plastic		To reduce water use: • Office: 1.0% • Retail: 7.0% • Hotel: 20.0%	Reduction in water consumption • Office: 1.4% • Retail: 6.4% • Hotel: 5.5%	■ Reduced water usage throughout our assets by 27.4% for office, 40.3% for retail and 38.7% for hotel through our efficient water management	
			To reduce total waste generation: • Office: 12.0% • Retail: 18.0% • Hotel: 15.0%	Reduction in total waste generation • Office: 11.8% • Retail: 5.0% • Hotel: 5.0%	■ Waste management within our operations which is carried out via reduction, reuse and recycling resulted in total waste reduction of 78.1% for office, 41.0% for retail and 78.1% for hotel	
		90% removal of single-use plastic in hotel operations	68% removal of single-use plastic in hotel operations	■ Successfully eliminated 68% of single-use plastic in hotel operations		

Notes:
1. The 5-Year targets are calculated based on 2015 baseline.
2. 2020 targets are calculated from 2015 baseline except for retail waste generation from 2017.
3. The significant reduction in GHG emission, energy consumption, water use and waste generation are mainly due to reduced occupancy in our office buildings, lower footfall in our mall and reduced capacity in hotel operations resulted from the implementation of various phases of Movement Control Order throughout the year.


AWARDS AND ACCOLADES




Platinum Award for Excellence in Environmental, Social and Governance (ESG)
awarded to KLCCP Stapled Group at The Asset ESG Corporate Awards 2020




Best Sustainability Leadership for Facility Management
MGBC Leadership in Sustainability Awards awarded to KLCC Urusharta Sdn Bhd



Green Hotel Standard 2020-2022
by Ministry of Tourism, Arts and Culture




Asean Green Award 2020-2022
by Asean Tourism Forum




KLCC Park awarded **World's Top Urban Park (Silver Award)** at the International Large Urban Parks Award 2020 presented at the World Urban Parks Congress 2020 in the city of Tirana, Albania

“ The park was created in a strategic stroke of city renewal, setting aside several blocks for a park with lake, rainforest trees, flower beds and lingering pathways next to central business district skyscrapers, thereby creating a lush breathing space for office workers and city shoppers. ”


World Urban Parks



Mandarin Oriental, Kuala Lumpur received the **Hotel Stay Safe Mark Standard Certificate** by Lloyd's Register in June 2020 for demonstrating high health and safety practices, especially during the COVID-19 outbreak



Mandarin Oriental, Kuala Lumpur was certified as **“Clean and Safe” hotel** by Bureau Veritas in August 2020 for fulfilling a set of requirements endorsed by the relevant authorities



KLCC Urusharta Sdn Bhd and KLCC Parking Management Sdn Bhd were awarded the prestigious **Royal Society for Prevention of Accident (RoSPA) Award** with **Gold and Silver awards** respectively in September 2020 as a recognition for their practices and achievements in health and safety excellence

SUSTAINABILITY KEY HIGHLIGHTS



Prosperity



ESTABLISHED Digital Roadmap (2020-2023)

- with five digital focus areas:
- ✓ Integrated and Human Intuitive Building and Facilities Management
 - ✓ State-of-the-Art Parking Solutions
 - ✓ Innovative Product and Service Management
 - ✓ Predictive Engine and Smart Tenancy Solutions
 - ✓ Agile and Intelligent Project Management



RANKED
in the **Top 8th percentile**
among our supersector peers under the FTSE4Good Index Series and rated in the **Top 25% amongst 240 listed companies** in the FBM EMAS



SECURED the **extension** of the existing **triple net lease agreements** for a further term of 15 years with lessee, PETRONAS, for office leases in PETRONAS Twin Towers and Menara 3 PETRONAS



SPURRING ECONOMIC GROWTH through supporting Government's effort in economic recovery and local entrepreneurs - **Buy Malaysian Products Campaign and Komuniti Tukang Jahit Initiative** in support of the lower income group



CONTINUED ENGAGEMENT with investment community via virtual platforms - engaged with **over 200 institutional investors, analysts and fund managers**



LAUNCHED **Innovation Hub** in September 2020 and concluded with four business cases for prototyping



Planet



RENEWABLE ENERGY from solar panel located at the rooftop of Suria KLCC mall, contributing to **electricity savings** of approximately **16.3 million kWh**, equivalent to a total saving of **RM1.8 million** since 2014



REDUCTION of **4.2% in GHG emission** in 2020 vs 2019 as a result of our continued proactive measures in minimising our carbon footprint



TREES' HEALTH ASSESSMENT at KLCC Park - certified **arborist conducted assessment on 1,700 trees** at the KLCC Park. 327 trees were classified with excellent health, while 1088 trees have an average health



People and Partnership

IMPLEMENTATION of **Cybersecurity Assessment Program - 47% of employees successfully completed** this assessment



PROMOTED ONLINE LEARNING during the pandemic through Harvard ManageMentor (HMM) e-learning platform - **100% employee participation**



INVESTED RM3.3 million on **staff learning and development** for continuous upskilling of knowledge, technical competencies and digital tools



SOURCED 95% local products contributing positively to the local economy



SPENT RM95.3 million on **community investment and retail tenant assistance**



COMPLETED the **newly reconfigured anchor-to-specialty space in Suria KLCC** housing **over 70 specialty stores** with a mix of prominent local and international brands for fashion, F&B and cosmetics



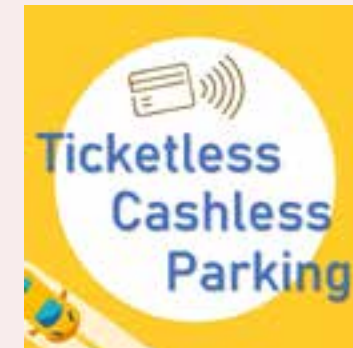
ACHIEVED 96% employee **retention rate**



MAINTAINED an impressive record of **zero fatality** since 2014



MOKL HOTEL ACHIEVED **guest satisfaction score of 87%** for providing bespoke hotel experiences



KPM TRANSFORMED NWD car park into **100% ticketless** and **cashless payment**

Peace



MOKL HOTEL ELIMINATED 68% of single-use plastic in its operations



SURIA KLCC RECYCLED 97.98 metric tonnes of food waste to help reduce waste disposal to landfill

ROLLED OUT the **Policy Statement** for **Anti-Bribery Management System (ABMS)** and successfully **attained ABMS ISO 37001:2016 certification** for KLCCP, KLCCRM, KLCCUH and KPM



ACHIEVED 43% women on Board surpassing the country's aspirational target of 30%

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

PROSPERITY

ADVANCING ECONOMIC RESILIENCE

As a real estate player, KLCCP Stapled Group plays an important role in creating a positive environment and contributing towards the country’s socio-economic development. We have achieved significant milestones, being the largest REIT and only stapled security in Malaysia with a diversified asset portfolio, strategically located in Kuala Lumpur’s most premium location. We endeavor to create long-term value and deliver sustainable returns and yields for our holders of Stapled Securities, towards economic resilience.



SUPPORTING THE UNSDGs

8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES

MATERIAL MATTERS

Financial Sustainability
Economic, Social and Industry Growth

MAPPED TO OUR CAPITALS

F P

RELATED PRINCIPAL RISKS

Finance
Market
Asset Management
Facilities Management

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

Goal 1
Building a Smart, Safe and Sustainable KLCC Precinct

The unprecedented COVID-19 outbreak posed great challenges to the Group and has significantly impacted the Group’s performance for the year. The changing market landscape brought about by the pandemic required us to adapt quickly to the current environment and technological innovations that came on stream. Amidst this challenging environment, we continued to focus on survival and recovery efforts with the re-opening of our businesses following the easing of the movement restrictions and maintaining a healthy working capital and cash flow to enable a conducive business environment and for long-term stability. Our efforts go beyond seeking creative ideas and trends to safeguard our business continuity including working with our business partners to ensure the business continuity of our value chain.

In support of the various economic sectors which were impacted by the pandemic, the Government announced various stimulus packages to empower the people, propel businesses and stimulate the economy.

OUR APPROACH

Our economic contribution is delivered by going beyond business-as-usual to create value for our shareholders and stakeholders including our customers, employees, suppliers, regulators and the Government. We are committed to manage our business responsibly and align our business processes and strategies to support sustainable development and growth across our operations.

As a property investment and development group, and the owner of the iconic properties which placed Malaysia firmly on the world map, we acknowledge our role in contributing positively to the industry’s and the nation’s growth through nation building, spurring social development, enhancing customer experiences, providing building-to-building connectivity, being the catalyst for surrounding development and providing the balance between commercial, public space and greenery through sustainable development. By upholding our resilience and financial strength, we are focused in our commitment to drive sustainable returns for our shareholders and generate growth where the benefits are broadly shared throughout the society.

FOCUS FOR THE YEAR

- Supporting Government’s effort in economic recovery through campaigns for local entrepreneurs
- Raising business resilience and business continuity in responding to the market and economic challenges
- Building trust through continued engagement with investment community via virtual platforms
- Elevating customer, guest and community experience, leveraging technology and data analytics

FINANCIAL SUSTAINABILITY

COVID-19 has caused significant instability and high volatility in global capital markets and it is expected that the adverse impact is likely to continue for a longer period of time. At the home front, disruption to businesses and services, along with border closure and movement controls have outsized impact on private consumption and business investment. Individuals and businesses affected by the crisis are at high risk of facing immediate cash flow constraints as their earnings dwindle. In navigating the challenges brought about by the pandemic, KLCCP Stapled Group continued to focus its priority to drive sustainable growth and create significant value for its stakeholders through various strategic recovery efforts within our portfolio during the year.

We undertook several measures to mitigate the impact of the pandemic by closely monitoring our cash flow, making priority-based payments and sturdier negotiations with suppliers for mutual sustenance. We also focused on cost optimisation through the implementation of a series of cost containment measures by suspending all non-essential OPEX and CAPEX and temporary closure of unoccupied hotel rooms and amenities.

Our strategy to deliver sustainable growth and long-term value to our stakeholders were underpinned by four strategic pillars of maximising value of investments, resilience in soft market conditions and creating sustainable value which saw us responding to the harsh impact of COVID-19 on our businesses. We continue to ensure that our properties are maintained in pristine condition with re-configured office spaces aligned to the new normal and equipped with health and safety Standard Operating Procedures (SOPs) to drive longer term tenancy prospects and restore confidence of our tenants in returning to the workplace.

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE



ECONOMIC, SOCIAL AND INDUSTRY GROWTH

KLCCP Stapled Group is dedicated to enhancing real estate development to facilitate economic growth whilst promoting societal well-being. Our development within the KLCC Precinct has long been the catalyst for growth, in particular for the city of Kuala Lumpur, making its mark as an iconic destination and is today becoming **The Place** that people look forward to coming to. Having all the components of a city-within-a-city, it is a place where people converge for business and leisure, bridging people together and building a stronger sense of community.

<p>Customer and Guest Experience</p>	<ul style="list-style-type: none"> Secured 40 new retail tenants which included six first-to-market tenants and exclusive to Suria KLCC, providing a wider mix of retail offerings to meet current demands Boosted sales and drove footfall to our retail mall through promotional activities, reward programmes, discount vouchers and other incentives to shoppers such as the "Golden Ticket" reward campaign where shoppers spent a minimum of RM150 and were eligible to draw RM5000 Suria's cash vouchers that can be spent at any participating outlet Introduced exciting hotel offerings which included staycation packages, meeting packages and new F&B experiences
<p>Spurring Economic Growth</p>	<ul style="list-style-type: none"> Supporting the Government in the Buy Malaysian Campaign 2020 as a venue sponsor for the campaign launch and Suria KLCC as the venue for the local entrepreneurs to showcase their products during the campaign Suria KLCC collaborated with community interest group, the <i>Komuniti Tukang Jahit</i> to support the low-income earners affected by the pandemic Completed the 10-metre new pedestrian bridge connecting Menara Dayabumi to Central Market, enhancing connectivity surrounding the older business district of Kuala Lumpur
<p>Nation Building</p>	<ul style="list-style-type: none"> One of the largest integrated real estate developments in the world and a much sought-after business address. A benchmark for property development in the country, spurring economic activities within and surrounding the development, creating a vibrant place for people from all walks of life KLCC is the home to many iconic attractions. It has become The Place where business thrives and a must visit destination for both local and foreign tourists alike Maintaining public infrastructure such as the pedestrian bridges and tunnels surrounding KLCC Precinct and Menara Dayabumi to ease connectivity to and from the city centre

Embracing A Digital Future

As digitalisation is becoming even more critical in today's landscape and with the increased dependent on technology, KLCCP Stapled Group stepped up its Digital Transformation journey with the implementation of the Group's Digital Roadmap (2020 – 2023), focusing on enhancing operational excellence in the areas of project management, facilities management and safety and security.

To read more on Embracing Digital, Driving Innovation, refer to pages 32 to 33 of the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html

Initiatives for the Year

<p>Integrated Building Control and Command Centre (IBCC)</p>	<ul style="list-style-type: none"> Pilot launch of the Integrated Building Control and Command Centre (IBCC) for the operations of all facilities within KLCCUH that provide real-time and automated monitoring and reporting for quick response and resolution
<p>Smart Alert Video Analytics for HSSE Non-Compliance</p>	<ul style="list-style-type: none"> Establishment of smart alert video analytics for HSSE non-compliance, People Counting Sensor and People Heatmap video analytics within KLCC Precinct common areas and real time facial recognition. The video analytics is equipped with features that can detect suspicious activities in real-time and send alarms for security's action
<p>NWD Car Park Cashless Payment Solutions</p>	<ul style="list-style-type: none"> Transformation of NWD car park into fully ticketless and cashless payment car park with total digital surveillance
<p>Digital F&B Menus at MOKL Hotel</p>	<ul style="list-style-type: none"> Conversion of F&B menus of all MOKL Hotel outlets into digital menus with QR codes
<p>Digital Marketing Materials for Retail mall and Hotel</p>	<ul style="list-style-type: none"> Suria KLCC and MOKL Hotel produced electronic/digital materials for sales, spa and F&B as e-Flyers of promotions/offers, for ease of sharing via WhatsApp and emails
<p>HSE Digital Communications</p>	<ul style="list-style-type: none"> Suria KLCC produced videos on mall's health and safety measures to communicate adherence to strict hygiene and safety standards



PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

Commitment to Capital Market Development

As the largest REIT in Malaysia, we are committed to promote REIT as an investment asset class, collaborating with our industry peers in enhancing Malaysian REITs (MREIT) competitiveness domestically and internationally. Together with the 17 REITs, through the Malaysian REIT Managers Association (MRMA) and in collaboration with the Asia Pacific Real Estate (APREA), we organised the 2nd MREIT Forum and first virtual webinar on 1 December 2020. Themed “M-REITs Navigating the New Normal”, the event was attended by approximately 900 participants ranging from property stakeholders, international and domestic fund managers, investment bankers and research analysts.

In addition, we were also active with the investing community, participating in various REIT and Sustainability Forums where the topics of discussion ranged from impact of ESG investing to how organisations navigate challenges towards becoming more sustainable and REIT as a defensive investment strategy in volatile market conditions.



Promoting Industry Growth through Affiliations

KLCCP Stapled Group are members to many professional bodies and associations and our affiliations with these organisations allows us to actively share our knowledge and expertise and exchange views with our peers in the industry. It also provides us with the opportunities to benchmark against industry best practices and contribute towards nation building and industrial advancement.

Membership	
KLCC Property Holdings Berhad	<p>Council of Tall Buildings and Urban Habitat (CTBUH) KLCCP has been a member of the Council at Patron Level since 1996 and has been actively participating as participants and speakers in conferences organised by the Council</p> <hr/> <p>Federation Internationale des Administrateurs de Bien-Conselis Immobiliers (FIABCI) Malaysian Chapter KLCCP is a member of FIABCI Malaysian Chapter and supports the Federation through its various events, seminars and talks organised annually</p> <hr/> <p>Malaysian Investor Relations Association (MIRA) KLCC Property Holdings Berhad registered as a member since 2014. MIRA is the first and only professional association committed to developing and advancing the status and integrity of IR professional</p>
KLCC REIT	<p>Malaysian REIT Managers Association (MRMA) KLCC REIT Management Sdn Bhd is a member of the Malaysian REIT Managers Association (MRMA). MRMA also represents its members' interests through engagement with the Malaysian Government and regulators for functional regulations, viable structures and tax harmonisation. This ensures Malaysian REITs remain competitive within the region and internationally</p>
Suria KLCC	<p>Persatuan Pengurusan Kompleks Malaysia (International Council of Shopping Centres) Suria KLCC has been a member of the Persatuan Pengurusan Kompleks (PPK) Malaysia since 1995 and a member of the International Council of Shopping Centres (ICSC) since 2003</p>
MOKL Hotel	<ul style="list-style-type: none"> • Association of Hotel Employers Peninsula Malaysia • Malaysian Association of Hotel Owners • Malaysian Employers Federation • Malaysian Association of Hotels • The Japanese Chamber of Commerce • Japanese Chamber of Trade and Industry Malaysia (JACTIM) • British Malaysia Chamber of Commerce

To read more, refer to Investor Relations on pages 66 to 69 of the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

PLANET

PROTECTING OUR ENVIRONMENT

With greater awareness on the adverse impact of Climate Change on our environment, the Government's initiatives towards achieving a low carbon economy status by 2050 and with PETRONAS' aspiration to achieve net zero carbon by 2050, we further heightened our commitment to reduce our GHG emission in support of this commitment.



Photo courtesy of Oscar Iqnetik; TRACC Borneo

SUPPORTING THE UNSDGs

3 GOOD HEALTH AND WELL-BEING, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION

MATERIAL MATTERS

Climate Change
Environmental Management

MAPPED TO OUR CAPITALS

N

RELATED PRINCIPAL RISKS

Finance
Asset Management
Facility Management
Health, Safety and Environment
Security

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

Goal 3
Combating Climate Change and Reducing Environmental Impact

Environmental protection and climate change are among the biggest challenges faced by the world today. The rising concerns on the adverse impact of environmental change and ecosystem impairment on human health due to irresponsible activities is a timely reminder for individuals and corporations to invest in environmentally sustainable and socially responsible practices, like using clean energy and managing natural resources responsibly, to secure a liveable and sustainable future.

With the growing awareness on environmental concerns, KLCCP Stapled Group is focused on efforts to address and mitigate environmental impact and climate change resulting from our business operations and the corresponding risks - improving our environmental practices and operational sustainability by:

- Driving down energy consumption in our operations
- Minimising use of water throughout our assets
- Minimising quantities of waste generated at our assets
- Influencing suppliers/contractors on commitment in conserving the environment
- Promoting a biodiversity ecosystem

OUR APPROACH

At KLCCP Stapled Group, we acknowledge our responsibility and emphasise the needs in raising awareness and understanding of environmental sustainability amongst our business units, stakeholders and the broader community. In line with our Code of Conduct and Business Ethics (CoBE) and as a real estate owner, developer and manager, we aim to minimise disruption to the environment and its adverse impact on the community by reducing the environmental footprint of our buildings and use energy, water and resources more efficiently. We strive to ensure our decisions contribute to improvements in environmental sustainability, working in-tandem with our tenants in green building initiatives, the local authority, Government and other stakeholders in achieving our targets.

FOCUS FOR THE YEAR

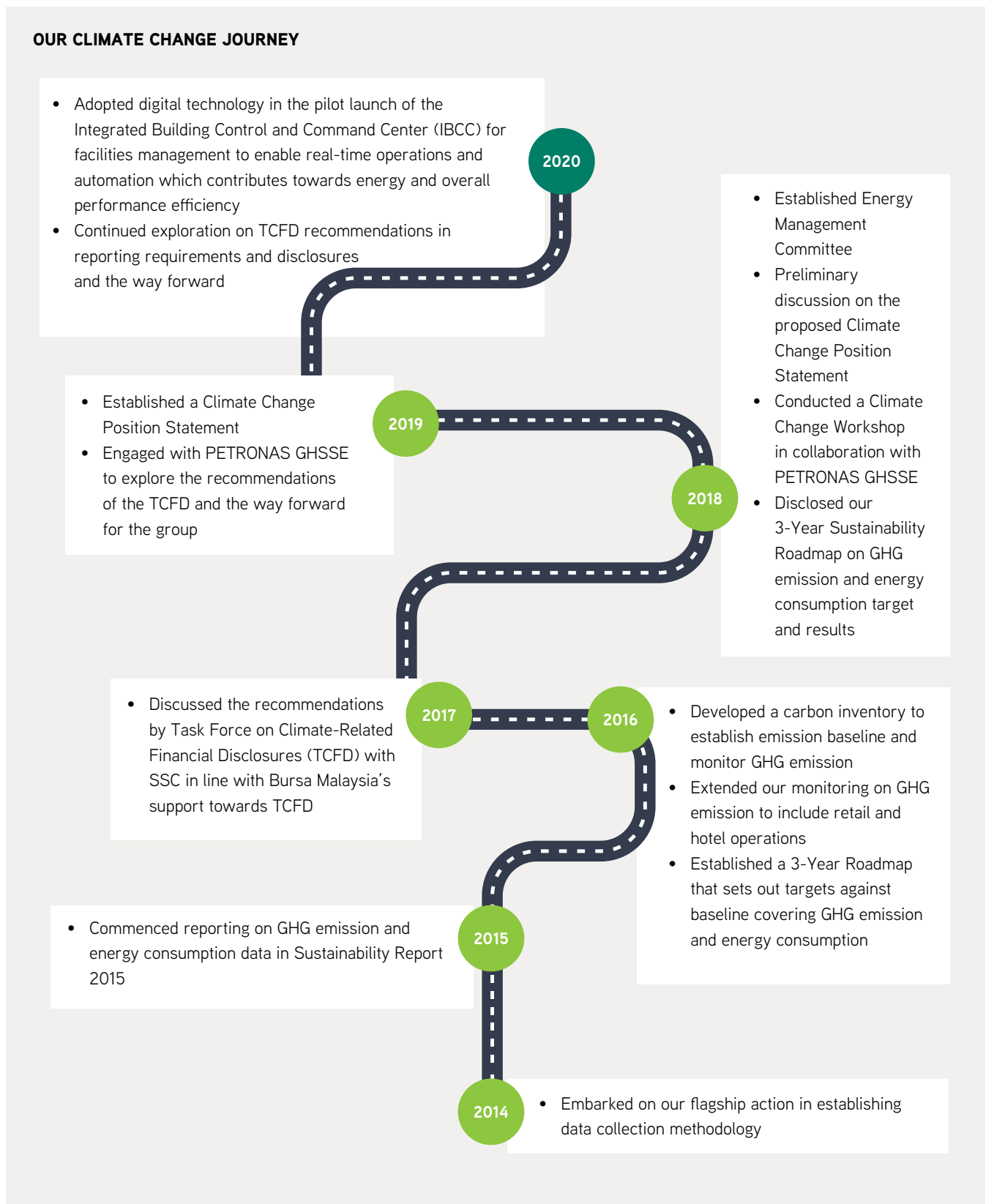
- Increased elimination of single-use plastics at MOKL Hotel and sourced alternative plastics with lower environmental footprint through Alternative Materials Tool
- Food waste recycling at the food courts and supermarkets in Suria KLCC
- Replacement of LED lights at common areas in offices, retail and car park as scheduled

CLIMATE CHANGE

We address climate change risks by reducing our energy consumption and Greenhouse Gas emission throughout our business operations. Despite our emission being small, we are committed to support the global Climate Change agenda and remain conscious of how we operate and align ourselves to best practices.

Our Climate Change Journey

We charted our Climate Change journey in enhancing our existing carbon management practices and affirming our stand towards the Government's commitment in combating global Climate Change and its aspiration towards achieving a neutral carbon economy by 2050 and in support of the 2015 Paris Agreement. We aligned our Climate Change action to the Sustainable Development Goal 13 in taking urgent action to combat Climate Change and its impact.



Greenhouse Gas Emission

Based on our carbon inventory and emission baseline, we monitor our carbon emission and track our progress on a quarterly basis. We anticipate, mitigate and develop adaptation strategies to face the upcoming carbon risks and opportunities which may affect our tenants, users, guests and community. We monitor our GHG emission based on:

Scope 1 – Direct Combustion (natural gas and diesel consumption)	Scope 2 – Indirect Combustion (electricity and chilled water consumption)
---	--

We achieved a reduction of 4.2% in our GHG emission from 110,469 mtCO₂e in 2019 to 105,876 mtCO₂e in 2020 as a result of our continued proactive measures in minimising our carbon footprint coupled with the reduced occupancy and lesser business activity in our retail mall and hotel.

Performance for the Year								
Greenhouse Gas Emission by Segmen(mtCO ₂ e)								
	Office and Car Park		Retail		Hotel		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Scope 1	11.00	4.45	1,512	1,692	1,139	2,142	2,662	3,838
Scope 2	71,015	67,614	24,577	22,931	7,622	16,086	103,214	106,631
Total							105,876	110,469

Efficient Energy Management

As one of the main sustainability agendas and a pillar to our effort in reducing our carbon footprint, we continue to implement energy efficient initiatives throughout our business operations to optimise energy consumption towards overall reduction.

Through our 5-Year Sustainability Roadmap, we tracked and monitored our energy efficiency and its impacts to our overhead, cost, return of investment and the target reduction of our GHG emission.

Initiatives for the Year

PETRONAS Twin Towers	<ul style="list-style-type: none"> LED light replacement for Workplace For Tomorrow (WFT) floors and common area. (8,105 units replaced)
Menara 3 PETRONAS & Menara Dayabumi	<ul style="list-style-type: none"> LED light replacement for office and common area (Menara 3 PETRONAS: 1699 units replaced) (Menara Dayabumi: 8,516 units replaced) LED light replacement from Level 20 – 29 (3,507 units replaced)
Suria KLCC	<ul style="list-style-type: none"> Modernisation of escalators at Ampang Mall Upgrading of chilled water pumps for Ramlee Mall LED upgrading works at washroom corridors, concourse floor expansion and entrances walkway and Park Mall Replacement of solar inverter (for solar panels at mall's rooftop)
MOKL Hotel	<ul style="list-style-type: none"> Shutting off individual air-conditioning units in unoccupied areas Shutting off or maintain minimum room temperatures by resetting thermostats Operate boilers and equipment in accordance with actual loads Switching off lights at times when there is low, or no activity including campaign on "switch-off" lights, printers, computers, etc in offices when not in use
NWD Car Park	<ul style="list-style-type: none"> Replacement of current LED lighting bulb commenced in November 2020 with targeted completion in February 2021. The wattage is reduced from 18W to 9W when light is dimmed to 50%

Renewable Energy

The photovoltaic system located at the rooftop of our retail mall, Suria KLCC continues to contribute towards the mall's electricity saving of approximately 16.3 million kWh, equivalent to a total saving of RM1.8 million since 2014. The reduction of GHG emission is approximately 360,000 kg carbon dioxide (CO₂) per year.

Solar Energy Performance	2020	2019
Energy Generated from Solar (kWh)	473,978	511,695
Savings (RM)	220,090	238,000

Performance for the Year							
Energy Consumption by Segments ('000 kWh)							
Office and Car Park		Retail		Hotel		Total	
2020	2019	2020	2019	2020	2019	2020	2019
69,865	74,720	11,153	12,300	7,513	13,280	88,531	100,300

During the year, our overall energy consumption recorded a decrease of 12%, from 100,300kWh in 2019 to 88,531kWh in 2020. This significant drop in consumption was due to the impact from the pandemic where occupancy at our office premises was significantly reduced and retail and hotel were not operating at full capacity throughout the many phases of the movement restrictions imposed by the Government.

ENVIRONMENTAL MANAGEMENT

We recognise the importance of environmental management practices as our actions can create both negative and positive impact — by our consumption, organisational activities and investment patterns. To mitigate any possible adverse impact, we continue to track and monitor our environmental performance to enable us to reduce our environmental impact and minimise environmental degradation. The tracking and monitoring also enable us to gauge the efficiency of the resources used and for our operations to achieve cost optimisation whilst contributing to the well-being of our community.

Water Management

The growing water scarcity and the frequent and long period of disruption in supply experienced throughout the year call for a more efficient water resources management. One of the main reasons for water supply disruption was plant shutdown due to water pollution. It is increasingly becoming a problem, often leaving millions of households high and dry for several days to even a week and causing inconveniences to businesses and industries reliant on consistent and uninterrupted water supply.

As a real estate owner, developer and manager, we aim to keep our water use to a minimum, reuse water and prevent water pollution to achieve efficient water management. Efficient water management also translates to less energy which reduces carbon footprint and in turn lowers our operational cost.

Water is critical for our operations and despite the huge consumption requirement, we continue to manage our water use throughout our operations by putting in place initiatives to achieve efficient use and to reduce consumption. During the year, we recorded a 20% reduction in our water consumption from 1,184,451m³ in 2019 to 947,728m³ mainly due to the reduced activity in our premises resulting from the pandemic.

Performance for the Year							
Water Consumption by Segments (m ³)							
Office & Car Park		Retail		Hotel		Total	
2020	2019	2020	2019	2020	2019	2020	2019
455,868	624,503	374,311	405,000	117,549	154,948	947,728	1,184,451

Initiatives for the Year

- Suria KLCC**
 - Routine maintenance and monitoring for water leakages
- MOKL Hotel**
 - Installation of Basement 4 sand filters after the incoming water to reduce brownish water issues, centralised dishwashing and reduce unnecessary cleaning
- NWD Car Park**
 - Replacement of current LED Lighting Bulb commenced in November 2020 and estimated completion in February 2021. The wattage is reduced from 18W to 9W when light is dimmed to 50%

Waste Management

Our waste management covers the disposal of construction waste produced during development and renovation of our buildings, municipal waste produced during operation of our buildings by users and occupants, which includes domestic and hazardous waste. We manage our waste responsibly to reduce the impact and the intensity of harmful greenhouse gases like carbon-dioxide, carbon monoxide, and methane that are often exuded from accumulated wastes in landfills. These wastes are recycled or disposed in a safe, ethical, and responsible manner to help reduce the negative impacts to the environment.

Initiatives for the Year

- PETRONAS Twin Towers
Menara 3 PETRONAS
Menara ExxonMobil
Menara Dayabumi**
 - Plastic bottle recycling campaign - called #crushplasticchallenge conducted within KLCCUH's offices at Level P1, PETRONAS Twin Towers
 - Encouraged contractors to participate in recycling program conducted by KLCCUH through engagement and distribution of programme poster
 - Recycling program at the four facilities generated a total of 123.9 metric tonnes of paper and plastic bottles
- Suria KLCC**
 - Conducted food waste program at the food court, supermarkets and restaurants where food wastes are sent to recycling plant for processing into animal feed
 - Certified Professional Scheduled Waste Management Training for Suria KLCC to understand the legal requirements on scheduled waste management and able to identify, classify and categorise type of scheduled wastes
 - Formulate a sound and effective implementation plan for full compliances with the regulatory requirements of the Environmental Quality (Scheduled Wastes) Regulations 2005
- MOKL Hotel**
 - Eliminating use of single-use plastic - currently at 68% elimination of single-use plastic and targeting a 100% elimination by first quarter 2021. Introduced the use of Alternative Materials Tool by World Wide Fund for nature (WWF) to find alternatives e.g. single-use packaging materials with lower environmental footprint, without transferring the environmental cost to another system. Initiatives and best practices were also shared with food suppliers to educate and create awareness on single-use plastic commitment
 - Sourcing for reusable containers to be used in kitchens instead of cling film and vacuum bags
 - Reducing food waste at Muhibbah Café (staff dining) - estimated to reduce 1 kg of food waste per cover/month. As at end of October 2020, waste decreased to approximately 0.3 kg per cover/month. This initiative has now been implemented in Mosaic restaurant kitchen with monthly tracking
 - Ongoing food waste management initiatives with WWF-Malaysia at Mosaic restaurant

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

LIVE GREEN Caring about the Environment is Beautiful
Do your best to Recycle!

NOTES
PRODUCTS MADE FROM RECYCLED PETE
Can turned into more PETE products OR

- 1 bottle = 2-3 pens
- 10 bottles = T-shirt
- 63 bottles = Sweater
- 16 bottles = Travel bag
- 17 bottles = Flats and Other Footwear
- 114 bottles = Sleeping bag insulation
- 50 2L bottles = Carpet fiber

ENVIRONMENTAL PROBLEMS
Malaysia has been ranked as 8th among the top ten Countries with mismanaged plastic waste in the world
A study estimated that Malaysia had produce 94% tons of mismanaged plastic wastes in 2010, 37% tons from the total have been washed into the oceans

REFILLING PLASTIC BOTTLES
It could leach chemicals into the water (if heated/scratched)
Potential bacterial breeding ground
EUWW! It is safe to use but NOT to reuse

EFFECTS ON US
May cause Cancer & lead to Hormonal issues

LET'S HYDRATE WITHOUT ANY HARM BY:
Replace your plastic water bottle and investing with 100% BPA-free or stainless steel water bottles, today!
This will help to conserve our Exquisite Mother nature and improve the quality of mankind lives, as well as for our future generation well-being

IMPORTANT!
We may never reach zero in "ZERO WASTE" but that is not a reason to take zero action, so do your part to RECYCLE for a more SUSTAINABLE Future!

SAVE US!

Overall, non-hazardous waste generated at our premises recorded a significant decrease due to COVID-19 restrictions and lower usage of food and beverage outlets and less banqueting events at MOKL Hotel. This decrease was also due to the various measures put in place which include recycling efforts and the increased awareness among tenants and employees on the importance to reduce, reuse and recycle.

Meanwhile, hazardous waste generated at office and car park saw a significant increase from 3.449 metric tonnes in 2019 to 78.64 metric tonnes in 2020 due to heightened housekeeping activity involving the replacement of LED lights in all office buildings and the NWD car park.

Performance for the Year

Waste Generation and Disposal by Segments

Office and Car Park (metric tonnes)		Retail (metric tonnes)		Hotel (metric tonnes)	
Hazardous Waste Generated		Hazardous Waste Generated		Hazardous Waste Generated	
2020	2019	2020	2019	2020	2019
78.64	3.449	0.26	0.937	0.198	2.220
Hazardous Waste Disposed		Hazardous Waste Disposed		Hazardous Waste Disposed	
2020	2019	2020	2019	2020	2019
2.36	2.860	Nil	0.557	0.198	2.219
Non-Hazardous Waste Generated		Non-Hazardous Waste Generated		Waste Intensity (kg/per room)	
2020	2019	2020	2019	2020	2019
481.73	2,334	2,251.3	4,541	0.81	1.30
Recycled waste		Waste Diversion (%)			
		2020	2019	2020	2019
		1,407.3	4,227	60.66	63.0

CASE HIGHLIGHTS: Food Waste Recycling at Suria KLCC

Suria KLCC commenced its food waste recycling programme in February 2020 with the aim to reduce waste disposal to landfill and minimise the release of harmful greenhouse gases to the environment. Despite the temporary closure of the mall and the staggered resumption of business activity between March to June 2020 due to the COVID-19 Movement Control Order (MCO) enforcement, the recycling activity generated an average of 13 tonnes of food waste recycled per month from July 2020. The food waste recycling is being carried out in three phases:

97.98
METRIC TONNE
Food Waste generated in 2020

- 1 Food waste collection in Signatures Food Court commencing February 2020
- 2 Kitchen waste in Signatures Food Court commencing July 2020
- 3 Food waste from supermarkets, restaurants and Rasa Food Court commencing January 2021

How Food Waste are Collected and Delivered to the Processing Plant

All food waste from the food court are deposited into 20 Litre pails which are then deposited into 200 Litre blue plastic drums located at the refuse rooms at the mall's loading bay. Food waste from the Isetan and Cold Storage supermarkets are segregated and deposited into 30 units of blue plastic drums.



During collection, the food waste is sorted into two types of waste and stored in separate bins:

- ✓ Raw waste, comprising leftover fruits and vegetables which are mainly generated from the supermarkets
- ✓ Leftover cooked food from kitchens and diners

The food waste which are deposited into the blue plastic drums, is kept securely to prevent foul smell from emitting and pest infestation. The full drums are then weighed before being delivered to Entofood Sdn. Bhd., one of the pioneers in food waste recycling in Malaysia.

Processing and Feeding Operation

Once the food waste is delivered to the processing plant, preliminary inspection is conducted to ensure no contaminants such as plastics or chemicals are present in the food waste. The food waste is then blended using a shredder and stored in a large tank to be treated using organic fermentation technique to prolong their storage life.

The homogenized food waste will then be fed to the larvae known as black soldier fly using either manually or by machine assisted method. The black soldier fly larvae will consume the food waste equivalent to their size each day and grown into prepupae in about two weeks. The flies feed on waste food made up of unused or undervalued organic waste before producing the larvae, which is used as protein in the rapidly expanding global aquaculture and agriculture industries.

The larvae are bred into adult black soldier flies when they would lay their eggs. Once the black soldier fly larvae turns into pupae, they are transferred to an aviary where they can hatch into adult black soldier flies. The adult black soldier flies will then lay their eggs into specially designed egg catchment device. The eggs are then collected and sold in bulk to Veolia Bioconversion Sdn Bhd., a specialist in animal feed processing. The eggs are bred into larvae using plant only food and industrial waste such as spent grain from beer brewery. Before the larvae turns into adult black soldier flies, they are harvested and processed into animal feed and exported.



By doing their bit in recycling food waste, Suria KLCC is taking a step ahead in making a difference and protecting our planet. Whilst the food waste recycling effort help reduced environmental degradation, it also contributes towards making the most of a valuable resource as food waste can be used for many practical purposes.

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

Responsible Material Use

At KLCCP Stapled Group we continue to promote the use of environmentally friendly products throughout our operations as part of our effort in contributing towards minimising the adverse impact to the environment for the well-being of our community. Responsible material use and sourcing is important to us for ethical practices and for the future for our business. We believe that by taking responsibility for the well-being of the environment and the people, we create a future where environmentally friendly products we need will continue to be available.

Initiatives for the Year

PETRONAS Twin Towers	<ul style="list-style-type: none"> • Reuse of office furniture at KLCCUH's office for operations and maintenance office • Carpet flooring and adhesive used for Fit-Out are from recycled materials and low in Volatile Organic Compound (VOC) • Specified in contract with vendors on the requirements to use eco-friendly materials for the fittings at floors of the Workplace For Tomorrow (WFT) • Inclusion of clause in contractors' agreements on use of environmentally friendly materials in maintenance work
MOKL Hotel	<ul style="list-style-type: none"> • Increase use of local and sustainable products i.e.: <ul style="list-style-type: none"> - Coffee (98%) - Tea (95%) - Vanilla (49%) - Cocoa (59%) • Use of Forest Safety Council (FSC/ PEFC) recycled paper products at 69% compliance • Increase use of sustainable seafood at 48% compliance
KLCC Park	<ul style="list-style-type: none"> • Bio-degradable materials and organic fertilisers are used for landscaping at KLCC Park

Biodiversity

Biodiversity is integral for a healthy and stable environment and at KLCCP Stapled Group, our biodiversity effort is reflected in the 50-acre park which we developed and maintain as a green lung in the middle of the 100-acre KLCC Development. Conservation and biodiversity were the major influence in the development of the park. 23 mature trees of rare species were saved from the former turf club ground and transplanted onto the current park grounds. Currently there are 1,700 indigenous trees which include species that attract local and migratory birds and 66 species of palms planted at the park to promote biodiversity.

In addition to this biodiversity effort, we also encourage employees to participate in environmental conservation programmes organised annually to inspire and to create greater awareness on the importance of biodiversity and to create a greener environment for the well-being of our community.

Initiatives for the Year

Coral Planting	<ul style="list-style-type: none"> • About 24 KLCC Parking Management's staff participated in the coral planting initiative in Langkawi island on 28 February 2020 to improve reef quality in terms of live coral cover, biodiversity and topographic complexity. The coral reef was badly affected by the 2004 tsunami which hit some part of the island. The planting activity was carried out under the expert guidance of Marine and Coral Curator
Trees' Health Assessment at KLCC Park	<ul style="list-style-type: none"> • A certified Arborist was appointed to conduct an assessment on 1,700 trees at the KLCC Park. These include carrying out trees inventory, tree risk assessment and the trees' health condition to determine the trees' health, structure and site condition. Out of the total number, 327 trees were classified with excellent health, 1,088 trees have an average health while 207 trees were classified as fair. 69 trees were not suitable to be planted at site and need to be replaced

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

PEOPLE AND PARTNERSHIP

PROGRESSING OUR SOCIAL AGENDA

As a real estate player, our business strategy takes into perspective the risks and opportunities impacting the real estate industry and organisation, while keeping abreast with the changing customer behaviours and expectations of our stakeholders.

Our commitment towards promoting social sustainability focuses on managing and identifying business impact on our employees, workers in the value chain, customers, and the local communities whilst maintaining long-term partnerships across our business portfolios. As such, our social commitment is anchored on three sustainability pillars – Security, Safety and Health, Our People and Reliable Partner.

SECURITY, SAFETY & HEALTH

Protecting our people, assets, and operating reliably and efficiently, across the Health, Safety and Environment (HSE) spheres

OUR PEOPLE

Fostering a culture towards building an agile, inclusive and sustainable workforce

RELIABLE PARTNER

Managing the relationship and working as a reliable partner with our stakeholders towards business sustainability



SUPPORTING THE UNSDGs



MATERIAL MATTERS

Security, Safety and Health

MAPPED TO OUR CAPITALS



RELATED PRINCIPAL RISKS

Health, Safety and Environment

Security

Facility Management

Project Management

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

Goal 2

Building an Agile, Inclusive and Sustainable Workforce in a VUCA (Volatility, Uncertainty, Complexity and Ambiguity) World

SECURITY, SAFETY AND HEALTH

We have a robust approach to health, safety and wellness throughout the year which ensured we were well positioned to respond to the global outbreak of COVID-19, and the impact it presented on our business. As the pandemic evolves, how we protect our people clearly dictates how safe our communities are, and how resilient our businesses will be. Hence, our top priority was to keep our employees, customers and service providers safe and well. Our HSE team diligently undertook steps to provide immediate support and guidance to our people and ensured their workplaces met strict occupational safety and health measures. We also see cybersecurity as an important agenda now more than ever as cyber-crime is common these days.

Our Approach

KLCCP Stapled Group is committed to conducting business in a manner that protects the health, safety and security of our employees, customers, tenants, contractors, suppliers and the community who visit our properties. Our business activities are conducted in accordance with our KLCC HSE Policy and comply with the highest standards of occupational safety and health regulations. This is supported by our HSE Management System (HSEMS), 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.

We have a robust approach to health, safety and wellness throughout the year which ensured we were well positioned to respond to the global outbreak of COVID-19, and the impacts it presented to our business. Our top priority was to keep our employees, customers and service providers safe and well, and our HSE team diligently undertook steps to provide immediate support and guidance to our people and ensure their workplaces meet strict occupational safety and health criteria.

FOCUS FOR THE YEAR

- Health and safety of our stakeholders aligned to stringent protocols and measures
- Implementation of an Integrated Security Operation Center (ISOC) and New Security Operating Model (NSOM) to enhance security operations within KLCC Precinct
- Cyber Security Awareness to inculcate cyber resilience and a cybersecurity mindset across the organisation

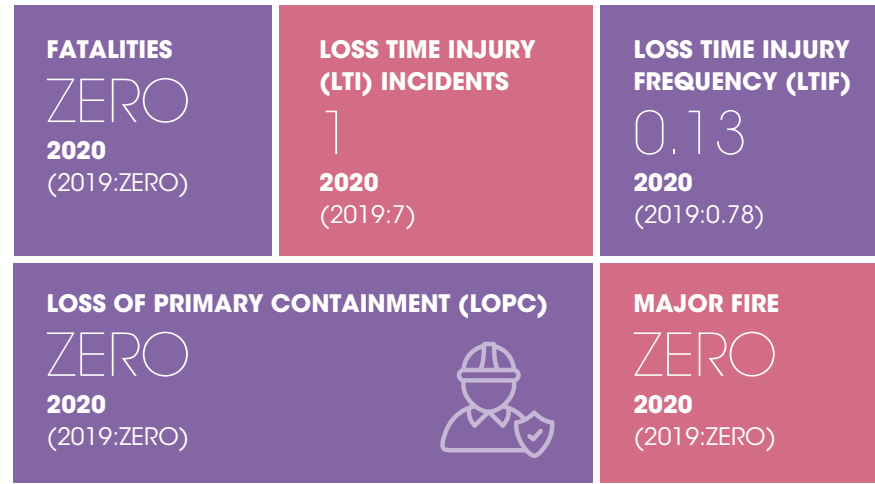


PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE



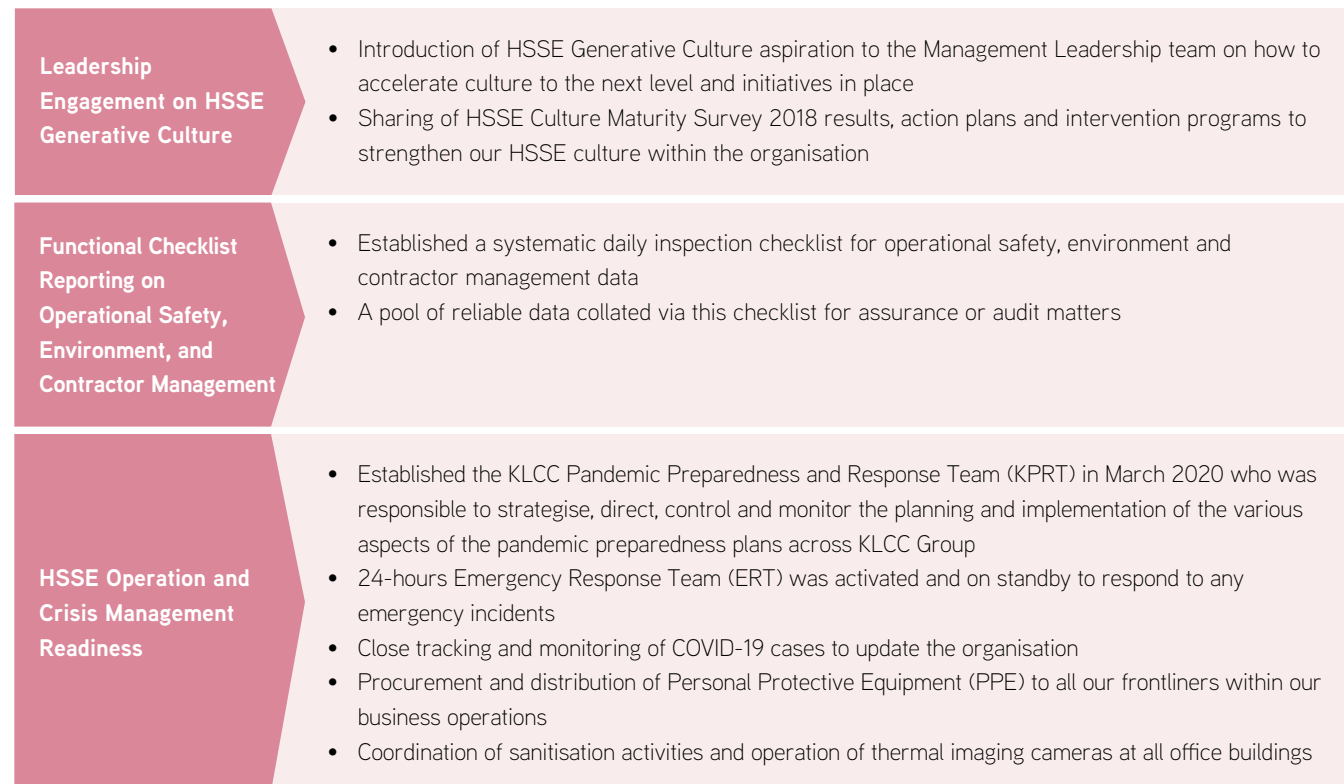
Safety and Health Management

Our priority is the health, safety and wellbeing of our employees, customers, tenants, visitors, the public and any others who may be affected by our operations. Throughout the year, we have responded with strength to the challenges presented by the COVID-19 pandemic and have continued to evolve our systems and processes to ensure a safe working environment. KLCCP Stapled Group acted to swiftly implement safety precautions and measures to protect employee health and safety during the outbreak where appropriate controls were put in place including employee awareness, improved hygiene practices and social distancing.

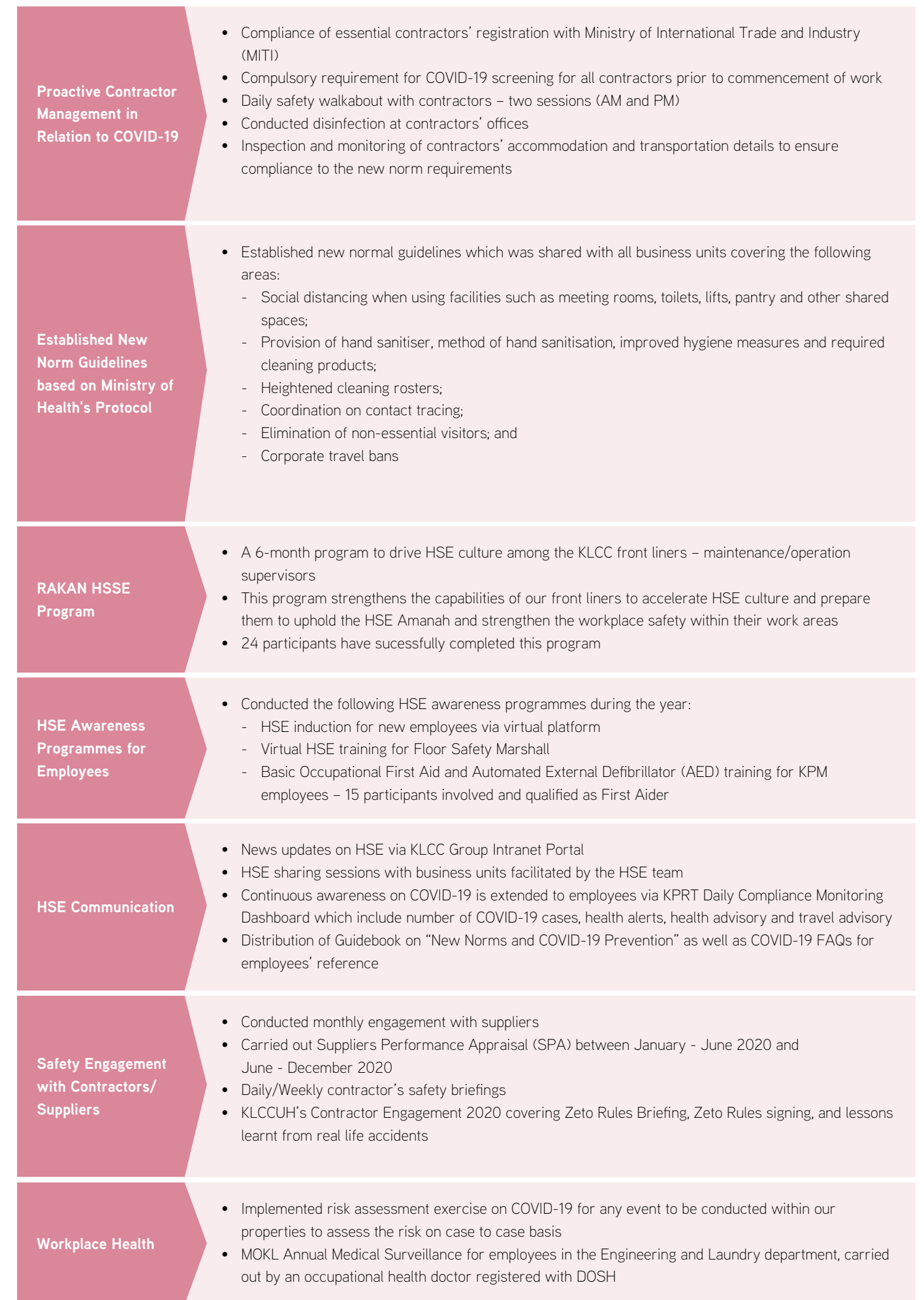
Our HSE key focus areas comprised 5 core areas:



Initiatives for the Year



Initiatives for the Year (cont'd)



PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

Initiatives for the Year (cont'd)

Safety Induction for Suria KLCC Construction Workers	<ul style="list-style-type: none"> An integrated safety and health induction training to increase safety awareness and create safety culture for construction workers Four Supervisors involved in the operations participated in this training
Application of ICT Solution in HSE-Operation and Monitoring	<ul style="list-style-type: none"> Leveraged on Group HSE PETRONAS' digital platform: <ul style="list-style-type: none"> Standardised HSE incidents management reporting for all operational units within the Group PETRONAS HSE Incident Management (IM), PETRONAS HSE Monitoring and Reporting System (MARS), PETRONAS HSE Unsafe Act Unsafe Condition System (UAUC) For inspection data to be incorporated online – PETRONAS myAssurance
HSE Awards	<ul style="list-style-type: none"> KLCCUH conducted a virtual HSE awards day to recognise contractors who were high performers



Security Management

In respect to Security Management, at KLCCP Stapled Group, we have the responsibility of keeping our guests, tenants, customers and visitors safe. We have in place a KLCC Precinct Security Master Plan which comprises the Security Surveillance System for the Common Areas of the KLCC Precinct. We also collaborate with the Police and PETRONAS Group Security to manage customers' and visitors' safety and security across our assets.

Initiatives for the Year

Installation of Crime Prevention through Environmental Design (CPTED)	<ul style="list-style-type: none"> Installed "Planter Box" at Suria KLCC and Menara Maxis to provide Hostile Vehicle Mitigation (HVM)
Established of Integrated Security Operation Center (ISOC)	<ul style="list-style-type: none"> Extended security monitoring coverage to areas within KLCC Precinct Common areas (Menara Exxon Mobil and KL Convention Center) which is beyond the KLCC Precinct Security Management Centre monitoring coverage Consist of Smart Alert for HSSE non-compliance (video analytics feature which is able to monitor and alert safety aspects of workers and contractors), People Counting Sensor and People Heatmap within KL Precinct Common Areas and implementation of Real Time Facial Recognition Pilot testing have been conducted for these initiatives with target completion in Quarter 1 2021

Initiatives for the Year (cont'd)

Established New Security Operating Model (NSOM)	<ul style="list-style-type: none"> Transformed the security model from a static zone-based to risk-based intelligent patrolling and rapid response Outsourced security guards to Auxiliary Police (enhanced quality and tourist friendly) This new model which have heavy reliance on digital technologies consists of several components: <ul style="list-style-type: none"> Integrated Command Center (ICC) as security central nerve Intelligent Patrolling supported by ICC and usage of Guard Tour Rapid Response terminal stationed at four different locations – KPM office, Menara ExxonMobil, KLCC Esplanade and KLCC Park NSOM is targeted to be fully operational in Quarter 1 2021
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Cyber Security and Data Privacy

Cybersecurity risk is increasing, driven by global connectivity and usage of cloud services to store sensitive data and personal information. With cyber-attacks becoming more prevalent and damaging, KLCCP Stapled Group continues to work on reinforcing its 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 Standardisation (ISO) 27001:2013 – Information Security Management System. Our Business Continuity Plan also serves to mitigate security risk for our critical business applications.

Towards transforming into a cyber security stronghold, PETRONAS launched a new mandatory Enterprise Cyber Security Governance Framework early 2020. In October, they launched this framework to KLCC Group of Companies to have a standardised and holistic approach to managing risk group-wide and ensure compliance to the cyber security control requirements.

Towards creating an organisation free from cyber threat, we also worked towards instilling awareness amongst employees through cyber security awareness program.

Initiatives for the Year

Implementation of Cybersecurity Assessment Program	<ul style="list-style-type: none"> Conducted to educate employees on protecting their computer and personal information and how to stay safe from various cybercriminals scouring the web for potential targets Rolled out throughout the Group where all employees were required to undertake the cybersecurity assessment via PETRONAS' SWITCH platform There are four levels of assessment to be completed – Bronze, Silver, Gold and Platinum Upon completion of the four levels of assessment, each employee will then receive a Human Firewall Champion certificate As at year end 2020, 47% of employees have successfully completed this assessment program
Training on Enterprise Cyber Security Governance Framework	<ul style="list-style-type: none"> A series of engagement sessions were conducted for KLCC IT fraternities to communicate on the implementation of the new framework covering the following areas: <ul style="list-style-type: none"> Cyber Security Enterprise Control Framework Cyber Security Risk Management Guidelines Methods of Managing Cyber Security Risks Employee' Roles and Responsibilities



Planter boxes installed at Suria KLCC to provide Hostile Vehicle Mitigation.

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

OUR PEOPLE

Our people are the bedrock of our company, and through their dedication, passion and belief in our shared values, we deliver desired results. While this year was a tough year for the Group and the entire nation, we continue to keep our employees safe, connected and engaged.

SUPPORTING THE UNSDGs



MATERIAL MATTERS

Our People
Human Rights and Labour Practices

MAPPED TO OUR CAPITALS



RELATED PRINCIPAL RISKS

Human Capital

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

Goal 2
Building an Agile, Inclusive and Sustainable Workforce in a VUCA (Volatility, Uncertainty, Complexity and Ambiguity) World



KLCC Parking Management's staff participated in the coral planting initiative in Langkawi island on 28 February 2020.

We elevated the robustness of our workforce to deliver superior performance against the challenges in pursuit of continued operational sustainability and making our workforce the capital driver for success. We remained focused on creating a dynamic environment that promotes diversity and inclusivity, with opportunities for holistic growth for our people to grow and build their careers, aligned to their unique needs and development abilities.

Our Approach

The COVID-19 pandemic has presented our employees with many challenges which include difficulty juggling workload with home schooling responsibilities, internet connectivity, increased isolation and maintaining mental health. Supporting our people through this challenging period has been our focus during the year especially during the remote working period to support Government's effort in flattening the COVID-19 curve. Also, retaining employees' right mindset and motivation to remain working productively were keys to ensure performance was not jeopardised.

Despite these challenges, our employees stand guided by strict compliance to CoBE without any compromise to the organisation's integrity. We embrace the Cultural Beliefs which unleash potential in our employees to deliver excellent results. At KLCCP Stapled Group, we believe human capital is fundamental for us and we are guided by a high-performance culture based on meritocracy and performance, subscribing to our KLCC Shared Values, while our Human Resource policies adhere to the strict guidelines on non-discrimination and fairness.

We are also committed to provide opportunities and nurture local talent by promoting talent retention within the organisation and ensure that employees make the best of our organisation. KLCCP Stapled Group strongly believes in investing in training and development initiatives as this leads our organisation towards gaining competitive advantage for future growth and success. Our retail and hotel, Suria KLCC and MOKL Hotel have their own structured approach in enhancing the capabilities of employees within their respective areas. We also proactively engage with our workforce through various avenues focusing on employees' well-being, performances, results and recognition.

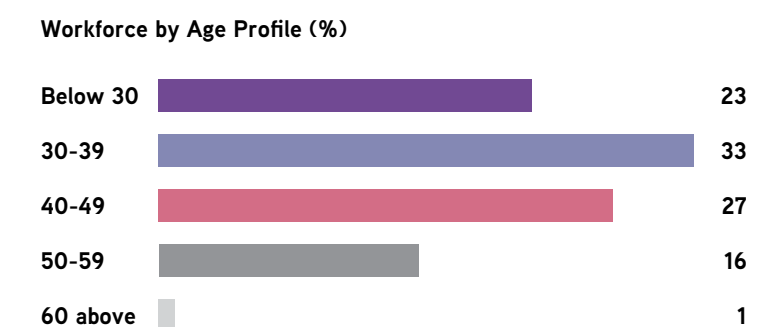
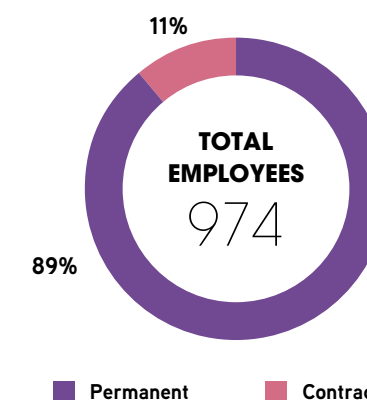
FOCUS FOR THE YEAR

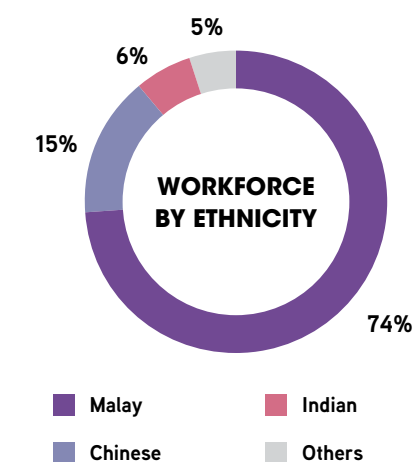
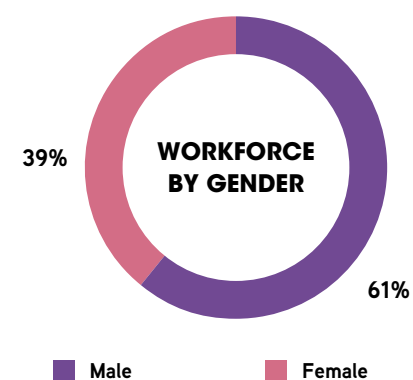
- Safety, health and emotional wellbeing of our people throughout the COVID-19 pandemic
- Strengthening succession planning to ensure leadership continuity for business sustainability
- Implementation of leadership development programs to groom leaders to take up their roles effectively
- Transforming digital native mindset amongst the employees to face new realities with the evolving needs of the industry and workplace

Equality, Diversity and Inclusion

Our approach to equality, diversity and inclusion within our workplace allows us to harness different perspectives from different group of people for better decision-making, as well as providing access to the widest pool of available talent. Our people are from different cultural and ethnic backgrounds, and we aim to build a diverse workforce that reflects our stakeholders.

We continuously strive to provide equal opportunity in recruitment, career development, promotion, training and reward for all employees regardless of age, gender, race, religion, sexual orientation or disability. We also regularly monitor and adjust our processes, practices, policies and programs to ensure workplace gender equality is maintained at all levels of the business.

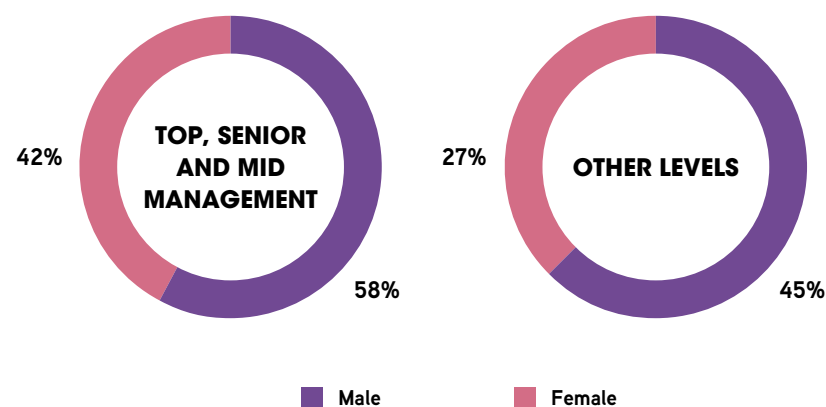




2
DISABLED
EMPLOYEES

Women Empowerment

KLCCP Stapled Group is committed to provide equal employment opportunities and practices merit-based promotion regardless of gender. Though our employee population is mainly male dominated with a 61% to 39% female ratio, there is still continuous efforts to balance the gender diversity within the organisation. We also create diverse opportunities to empower our women to be at the forefront and take leadership positions. As at December 2020 we have 42% of women in management positions.



Skills and Capability Development

While keeping our employees safe and connected throughout the year, we continued to unleash the power of our people through continuous learning experiences both virtually and physically where need be. We nurture talents through focused and strategic training, giving every employee the opportunity to learn and grow to build their careers while following their passion.

- INVESTED RM3.3 mil ON STAFF LEARNING AND DEVELOPMENT**
- 75% EMPLOYEES UNDERWENT TRAINING PROGRAMMES**
- AVERAGE OF 26 hours of Training Programmes PER EMPLOYEE**

Initiatives for the Year

TRAINING PROGRAMME	DETAILS AND BENEFITS
KLCC Group Emerging Leadership Program (KELPRO 2.0)	<ul style="list-style-type: none"> Focused on junior high performers with high potential of becoming future leaders who are subjected to a 12-month program This KELPRO 2.0 introduction program consist of 25 talents who are in the first batch of training
Leadership Program	<ul style="list-style-type: none"> Three leadership programs designed for managerial levels and above – Strategic Excellence Program, Tactical Excellence Program and Managerial Excellence Program MOKL Hotel’s “Move Up” and “Move Forward” Development Program - Designed for supervisors, junior managers and experienced managers to assist in building competencies, development and enhancement of leadership and business skills
KLCC Student Internship Programme	<ul style="list-style-type: none"> We partnered with local tertiary education institutions to offer students internship opportunities in the real estate sector In 2020, there were 16 interns assigned to various departments within the organisation
Virtual Classroom	<ul style="list-style-type: none"> New solution for all employees to effectively undergo trainings during the lockdown period Training topics covered include creating dashboard with excel masterclass and data visualisation for business reporting
e-Learning through Harvard ManageMentor (HMM) digital platform	<ul style="list-style-type: none"> Self-directed learning platform through Harvard ManageMentor which includes 41 topics covering areas such as strategic thinking, business plan development, writing skills, customer focus, presentation skills, and marketing essentials This e-learning was made mandatory via every employees’ Key Performance Indicator (KPI) as physical learning and seminars were limited due to the COVID-19 pandemic 100% of employees utilised this e-learning platform for the year 2020
“Move In” Orientation Programme	<ul style="list-style-type: none"> MOKL Hotel’s programme which introduces new employees to its unique company culture and oriental heritage This year, our hotel included ‘We Care’ programme sharing which consist of awareness on COVID-19, control measures, and adapting to the new normal
Human Rights Training for Hotel Management Employees	<ul style="list-style-type: none"> All employees attended training on human rights through the Code of Conduct training Areas covered were the right to be heard, fair treatment, no discrimination and others
MOKL Hotel Partnership for Student Employment Programme	<ul style="list-style-type: none"> Established partnership with Taylor’s University in its Student Employment Programme which aims to enhance the opportunities available for top students of Taylor’s University School of Hospitality, Tourism and Culinary Arts Under this programme, 12 students were absorbed into employment at supervisory level

Initiatives for the Year (cont'd)

TRAINING PROGRAMME	DETAILS AND BENEFITS
On-the-Job Training and Group Training Techniques for MOKL Hotel employees	<ul style="list-style-type: none"> Enhance the department trainer’s skills in order for them to conduct training according to the hotel standards Trainings were conducted in two categories: <ol style="list-style-type: none"> Generic Quality Trainings – Culture, Customer Service, Leadership, Integrated Management System and Standard Operating Procedure Fire, Life, Health, Safety, Security and Environment trainings – Occupational Safety, Emergency Response, Food Handling, Spa and Wellness and Business Continuity Management
Harrison Assessment for Suria KLCC	<ul style="list-style-type: none"> A cloud-based technology that provides predictive analytics for coaching and better understanding of candidates and employees to improve the business performance The organisational analytics solution enables one to inspire a culture of engagement, retain key talent, and build the behavioral competence that drives high performance It has online interactive dashboards for Engagement and Behavioral Competencies which allow the employer to analyse groups by department, team, or manager using customisable tags

Talent Management

Our people strategy continues to focus on attracting, retaining and inspiring our people to make a significant impact within our organisation. We see the recruitment, promotion and retention of young talents as key strategy and thus our talents are managed from hire to retire. We ensure leadership continuity hence, we constantly strengthen our performance management system, engage our high-performing employees to set stretched key performance targets to assume bigger roles and responsibilities.

In 2020, we intensified the succession planning to realign critical position successors to enhance and retain qualified and competent talent for business sustainability. Our Group Human Resource Division also refreshed the Capability Development Working Committee with new members to steer organisational capability development and review capability inventory and standards to set the benchmark and thresholds. To keep employees motivated, we reward them based on merit and performances, taking into account the challenges faced and efforts put in. They are rewarded based on individual performance and participation in company events, recognising outstanding Business Units or Divisions and appreciating the retirees and long serving employees.

Workforce Engagement

Maintaining employee engagement and productivity during these challenging times is utmost important to our overall performance. As we always put our people first, particularly this year, we focused on the health and emotional wellbeing of our people by ensuring consistent communication and remaining close to their needs and concerns.

Our employee engagement programs have created a conducive work environment for our people whom we consider our greatest asset. We engage and enrich our employees through work-life balance, building a workforce that embraces our Cultural Beliefs in delivering performance. This has resulted in an improved Employee Satisfaction score of 64% compared to 62% in 2019. We are also proud to have achieved an attrition rate of 4% compared to the property and development industry average of 9%. This is reflective of the trust the employees have in our organisation for providing them a workplace that cares and inspires.

Initiatives for the Year

	INITIATIVES	DETAILS AND BENEFITS
EMPLOYEE ENGAGEMENT	Virtual CEO Townhall	<ul style="list-style-type: none"> An avenue for communicating the company’s performance and plans for the future and addressing employees’ concerns This year, our CEO connected and engaged with all employees virtually where he shared how our company was navigating through these unprecedented times and addressed employees’ queries and concerns
	MOKL Hotel Round Table Conference	<ul style="list-style-type: none"> An avenue for employees (by department) to raise any issues relating to their challenges at work, general concerns or enquiries Issues raised in this conference were recorded and tracked in the Master Improvement List and addressed by the respective division heads
	Hi-Tea with MOKL Hotel General Manager	<ul style="list-style-type: none"> A special Hi-Tea session was organised to celebrate the winners of “Colleagues and Leaders of the Month” – to honour those employees/Management team for specific accomplishments, characteristics, and core values
EMPLOYEE WELLNESS	Blood Donation Campaign	<ul style="list-style-type: none"> A charity event held in collaboration with the National Blood Bank which also benefit employees’ emotional health and physical wellbeing This year, donors were required to follow the Ministry of Health’s Blood Donation SOP in light of the pandemic and new norm
	Naluri App for Mental and Physical Health Support during COVID-19	<ul style="list-style-type: none"> Leveraged PETRONAS’ initiatives of collaborating with Naluri, a pioneer digital therapeutics solution that helps people manage their stress during these trying times
	Employee Assistance Programme via Turning Point Integrated Wellness Centre	<ul style="list-style-type: none"> A consultation avenue for employees who are overwhelmed with work/new norm, stressed or need to speak to someone Turning Point Integrated Wellness Centre consist of psychological and wellness professionals, specialised in creating psychological wellbeing and vitality for individual, family, workplace and community
	Virtual Fitness Sessions	<ul style="list-style-type: none"> Virtual Dance Cardio with Hip Hop Cardio instructor – a virtual cardio workout session meant to sweat and have fun at the same time Low Intensity Home Workout – virtual workout sessions under the MESTI/fit4Health Campaign which was held every Friday before Iftar during the fasting month

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE



New Ways of Working

COVID-19 has required many companies including us to rapidly embrace new ways of working to adapt to the 'new normal'. As an employer that cares, KLCCP Stapled Group invested RM2.3 million in the roll out of the Microsoft 365 services which came just in time for all employees to transition smoothly to the new remote and virtual ways of working. To ensure the pandemic does not put a stop for continuous learning, we engaged all our people through virtual learning platforms.

In ensuring the safety of our people, we provided mandatory COVID-19 screening for all employees prior to returning to work in office. We practiced flexible work arrangement by providing flexible clock in and clock out time to stagger the crowd into office. We also provided weekly supply of face masks, face shields and hand sanitiser for employees.

There was continued implementation for social distancing within the work cubicles, common areas, lifts and meeting rooms as an effective way to help reduce the risk of exposure to COVID-19. All large meetings or events held were required to undergo risk assessment to assess COVID-19 risk on a case to case basis prior to the event.

Initiatives for the Year (cont'd)

INITIATIVES	DETAILS AND BENEFITS
EMPLOYEE WELLNESS (CONT'D)	<p>MOKL Hotel Wellness Engagement Programme – MOFIT 2020</p> <ul style="list-style-type: none"> An avenue for all MOKL Hotel employees to participate in physical exercise and other engagement programmes after working hours which included: <ul style="list-style-type: none"> - Sun Salutation Yoga - Body Toning Circuit Training - Run at KLCC Park - Evening Walk to Saloma Bridge - Painting and Macrame Workshops - Cooking Classes Objective is to contribute towards building a healthy, productive work life balance, whilst making MOKL Hotel a great place to work
	<p>MOKL Hotel Sports and Recreational Activities</p> <ul style="list-style-type: none"> MOKL Hotel formed an in-house committee to organise social and recreational activities for its employees This year, many activities were canceled and only few took place which included: <ul style="list-style-type: none"> - E-Sports FIFA 20 Tournament - Inter-Department Sepak Takraw - Inter-Department Bowling Tournament

Job Security

The COVID-19 pandemic has affected the livelihood of thousands across the country. Many companies had to retrench and lay off their employees ever since the MCO took place. Understanding that retrenchment and unexpected loss of income can cause a great deal of financial and emotional stress to our employees, KLCCP Stapled Group valued our people, and kept the organisation intact by not laying off any employees during the year. Despite the immediate transition to work from home, we ensured every employee received their monthly salary ensuring their job was not at stake. We also compensated employees with a one-off payment to cover working from home work related expenses amounting to over RM70,000.

HUMAN RIGHTS AND LABOUR PRACTICES

Since human rights and labour practices are paramount to us, we demonstrated responsible workplace practices and fully comply with the Malaysian legislations on the welfare and rights of our employees as well as service providers at our project sites. Towards enhancing our Human Rights Commitment, we intend to form a committee to identify relevant focus areas and establish applicable guidelines on Social Risk Assessment, Human Rights Due Diligence and Grievance Mechanism in line with PETRONAS' Human Rights Commitment.

Responsible Employment

KLCCP Stapled Group adopts fair and responsible employment practices while abiding to the Malaysian Labour Laws encompassing the Employment Act 1955, Trade Union Act 1959, Industrial Relation Act 1967, amongst others, together with all related regulations and guidelines which promote fair and responsible employment practices. Our remuneration practices comply with Malaysia's Minimum Wage regulation and overtime compensation in accordance with the Employment Act which are also aligned to industry's best practices and market benchmarks, with reviews conducted annually.

KLCCP Stapled Group does not condone any act of forced or child labour and supports the laws to prevent and punish the crime of children exploitation and will cooperate with the authorities to address any such instances of which our organisation becomes aware.

Non-Discrimination

In Malaysia, the basic concept of equality is contained in the Federal Constitution which generally prohibits discrimination against a person or class of persons. Pursuant to our Code of Conduct and Business Ethics, we do not tolerate unlawful discrimination in the workplace or on the job. We aim to address any grievance or complaints amongst employees or third party fairly and effectively. The grievance mechanism that we have in place enables employees to raise issues such as dissatisfaction regarding conditions of employment, relationship with colleagues or supervisor, or discrimination.

In order to minimise conflict situation and resolve the grievances as equitably as possible, our employees can voice their grievances through multiple communication channels such as via the HR Careline, submission of official grievance form or even through face to face conversation with a HR representative. When a grievance report is filed, our HR team will closely monitor any concerns and conduct an investigation with due process which may include disciplinary actions within the framework of local laws and practices, if necessary.

In 2020, there were no incidents and grievances of discrimination, child labour and forced labour reported in KLCCP Stapled Group.

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

RELIABLE PARTNER

KLCCP Stapled Group believes that our ability to create values relies on strong and enduring relationships with our suppliers, customers and the communities we operate in. This is reflected in our commitment of taking an active role in ensuring increased communications with our suppliers, keeping our customers safe, supporting the resilience of our tenants and giving back to the community especially during these challenging times.



SUPPORTING THE UNSDGs
MATERIAL MATTERS
<ul style="list-style-type: none"> Supply Chain Management Customer and Tenant Management Corporate Social Investment
MAPPED TO OUR CAPITALS
RELATED PRINCIPAL RISKS
<ul style="list-style-type: none"> Market Asset Management Facility Management Supplier

Our Approach

Our objective as a reliable property investment and development group is to make meaningful contributions economically and socially and grow with our stakeholders which include our suppliers, customers, tenants and business partners to maintain long-term partnerships across our business portfolios. KLCCP Stapled Group's customer base is diverse, and we recognise that their preferences and behaviours are constantly evolving, particularly in the face of disruption caused by the global pandemic. Thus, we stay committed to being close to the hearts of our customers whilst understanding their changing needs.

We also increased our communication with suppliers and continually assessed supply chains for potential disruption and reinforced our requirement to comply with the Supplier's Code of Conduct throughout the pandemic. Despite the challenging period for our business operations and driven by a commitment to be a force for good, we continue to invest in special community needs by supporting charity associations, donation drives and fundraising.

FOCUS FOR THE YEAR

- Tenant sustainability through tenant assistance packages to affected retailers on a lease by lease basis
- Driving retail customer traffic and sales through experiential, reward-driven and trade campaigns
- Creating unique experiences for retail customers and hotel guests through curated collaborations with renowned brands and leveraging on digital technology

SUPPLY CHAIN MANAGEMENT

Every year, we engage hundreds of suppliers to assist in undertaking our business activities of delivering the end product. Building a network of supplier relationships help us to create value through our development activities and managing our properties more efficiently. We have a robust system in place to continuously review our supply chain, take concrete actions to enhance the quality of services and products we procure, and work closely with our suppliers to improve their sustainable performances. We ensure our entire procurement process takes into account the EES impacts of our business practices even during the pandemic.

All contracts with our contractors, consultants and suppliers contain provisions requiring them to adhere to and comply with our CoBE. To ensure transparent and fair practices by vendors, the supplier's code of conduct include a provision in the contract terms and conditions on fighting corruption, maintaining business ethics and prioritising HSE practices.

KLCCP Stapled Group practices sustainable procurement by ensuring its entire procurement process covers every element of the value chain:

Sustainable Supply Chain and Ethical Behaviour	Suppliers' Code of Conduct
Suppliers Diversity and Local Procurement	Supplier Audits
Purchasing Policy and Scope	Green Procurement

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

Initiatives for the Year

INITIATIVES	DETAILS AND BENEFITS
Awareness Session on Procurement Procedure	<ul style="list-style-type: none"> We conducted awareness sessions for new employees on: <ul style="list-style-type: none"> - Introduction and overview of KLCC procurement governance and tender management - Enhancing the understanding on KLCC procurement scope and coverage and the roles of Tender and Procurement Department Two awareness sessions were held this year, in March and October respectively
Contractor Risk Assessment (CORA)	<ul style="list-style-type: none"> This assessment is conducted in line with PETRONAS' practice and to enhance the understanding on Contractor Risk Assessment overview and process This helps us to identify potential risk of non-performing contractors and to adopt and implement risk management best practices by identifying, assessing, treating and monitoring risks as well as effectively responding to crisis
Training for Vendors and Service Providers on Anti-Bribery Management System	<ul style="list-style-type: none"> Held to create awareness amongst the vendors and service providers on the implementation of Anti-Bribery Management System and ISO 37001:2016 certification and emphasised our practice of zero tolerance to bribery 148 vendors and service providers participated in this training session conducted this year

Food Safety and Quality

It is now more critical than ever for the hospitality industry to ensure that food safety best practices are implemented across the hotel operations due to the ongoing impact of the pandemic. This year, our hotel, MOKL Hotel, was the first to innovate its F&B service offerings by introducing assisted buffet arrangement to ensure guests' health and safety is prioritised.

MOKL Hotel has its own "Responsible Procurement Certification and Sustainability Criteria" in place to comply in purchasing food products with compliance to various certifications – MSC/ASC certified for seafood, Fairtrade/Rainforest Alliance certified for agricultural merchandises, and Non-Genetically Modified Organism (GMO) certified for fruits and vegetables. Our hotel will align to the Sustainability Criteria outlined in MOHG's Responsible Procurement Policy when evaluating food supplier and the products they supply.

MOKL Hotel's Supplier Chain Management is in line with their certification in ISO 22000 – Food Safety Management and Halal Assurance Management System. The policy MOKL Hotel has in place include supplier audits for local F&B suppliers. These local suppliers are classified into "High Risk" or "Low Risk", depending on product type supplied. The audits are conducted yearly for "High Risk" and conversely once every two years for "Low Risk". The premises of the suppliers are audited based on food safety management, raw materials, product and materials, structure and facilities, pest control, cleaning and housekeeping. There is a total of 52 local F&B suppliers out of which 37 are "High Risk" and 15 "Low Risk" which is scheduled to be audited. This year, a total of 30 suppliers were audited. Suppliers are also encouraged to obtain accreditation (HACCP – ISO 22000/MS1480) and accredited suppliers are given "preferred" status. In 2020, 40% of MOKL Hotel's nominated suppliers have accreditation or certification in food safety requirement.



Customer and Tenant Management

At KLCCP Stapled Group, we connect with our stakeholders especially our tenants and customers in expanding the outreach and quality of service to build a shared sense of responsibility and societal development. This year, we focused on regaining customers' confidence and footfall in Suria KLCC by providing a convenient, safe and secured shopping environment and worked on aggressive marketing and promotional efforts. We also worked towards regaining our hotel guests' momentum with locally tailored offers and promotions and accelerated digital marketing initiatives to drive more business.

In securing long-term partnership, we are constantly working with our office and retail tenants in ensuring business continuity and tenant sustainability. Our facilities management team continue to embark on initiatives to enhance the service level providing excellent tenant and customer experience which saw us achieving 74% of customer satisfaction score in 2020. Despite the ongoing pandemic, as of 2020, we achieved a hotel guest satisfaction score of 87% testament to our effort in catering to our guests' need and providing them with the best experience.

Initiatives for the Year

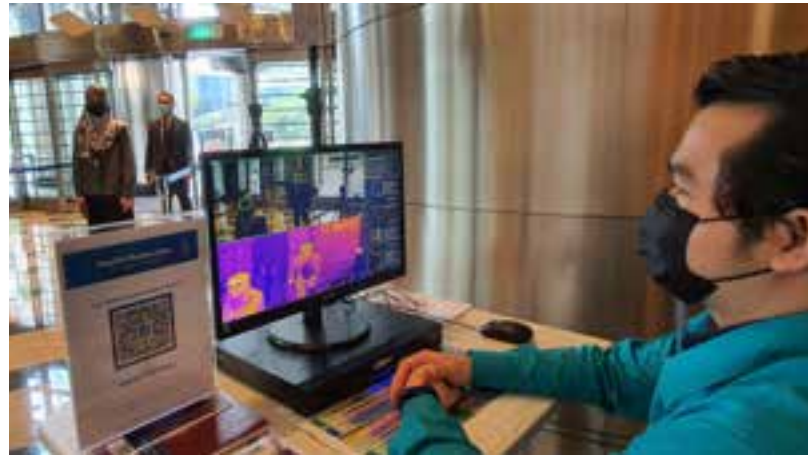
ASSET	INITIATIVES	DETAILS AND BENEFITS
PETRONAS Twin Towers Menara 3 PETRONAS Menara Dayabumi	Ensuring the health and safety of our tenants during the COVID-19 pandemic	<ul style="list-style-type: none"> Installation of thermal imaging cameras at main entrances Limiting guest accessibility into our office buildings Placement of signages to inform users the capacity protocols and social distancing policies Social distancing labels and markers placed in the lobbies, lifts, reception counters, washrooms and pantries Reconfigured shared space and meeting rooms with staggered seating

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE



Initiatives for the Year (cont'd)

ASSET	INITIATIVES	DETAILS AND BENEFITS
Suria KLCC	Supporting tenant sustainability	<ul style="list-style-type: none"> Extended various tenant assistance packages on a lease by lease basis exceeding RM90 million to ensure the retailers are able to weather the crisis, recover quickly and rebuild their loyal customer base
	Prioritising Health and Safety of Customers	<ul style="list-style-type: none"> Installed thermal scanners with facial recognition at all entrances of the mall Message on hygiene and social distancing are constantly being aired and displayed via digital screens, posters as well as custom-made signages throughout the mall Constant cleaning and sanitising of common areas and facilities with high touch points by visitors
	Regaining Shoppers' Confidence and Footfall via Aggressive Marketing and Promotional Efforts	<ul style="list-style-type: none"> Back to back promotions/campaigns as an appreciation for shoppers for their continued support, with daily cash rewards offered: <ul style="list-style-type: none"> Golden Ticket 2020 Campaign - shoppers who spent above RM150 was eligible to win RM5,000 voucher Shoppers' Surprise Initiative i.e. "Unlock A Christmas Surprise" Mega Sales Programme and "Buy Malaysian Products" Campaign in collaboration with the Government
	Reconfiguration of Anchor-to-Specialty Space	<ul style="list-style-type: none"> A strategic anchor-to-specialty reconfiguration exercise was embarked in 2019 to broaden the retail offer and introduce a diverse mix of prominent local and international brands The newly reconfigured space was launched early 2020 housing over 70 specialty stores including fashion, F&B and cosmetics
	Escalator Modernisation Project	<ul style="list-style-type: none"> This initiative which commenced in 2017 will be completed in phases to further enhance the safety of customers by the installation of higher balustrades and reliable safety features for the convenience of our shoppers Currently, work in progress for Ampang Mall escalators which is expected to be completed in 2021 and followed by the commencement of Ramlee Mall escalators

Initiatives for the Year (cont'd)

ASSET	INITIATIVES	DETAILS AND BENEFITS
MOKL Hotel	Prioritising Health and Safety of Guests	<ul style="list-style-type: none"> Temperature screening at all entrances of the hotel Health questionnaires were required to be filled by guests prior to checking-in Increased sanitisation and disinfection of all surfaces Social distancing was practiced in the meeting/function room venues for any events held Implementation of 'WeCare' programme with stringent protocols to further safeguard the comfort, health and safety of hotel guests and employees
	New Tactical Promotions	<ul style="list-style-type: none"> Weekend Staycations – A weekend package suitable for family and kids to enjoy the luxurious room, unlimited relaxation at the pool and spa, unlimited use for wellness facilities, complimentary afternoon tea and evening cocktails, access to indoor golf and outdoor tennis Suite Treat – A legendary hospitality stay at the Suite with complimentary connecting Deluxe room, early check-in and late check-out, laundry and dry-cleaning services and discounted spa treatment MOKL Limited-Time Offers - A one-week limited time offers for hotel guests to enjoy exclusive savings from tantalising meals to pampering spa treatments and luxurious stay at MOKL Hotel
	Fans of M.O. Elite	<ul style="list-style-type: none"> Fans of M.O. Elite is the evolution of Fans of M.O. membership program and its guest's hierarchy are based on RFM – recency, frequency and monetary Objective is to recognise and engage with these selected top guests where they enjoy superior benefits and receive an extensive range of complimentary privileges and personalised recognition, including Partner Benefits from global luxury brands and organisation
	Mandarin Online Shop	<ul style="list-style-type: none"> Enhanced Online Shop extending MOKL Hotel's signature dishes from its restaurants, specially curated cakes and pastries to customers This purchase service which can be delivered to doorstep or self-pick up helped boost revenue and introduced MOKL Hotel's products to non-hotel guests
	Spa and Wellness Online	<ul style="list-style-type: none"> Brought wellness to customers' doorstep and immerse them in complete relaxation at home Provided online consultation for personalised wellness advice via WhatsApp. MOKL Hotel's beauticians customised a skincare routine using renowned Biologique Recherche products, or spa therapists shares insight on aromatherapy products for body and face Offered online homecare products – recommends facial to body care essentials, with a list of MOKL Hotel's recommended spa products that are available for purchase through its Online Shop
	Festive Selections	<ul style="list-style-type: none"> Ramadan Iftar Banquet – offered a selection of specially curated Iftar menus to choose from Mid-Autumn Festival – Offered a selection of delectable mooncakes which exude Mandarin Oriental's signature fan encasing six dainty delights of choice, making them ideal for gifting to family, friends and business partners Malaysia Day Promotion - Mosaic offered a wonderful local specialties buffet spread in commemoration of Malaysia Day aptly named 'Taste of Malaysia' between 16 to 20 September 2020

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

2020 IN FOCUS

Initiatives for the Year (cont'd)

ASSET	INITIATIVES	DETAILS AND BENEFITS
MOKL Hotel (cont'd)	Digital Marketing Efforts	<ul style="list-style-type: none"> Continued marketing efforts enabling guests to identify our hotel's world class hospitality services and in driving more bookings through the hotel's brand website
North West Development (NWD) Carpark	Transformation to Fully Ticketless and Cashless Payment	<ul style="list-style-type: none"> In maintaining customers' safety by avoiding touch points and improving customers' convenience, KPM successfully transformed the NWD carpark to 100% ticketless and cashless payment

Corporate Social Investment

Being part of the society within which KLCCP Stapled Group operates, we recognise our responsibility to make a positive difference to the broad range of local communities and deliver long-term social value across our portfolios. We have come together in positive ways in times of COVID-19 to reach out to the welfare of the community despite the challenging extraordinary year. We also continue to support various stakeholder engagement activities which include environmental sustainability, health, social integration and reaching out to the underprivileged community.

INVESTED
RM1.6
million
IN COMMUNITY
INVESTMENT

Initiatives for the Year

PROGRAMME	DETAILS	IMPACT/RESULTS
Contribution in relation to COVID-19	Monetary donation to University Malaya Medical Centre for the purchase of Personal Protective Equipment (PPE) and medical equipment	<ul style="list-style-type: none"> Donation is used to acquire and combat the continuing shortage of PPE A total of RM10,000 was donated for this purpose
	MOKL Hotel appreciates COVID-19 Front Liners between 18 March to 23 April 2020	<ul style="list-style-type: none"> Distributed breakfast (milo packet drinks, curry puffs and spring rolls) daily at 8.00 a.m. to 120 police personnel and 25 medical staff at Twin Towers Medical Clinic as a sign of appreciation for their support during the Movement Control Order A total of RM10,250 was spent for this effort

Initiatives for the Year (cont'd)

PROGRAMME	DETAILS	IMPACT/RESULTS
Contribution in relation to COVID-19 (cont'd)	MOKL Hotel contributed health care essentials for Hospital Front Liners on 24 March 2020	<ul style="list-style-type: none"> Donated 60 health care essential packs with shampoo, shower gel, soap, slippers, and toothbrush kit to thank the Front Liners for their support during the pandemic A total of RM500 was spent for this contribution
	MOKL Hotel supports part-time/contract staffs with basic food supplies on a monthly basis between 8 April to mid-June 2020	<ul style="list-style-type: none"> Donated basic food supplies to struggling employees who had suffered pay cuts or other implications that have been brought about by the outbreak A total of RM4,000 was spent for this contribution
Charity/Donation Drives/Fundraising/Community Service	United Voice Art Gallery Showcase at MOKL Hotel between 1 to 4 October 2020	<ul style="list-style-type: none"> Purpose was to create public awareness of United Voice (UV) and its objective to help persons with learning disabilities UV has been empowering people with learning disabilities to take control of their lives since 2005 A total of RM7,239 was raised during the four-day showcase featuring exhibition and sales of artworks, handicrafts and baked goods created by the members of UV MOKL Hotel funded the rental of the Diamond Ballroom which costs RM80,000
	Donation to Children's Wish Society held between 2 January to 3 February 2020	<ul style="list-style-type: none"> The donation by Suria KLCC was in conjunction with Chinese New Year 2020 campaign A total of RM20,000 was raised from this campaign
	Suria KLCC collaborated with Komuniti Tukang Jahit between 2 October to 31 December 2020	<ul style="list-style-type: none"> Suria KLCC purchased hand-sewn batik-designed mask from Komuniti Tukang Jahit, a social enterprise, working for the benefit of those in the B40 segment of Malaysia Gave away complimentary 50 units of essential kits to shoppers per day, which consist of the hand-sewn reusable mask and alcohol-based sanitising wipes Priority were given to elderlies, pregnant ladies, parents with families and the disabled A total amount of RM65,450 was spent for this initiative
	Involved in Reach Out Program – donation of food to the homeless	<ul style="list-style-type: none"> Contributed 35 packets of food three times a week to the homeless around Kuala Lumpur Approximately RM36,000 was spent for this contribution
	Christmas Tree of Hope (CTOH) held throughout Dec 2020	<ul style="list-style-type: none"> Seven homes/societies participated in the CTOH with 303 children requesting for their preferred toys, clothes or educational items A total of RM43,800 was spent for this initiative and apart from the Christmas presents, the balance fund will be used for each home to improve their environment or to purchase essential food items. The homes/societies which were covered include: <ul style="list-style-type: none"> - Agathians Shelter - Rumah Ozanam - Pusat Jagaan Siddharthan - National Autism Society of Malaysia - Rumah Charis - Ruman Keluarga Kami - Ti-Ratana Welfare Society
Contribution to the Police Administrative and Civilian Staff Union	<ul style="list-style-type: none"> To support the Police's Crime Prevention Campaign and contribute to the Union's Education and Welfare Fund Helped foster goodwill and the social wellbeing of our communities A total of RM7,500 was spent for this contribution 	

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

PEACE

EMBODYING GOOD GOVERNANCE

Corporate governance defines a company's commitment to values and ethical business conduct. Good corporate governance serves to enhance the effective deployment of capital and ultimately contributes towards growth and positive sustainable performance.

MATERIAL MATTERS

- Corporate Governance and Business Ethics
- Risk and Crisis Management

MAPPED TO OUR CAPITALS

K

RELATED PRINCIPAL RISKS

- Market
- Finance
- Asset Management
- Security



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KLCCP Stapled Group is subject to corporate governance requirements set out by the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad and best practices as stipulated by the Malaysian Code of Corporate Governance (MCCG) issued by the Securities Commission Malaysia. With greater accountability and transparency, KLCCP Stapled Group strives to strengthen its corporate governance, anchoring it to its organisational culture and aligning it to our shared values that will ultimately secure the confidence and support of the Group's holders of Stapled Securities

KLCCP Stapled Group is also fully resolved and committed to employing the principles of integrity, transparency and professionalism to ensure the Group's continued progress and sustainability and in safeguarding our integrity values and shareholders' interest. This commitment was further reinforced with the implementation of the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 which came into force on 1 June 2020 and in support the National Anti-Corruption Plan (2019 – 2030).

Our Approach

At KLCCP Stapled Group, corporate governance practices are more than just compliance. It is our corporate culture encompassing values, attitude and behaviour that we

embrace in all areas of conduct and it forms a foundation for our organisation's success. We take a proactive approach in observing high standards of corporate conduct with good corporate governance policies and practices in ensuring the reputation of the organisation and safeguarding the interests of the holders of Stapled Securities and maximising long-term stakeholder value.

Our commitment to good corporate governance is reflected in the CoBE which guides the organisation in fulfilling its business obligations with utmost integrity and transparency. Our commitment in driving the culture of openness, transparency and accountability are reflected through our adoption of the No Gift Policy and Whistleblowing Policy and our adherence to the Anti-Bribery and Corruption Policy and Guidelines (ABC Manual).

Our continuous effort in managing integrity risk within the organisation reflects our commitment to conduct business responsibly in support of the Group's zero tolerance to bribery and corruption.

In managing the risk, the Group has a robust KLCC Resiliency Model which provides an integrated view on the overall strategy for managing risk, focusing on three key areas - Enterprise Risk Management, Crisis Management and Business Continuity Management.

FOCUS FOR THE YEAR

- Balance gender representation in Board membership of KLCCP and KLCCRM
- Independent expert evaluation of Boards Committees for KLCCP and KLCCRM
- Establishment of Non-Executive Directors Remuneration Framework
- Voting in absentia for remote participation in Annual General Meetings (AGMs)
- AMBS ISO 37001:2016 certification for KLCCP, KLCCUH, KLCCRM and KPM
- Integrated assurance exercise on risks and controls for KLCCP Stapled Group



CORPORATE GOVERNANCE AND BUSINESS ETHICS

KLCCP Stapled Group implements good corporate governance that promotes openness and transparency in all aspects of our business, addressing the risk of corruption and bribery, misconducts and conflict of interests.

Initiatives for the Year

- Corporate Governance**
 - Achieved 43% representation of women directors on the Boards of KLCCP and KLCCRM
 - Conducted the onboarding programme for two newly appointed Directors. Company Secretary provided assistance in Directors' training and development, and to facilitate the onboarding programme for the newly appointed Directors
 - The Boards discussed and revisited the business strategies for the KLCC investment portfolio during COVID-19 to ensure business continuity of the Group
- Remuneration**
 - KLCCP established Non-Executive Directors Remuneration framework which is made available on our corporate website
- Business Ethics and Transparency**
 - Rolled out CoBE awareness programmes to all new employees. In addition, refresher programmes on PETRONAS Anti-Bribery and Corruption Policy and Guidelines (ABC Manual) for all existing employees were conducted
 - Establishment of KLCCP Stapled Group's Policy Statement on Anti-Bribery and Corruption with zero tolerance to any form of bribery and corruption culture. On 11 December 2020, KLCCP, KLCCRM, KLCCUH and KPM attained the ABMS ISO 37001:2016 certification

To read more, refer to pages 156 to 163 on Corporate Governance Overview Statement in the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

Anti-Bribery Management Systems

KLCCP Stapled Group's continuous effort in managing integrity risk within the organisation reflects our commitment to conduct business with high integrity and in support of the Group's zero tolerance against all forms of bribery and corruption. During the year, we embarked on implementing the Anti-Bribery Management Systems (ABMS) to strengthen corporate governance particularly in addressing bribery and corruption issues and concerns on Section 17A of the MACC Act towards attaining ABMS ISO 37001:2016 certification.

Initiatives for the Year

- Rolled out Policy Statement on Anti-Bribery and Corruption on 11 August 2020
- Conducted groupwide awareness session and programme on corporate liability (Section 17A of the MACC Act), Anti-Bribery and Corruption and Code of Conduct and Business Ethics
- Completed groupwide Internal and external audit exercises towards attaining ABMS ISO 37001:2016 certification
- Know Your Customer (KYC) Form included in Invitation To Bid (ITB) document which is to be completed by vendors. Prior to engaging a third party to perform work or services on behalf of the Group, third party due diligent must be conducted to understand the business and background of our prospective business counter parties to ensure they subscribe to the same values and ethical standards of integrity in the conduct of their business. This requirement was effective June 2020.

RISK AND CRISIS MANAGEMENT

Risk management is an integral part of KLCCP Stapled Group's business at both strategic and operational levels. KLCCP Stapled Group has an established Enterprise Risk Management Governance Framework which outlines the risk policy, risk governance and structure, risk measurement and risk operations and system.

Our Risk Management Oversight Structure comprise the Boards, Audit Committee (ACs), Risk Management Committee (RMC) and the top Management. The structure is used to assign responsibility for risk management and facilitates the process for assessing and communicating risk issues from operational levels to the Boards.

KLCCP Stapled Group has developed a robust KLCC Resiliency Model to provide an integrated view on the overall strategy for managing risk focusing on three key areas:



Enterprise Risk Management

KLCCP Stapled Group's Enterprise Risk Management (ERM) Framework is a structured and holistic approach to identify, assess, treat and monitor risk aimed to reduce the likelihood and impact of all identified risks to enhance ability to achieve strategic objectives. It sets out the six key elements comprising Governance, Context Setting, Risk Assessment, Risk treatment, Risk Monitoring and Review and Continual Improvement which enable KLCCP Stapled Group to manage risks in an integrated, systematic and consistent manner.

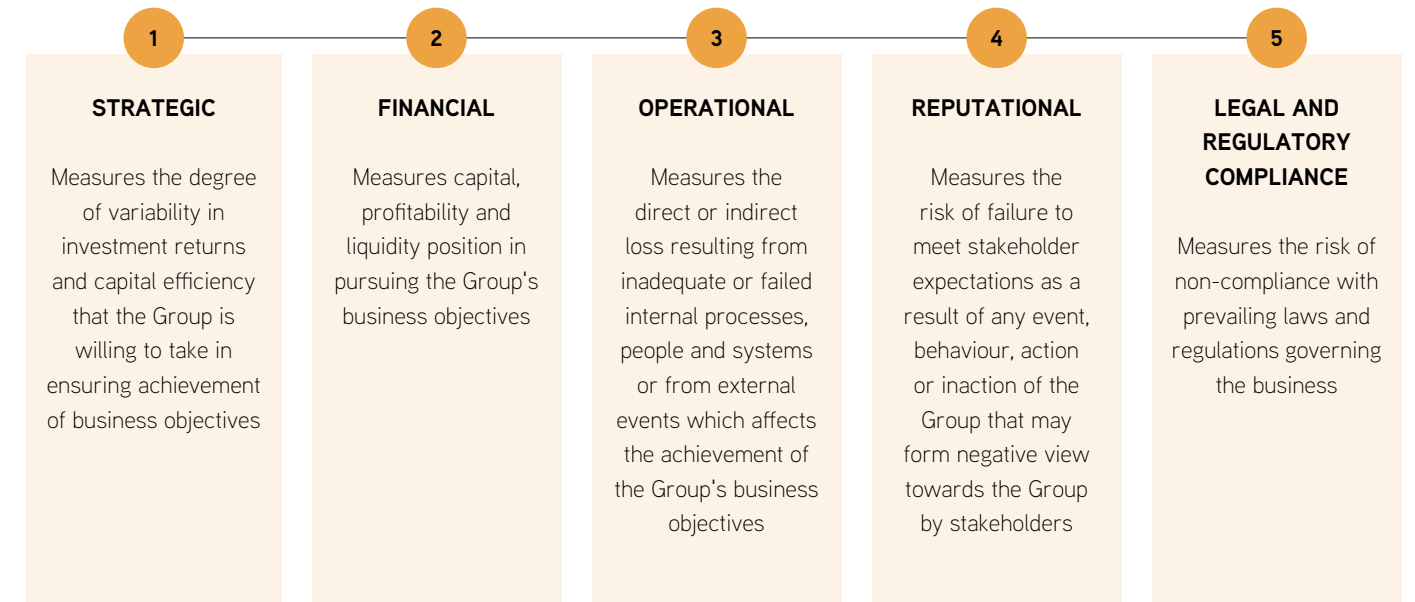
The framework provides a standard and consistent approach across KLCCP Stapled Group in achieving the following key attributes in risk management:

- Full accountability in managing risk at respective entity
- Application of risk management in decision making
- Continuous communication with internal and external stakeholders, including comprehensive and frequent reporting on risk management performance
- Risk management as part of organisation's management processes and culture in achieving the organisation's objective.

Risk assessment is carried out prior to any decision point using the risk assessment guideline which is aligned to ISO 31000. This is to provide a balanced view for informed decision making through richer risk conversations and considerations of risk reward trade-off.

During the year, the Group Risk Management Department reviewed the Risk Appetite to provide comprehensiveness to the current risk appetite statements in ensuring the financial and non-financial risk exposure and type of risk to be pursued or retained by KLCCP Stapled Group in achieving its strategic objectives are properly defined. The risk appetite statement, risk tolerances and risk threshold are reviewed and presented to the RMC, AC and the KLCCP and KLCCRM Boards.

The risk appetite covers five main areas:



Annually, the Group Risk Management Department also coordinates the group-wide Risk Profiling exercise that requires business and corporate executive leaders to proactively identify, assess and document material risks and the corresponding key controls and mitigating measures needed to address them. Material risks and their associated controls are consolidated and reviewed at KLCCP Stapled Group level before they are presented to the Risk Committee, Audit Committee and the KLCCP and KLCCRM Boards.

KLCCP Stapled Group utilises the INTERISK system as a risk tool to effectively manage and monitor risk profiles. It embeds the industry standard risk management process of ISO 31000. The INTERISK system drives active risk conversation/analysis monitoring through a dashboard, reinforces effective risk governance and assurance practices and provides a seamless flow of information and processes along the risk management value chain.

During the year, Group Risk Management Department facilitated and coordinated the group-wide Risk Profiling exercise to review the principal risk and ascertain their relevant and potential impact from the COVID-19 pandemic to safeguard KLCCP Stapled Group's investment and key business activities and to ensure the precaution and mitigation measures are implemented.

Crisis Management

KLCCP Stapled Group has in place a comprehensive set of processes aims to prepare the organisation to respond and manage crisis in the risk areas to protect and save people, environment, assets and reputation. A Crisis Management Plan (CMP) is in place to address and respond to incidents where risk mitigation fails or when full prevention of the risk occurring is unlikely. The CMP addressed the following credible scenario in the area of HSE; Finance; Human Resources; ICT; Legal and Governance in managing crisis.

The plan include the objective and scope of emergency/crisis management plan; emergency/crisis team structure with roles and responsibilities; activation thresholds and procedures; communication process with updated contact numbers and integration with relevant parties (i.e. government authorities and relevant stakeholders); strategies and actions for responding pre, during and post emergency/crisis; escalation process for escalating relevant emergency/crisis information to potential impacted parties within KLCCP Stapled Group and resource requirement during emergency/crisis.

Business Continuity Management

A Business Continuity Plan (BCP) for KLCCP Stapled Group was established to cover the failure of ICT, business supply chain, assets and people. The BCP aims to provide guidance in resuming key business functions in the event the CMP fails to contain the incident and it escalates into a prolonged disaster that has a major or catastrophic impact on the business in terms of financial, operation and reputation.

The review of BCP where Business Impact Analysis (BIA) was carried out to ensure the critical business functions is identified, assessment of the impact of unavailability of the functions over time, setting prioritised timeframes for resuming these functions and specifying Minimum Resources Requirements (e.g. people, equipment, assets, facilities, technology, vital record, interdependencies) to be allocated to recover and resume these functions following prolonged business disruption.

The BIA is conducted annually for all Business Unit (BU) and Operating Units (OPUs) in compliance to Business Continuity Management (BCM) framework. The updated BIA and BCP were presented to Risk Committee and the Approving Authority.

To read more on Institutionalising Integrity Culture, refer to pages 34 to 35 of the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

Initiatives for the Year

Enterprise Risk Management	<ul style="list-style-type: none"> Reviewed the Risk Appetite to provide comprehensiveness to the current risk appetite statements in ensuring the financial and non-financial risk exposure and type of risk to be pursued or retained by KLCCP Stapled Group in achieving its strategic objectives are properly defined. The risk appetite statement, risk tolerances and risk threshold are reviewed and presented to the Risk Management Committee, Audit Committee and the KLCC Property Holdings Berhad and KLCC REIT Management Sdn Bhd Boards
Crisis Management	<ul style="list-style-type: none"> Conducted briefing on Fire and Life Safety programme for floor safety managers and tenants and tabletop exercise to test the scenario on breach of contract by major service providers (contractors) under the scope of Facility Management. Both exercises are to ensure the readiness and effectiveness of the communication process and the recovery action plan in responding to the crisis
Business Continuity Management	<ul style="list-style-type: none"> A Call Tree Verification exercise was conducted via the Emergency Notification System (ENS) through INTERISK system to ensure effectiveness of communication on continuity of BCP activation message from BCM coordinator to the critical business function staff during crisis <p>The BCP was activated upon implementation of Movement Control Order (MCO) period from 18 March 2020 until 14 June 2020 where KLCCP Stapled Group was able to continue its key business function as per the recovery plan</p> <p>Ensure all vendors (including suppliers and service providers) are prepared on the measurement to be taken in managing the impact of COVID-19 pandemic in order to provide continuous support to our business operation without disruption</p>

To read more, refer to pages 172 to 175 on Statement on Risk Management and Internal Control in the KLCCP Stapled Group's Integrated Annual Report 2020 at https://www.klcc.com.my/investor-relations/annual_report.html



Integrated Assurance

The design and implementation of effective risk management and internal control system is important in assuring a level of confidence on the adequacy and effectiveness of the KLCCP Stapled Group's control systems which is also aligned with the Malaysian Code of Corporate Governance (MCCG) 2017 principle.

During the year, KLCCP Stapled Group undertook the Integrated Assurance exercise to provide overall reasonable level of confidence to the Group's Management that risks and controls within the Group were being adequately, effectively and safely managed.

The Key characteristics of Integrated Assurance are:

It promotes risk management and its assurance as an integrated process	It provides an overall view of risk assurance	It is based on a Methodical process
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INTEGRATED ASSURANCE	
SYSTEM AND PROCESSES	ACCOUNTABILITY AND OVERSIGHT
<ol style="list-style-type: none"> <li style="margin-bottom: 10px;">1 A single and standardised assurance process for KLCC Groupwide based on Corporate Driven and Self-Assurance Philosophy <li style="margin-bottom: 10px;">2 Introduction of three lines of Assurance for demarcated functions of assurance at organisation levels 3 Integrated planning for Corporate and Self-Assurance driven programs 	 <p style="margin-top: 10px;">Strengthen Line of Sights for Assurance reporting and oversight with clear roles and responsibilities for better empowerment and Self-Assurance.</p>
COMPETENCY	
Specific assurance capability and competency for assurance implementation.	
DIGITAL SYSTEM	
 <p style="margin-top: 10px;">Real time monitoring through intelligent assurance digital platform via myASSURANCE for transparency and timely reporting.</p>	

SUSTAINABILITY PERFORMANCE DATA

ECONOMIC

	2020	2019	2018	2017	2016
Dividend (RM'mil)	541.6	686.0	668.0	652.6	643.3
Taxes (RM'mil)	72.1	102.9	104.5	104.0	103.2
Revenue (RM'bil)	1.2	1.42	1.41	1.37	1.34
Infrastructure Maintenance (RM'000)	1,359	1,575	1,647	716	1,238

ENVIRONMENTAL

Energy Consumption (kWh) ('000)	2020	2019	2018	2017	2016
Office and Car Park	69,865	74,720	88,044	82,900	95,426
Retail	11,153	12,300	14,293	14,851	15,791
Hotel	7,513	13,280	13,621	14,141	13,541
Total Energy Used	88,531	100,300	115,958	111,892	124,758
Energy Intensity (kWh/m ²)					
PETRONAS Twin Towers (Tower 1)	115	124	130	-	-
PETRONAS Twin Towers (Tower 2)	96	147	143	-	-
Menara 3 PETRONAS	156	99	148	-	-
Menara Dayabumi	97	119	143	-	-
Menara ExxonMobil	96	264	265	-	-
Suria KLCC	31	199	196	-	-
MOKL Hotel	247	147	151	-	-
GHG Emission (mtCO ₂ e)					
Scope 1					
Office and Car Park	11.00	4.45	4.66	9.63	5.47
Retail	1,512	1,692	1,635	1,573	1,540
Hotel	1,139	2,142	1,192	1,913	1,925
Total Scope 1 Emission	2,662	3,838	2,832	3,496	3,471
Scope 2					
Office and Car Park	71,015	67,614	82,667	87,078	90,214
Retail	24,577	22,931	27,141	27,462	33,103
Hotel	7,622	16,086	16,583	18,003	17,511
Total Scope 2 Emission	103,214	106,631	126,391	132,543	140,828
Total (Scope 1 and Scope 2 Emission)	105,876	110,469	129,223	136,039	144,299
Energy Generated from Solar (kWh)					
Retail	473,978	511,695	512,257	510,000	553,093
Water Used (m ³)					
Office and Car Park	455,868	624,503	589,491	591,444	646,355
Retail	374,311	405,000	497,347	569,490	607,715
Hotel	117,549	154,948	154,530	169,103	181,678
Total Water Used	947,728	1,184,451	1,241,368	1,330,037	1,435,748
Waste Management					
Hazardous Waste Generated (metric tonnes)					
Office and Car Park	78.64	3.449	9.88	9.133	2.173
Retail	0.26	0.937	0.755	0.920	-
Hotel	0.198	2.220	0.50	0.746	0.903

ENVIRONMENTAL

Waste Management	2020	2019	2018	2017	2016
Hazardous Waste Disposed (metric tonnes)					
Office and Car Park	2.36	2.860	9.88	10.284	1.750
Retail	-	0.557	0.970	0.920	-
Hotel	0.198	2.219	0.50	0.970	0.903
Waste Intensity (kg per room)					
Hotel	0.81	1.30	2.35	3.80	4.70
Waste Diversion (%)					
Hotel	60.66	63.00	25.76	23.13	22.39
Waste Recycled (tonnes)					
Retail	1,407	4,227	4,232	3,819	299,700

Note: The change in some data is due to the standardisation of calculation method

SOCIAL

Our People	2020	2019	2018	2017	2016
Workforce by Age Group					
Below 30	222	353	362	358	337
30 - 39	318	346	343	363	353
40 - 49	268	273	281	280	266
50 - 59	156	155	136	131	126
60 above	10	3	4	7	6
Total workforce	974	1,130	1,126	1,139	1,088
Workforce by Gender					
Male	596	707	699	700	684
Female	378	423	427	439	404
Employee Position and Gender Profile					
Top Management : Male	12	11	12	20	27
Female	4	2	2	6	18
Senior Management : Male	148	153	151	151	151
Female	111	121	122	115	124
Other Levels : Male	436	543	536	529	506
Female	263	300	303	318	262
Workforce by Ethnicity					
Malay	716	821	822	797	750
Chinese	148	170	169	185	182
Indian	59	72	68	86	81
Others	51	67	67	71	75
Health and Safety					
Number of Fatalities	0	0	0	0	0
Loss Time Injury (LTI) Incidents	1	7	5	9	4
Loss Time Injury Frequency (LTIF)	0.13	0.78	0.47	1.19	0.46
Loss of Primary Containment (LOPC)	0	0	0	0	0
Potential Incident/Near Miss (PI/NM)	1,662	1,805	2,245	528	21

SUSTAINABILITY BENCHMARKS, CERTIFICATIONS AND AWARDS

Sustainability Benchmarks	2020	2019	2018	2017	2016
FTSE4Good Bursa Malaysia Index	Re-listed	Excluded	Constituent until December 2018		
FTSE4Good Emerging Index	Re-listed	Excluded	Listed since 2016		

SUSTAINABILITY PERFORMANCE DATA

SUSTAINABILITY BENCHMARKS AND CERTIFICATIONS

Sustainability Certifications	2020	2019	2018	2017	2016	2015	2014
KLCC Property Holdings Berhad							
ABMS ISO 37001:2016 (Anti-Bribery Management System)	Achieved in 2020. Valid until December 2023						
KLCC Urusharta Sdn Bhd							
Green Building Index PETRONAS Twin Towers		GBI Gold Rating					
Green Building Index Menara 3 PETRONAS		GBI Silver Rating					
ISO 37001:2016 (Anti-Bribery Management System)	Achieved in 2020. Valid until November 2023						
ABMS ISO 18788:2015 (Private Security Operations Management System) Certified by SIRIM	Achieved in 2019, recertification in 2022						
ISO 14001:2015 (Environmental Management System)	Achieved since 2014, (latest recertification in 2020. Valid until 22 July 2023)						
ISO 9001:2015 (Quality Management System)	Achieved since 2005, (latest recertification in 2020. Valid until April 2023)						
ISO 45001:2018 (Occupational Health and Safety Management System)	Achieved since 2014, (latest recertification in 2020. Valid until September 2021)						
Mandarin Oriental, Kuala Lumpur							
ISO 14001:2015 (Environmental Management System)	Achieved since 2003, (latest recertification in 2018. Valid until October 2021)						
ISO 22000:2005 (Food Safety Management Systems)	Achieved since 2008, (latest recertification in 2018. Valid until June 2021)						
OHSAS 18001:2007/ISO 45001:2018 (Occupational Health and Safety Management System)	Achieved since 2014, (latest recertification in 2020. Valid until October 2021)						
KLCC Parking Management							
ABMS ISO 37001:2016 (Anti-Bribery Management System)	Achieved in 2020. Valid until November 2023						
ISO 14001:2015 (Environmental Management System)	Achieved in 2016, (latest recertification in 2019. Valid until August 2022)						
ISO 9001:2015 (Quality Management System)	Achieved in 2016, (latest recertification in 2019. Valid until August 2022)						
ISO 45001:2018 (Occupational Health and Safety Management System)	Achieved in 2016, (latest recertification in 2019. Valid until October 2022)						

KLCC PROPERTY HOLDINGS BERHAD

200401003073 (641576-U)

KLCC REAL ESTATE INVESTMENT TRUST